
Cash Flow Planning

When your outflows are greater than your income, your upkeep will be your downfall!

When developing a cash flow plan, there is a clear process that should be undertaken to ensure that the cash flow is being applied in accordance with the family needs and objectives. Both long-term for retirement and estate

planning, as well as the shorter and medium term quality of life concerns should be considered. These include the daily needs, income protection and replacement and children's education, family vacations, recreational property and "toys".

Assessment

Summarize current cash flow commitments within the reality of changing financial circumstances and the existing action plans.

The process begins with an assessment of current assets and liabilities, sources of cash flow, and then consideration of their certain and/or probable continuity. This assessment will include cash flows from salary and benefits, business income, investment income and pensions and entitlements. In addition we will analyze current cash commitments and future obligations and determine the degree of cash flow security and surplus cash availability. These will be mapped using the Investaflex structure diagram methodology, creating a visual communication tool.

Values

Review current financial priorities within the reality of the current financial circumstances.

Since change is constant but not predictable it is important to regularly review financial priorities as they impact our selves, our families and our communities. Attitudes towards personal and business risk, charitable gifting, taxation, family financial responsibility, and our own financial security may be impacted by personal changes in relationships or health, or the arrival of children and grandchildren which may require major shifts in our planning priorities.

Purpose

Determine the vision and purpose of the financial resources in meeting personal and family objectives.

Having completed this review of priorities it is possible to create a Financial Vision or Purpose Statement with summary objectives as a foundation for setting specific goals within target time horizons. This Purpose Statement is important to your financial advisers and it helps them to understand the importance of the goals that follow.



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Goals

Define/refine specific goals which are quantifiable in both financial and time parameters and which are realistic and attainable.

With the big picture defined, it is possible to focus on the detailed goals which support the vision. For goals to be effective they need to be clearly defined and quantifiable both in financial and time parameters. They must also be realistic and attainable, otherwise they will result in unnecessary financial or personal risk, and will be the root of conflicts resulting from the gap between expectations and performance. The cash flow plan needs to be supported by financial projections in order for the medium and long term expectations to be met. At Investaflex we have developed proprietary software tools to model all of the complexities and interactions that can be considered within today's complex tax and financial environments. These tools allow us to compare planning options and determine both the immediate and long-term cost benefit advantages of each of these options. The result is the development of carefully considered recommendations to enable our clients to make informed decisions. The inherent complexities are effectively communicated using the structure diagram methodology, empowering the clients to make informed decisions with a true understanding, and less dependent solely upon the opinion of their advisers.

Actions

Develop/refine an action plan to fulfill the vision and purpose by executing the goals within the financial and time parameters.

A comprehensive financial plan will consider all of the aspects associated with fulfilling vision and objectives, as defined in this process. Depending upon the complexity of existing financial structures, investment and property holdings, insurance needs and family circumstances the cash flow plan will summarize the impact of other detailed components including incapacity plan, estate plan, tax structure plan, investment plan and financial succession and philanthropy plan. As circumstances demand, it will be important for multiple advisors to share their expertise and be able to effectively communicate the recommendations with other advisors and their client.

Teamwork

The more effective the collaboration and the communication between advisers and their clients, the greater the likelihood of optimizing the benefits for the clients.

The Investaflex Team excels in working with other professionals and has an unmatched record of developing professional understanding and communication with accountants, business valuers, lawyers, business consultants and behavioral specialists through the FAN Program and the FAN Family Office. This experience and expertise provides clients the confidence necessary to focus on their core business or personal priorities. Trusting the Investaflex Team and other professional advisors to assist them to manage their assets and cash flows, clients are able to meet their objectives and family purpose.

