

\$\$\$ Money Matters Worksheet

At your local bank, set up these 2 accounts:

Account #1 Reorder account 60% of your retail sales gets deposited into this account.

Request a Checking Account with a debit card. (Be sure that your bank doesn't restrict the amount that you can use from this account with your debit card as you'll be using this money to place your orders) You will NOT need checks for this account.

Account #2 Profit account 40% of your retail sales gets deposited into this account . Request a checking account with a debit card and checks.

Account #1 is the account that you will use to REORDER the products that you've sold from your inventory. You will also use this account to order samples and sales aids (not more than 5% of this money should be used for samples and sales aids). You'll also pay for your retail sales tax and shipping from this account. Your orders can be done on line at www.marykayintouch.com every day, 24/7 except on the last day of the month. Check with your director for details on the last day of the month ordering guidelines.

Account #2 is your 40% PROFIT account. This account you will pay for your **loan payment**, preferred customer program enrollment, business incidentals, and **YOUR paycheck!** Be sure to spend wisely so that you pay yourself a maximum profit!

EXAMPLE:

Starting inventory: \$2,400

This consultant is beginning at the Lowest Profit Level (Profit level is where she pays herself 40% from her retail sales)

Month 1– Retail Product Sales = \$1,000

At the end of month 1 she goes to the bank and splits ALL her MK retail sales money 60/40

60% = \$600 (60% of \$1,000 sold)

40% = \$400 (40% of \$1,000 sold)

Starting Inventory	\$2,400
Less wholesale product sold	<u>\$500 w/s = \$1,000 retail</u>
	= \$1,900 w/s products remains

(The wholesale amount left on her shelf) \$1,900

PLUS wholesale product ordered +500 \$500

ENDING INVENTORY for month 1 \$2,400 w/s

REORDER ACCOUNT

Special account 1 (60%)
for reordering products.

\$600 Deposit
Less \$500 wholesale product
order (to replace product sold
this month)

Less tax of approximately \$88
Less \$12 in samples

PROFIT ACCOUNT

Special account 2 (40%)
Paycheck account.

\$400 Deposit
Less \$100 loan payment
= **\$300 Profit to YOU!**

When you do this plan every month, you will never suffer from the pain of mismanaging your money!

Bottom Line: Starting with a Profit Level inventory, and using the banks money, will allow you a CASH FLOW. Enjoy the journey of paying yourself a Paycheck from your profit account.