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Small Business · Book 4

Small Business Money Basics

Price for profit, keep simple records, watch your cash, keep business money apart and pay your taxes on time

Total beginner · ages 18 and up

About 85 minutes

10 chapters with quizzes

Free

Busy is good. Knowing your numbers is better. Let's make every peso work for your business!



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Small Business Money Basics

Price for profit, keep simple records, watch your cash, keep business money apart and pay your taxes on time
Small Business, Book 4 · First edition, November 2026

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What you will learn

- Why a busy store can still run out of money
- How to set a price that pays for everything — including you
- How to keep a simple daily record of money in and money out
- How to read your cash flow and build a cash cushion
- How to keep business money apart, pay yourself and borrow safely
- The basics of BIR taxes for small sellers, with a 14-day plan

This is **Book 4**, the last book of the **Small Business** series. It shows you how to handle the money side of your business — prices, records, cash and taxes — in small, simple steps.

Our honest promise

This book will not make you rich, and it can't promise any profit. It helps you start from zero, understand your numbers and avoid common money mistakes. It is general information, not legal, tax or financial advice. Rules change, so check with the BIR and other official offices, or a licensed accountant. All names and amounts in the examples are made up.

Age note

This series is for adults 18 and up, because registering and running a business usually needs an adult. Younger readers who help in a family store can still learn and practice the exercises.

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What you need

Item	Why
A notebook and pen (or a phone sheet)	To write money in and money out every day
Your receipts and supplier lists	To find your real costs
A calculator	To check prices and totals
About 20–30 minutes a day for 2 weeks	To build one money habit at a time

How to use this book

1. **Read one chapter a day**
   Use your own business numbers in the exercise.

2. **Write everything down**
   Money you don't write down is money you can't see.

3. **Check your learning**
   Every chapter ends with key takeaways, 3 quiz questions with answers, and a practice task.

BUSINESS MONEY IN ONE LINE

```
Price for profit + write every peso + watch your cash + keep it apart + pay taxes on time
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WHAT'S NEXT Your Next Learning Path

EXTRA Free ToolsKo Tools for This Book

EXTRA Words to Know (Glossary)

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CHAPTER 1

Why Money Basics Matter

Many small stores are busy all day and still have no money at the end of the month. Money basics show you why — and how to fix it.

A long line of customers feels great. But a business can sell a lot and still lose money if the prices are too low, if costs are not counted, or if sales money is spent on other things. The good news: you don't need to be good at math. You need a few simple habits.

New word: sales

Sales (also called revenue) is all the money customers pay you. It is like the water that pours into a basin. But some water leaks out through holes — those holes are your costs.

New word: profit

Profit is the money left after you pay all your costs. Profit = sales − costs. It is the water still in the basin after the leaks. A business lives on profit, not on sales.

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Business money myths

PICTURE 1 **Business money myths vs truths**

MYTH

What people think

- "Many customers means I'm earning."
- "I'll remember my costs — no need to write."
- "Business money and family money are the same."
- "Taxes are only for big companies."

TRUTH

What's really true

- Profit, not sales, keeps you open
- Written records show the real story
- Keep them apart and pay yourself a salary
- Small sellers have simple tax options too

Being busy is not the same as earning. Simple habits show you where every peso goes.

The big idea of this book

Price for profit, write every peso down, watch your cash, keep business money apart, and pay taxes on time. Do these five things and your business can grow steadily.

A real-world example

Nena runs a small carinderia. She sells about **₱3,000** a day and feels successful. But when she wrote down her costs, they were about **₱2,600** a day. Her real profit was only **₱400** a day — about **₱10,400** in 26 working days, not ₱78,000. She was also using sales money for family bills, so she often had no cash to buy ingredients. Once she saw the real numbers, she raised two prices a little and kept her business cash in its own box.

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QUICK RECAP

Sales is all the money customers pay you. Profit is what is left after all costs: profit = sales − costs. A busy store can still run out of money. Big idea: price for profit, write every peso down, watch your cash, keep business money apart, and pay taxes on time.

TRY IT NOW

Guess, then check

1. Guess how much profit your business makes in a day.
2. Write today's sales and every cost you paid today.
3. Compute sales − costs and compare it with your guess.

Key takeaways

- Sales is not the same as profit.
- Profit = sales − costs.
- Busy does not always mean earning.
- Big idea: price, write, watch, apart, taxes.

Quiz: 3 quick questions

1. What is profit?

A Money left after paying all costs
B All the money customers pay
C The money in your wallet

2. Nena sells ₱3,000 and her costs are ₱2,600. What is her profit?

A ₱400
B ₱3,000
C ₱5,600

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3. Which is true?

A A busy store can still lose money

B More customers always means more profit

C Only big companies need records

Answers

1. **A. Money left after paying all costs** — Profit = sales − costs.
2. **A. ₱400** — ₱3,000 − ₱2,600 = ₱400.
3. **A. A busy store can still lose money** — Low prices, uncounted costs or mixed money can eat the profit.

PRACTICE TASK

Your money promise

Write one sentence: “From today, I will write down every sale and every cost, and I will keep business money ___.” Post it near your cash box.

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CHAPTER 2

Beginner Basics: Money Words and Where a Peso Goes

A few money words make the rest of this book easy. Learn them once, using your own store as the example.

Money words you will use

Word	What it means	Example
Capital	Money you put in to start or grow	₱10,000 for a cart and first supplies
Direct cost	What one item costs to make or buy	₱10 for one banana cue
Fixed cost	A bill you pay even on slow days	Stall rent, gas tank, phone load
Gross profit	Price minus direct cost	₱20 − ₱10 = ₱10
Net profit	What's left after ALL costs	After rent, gas and your pay
Inventory	Goods you have in stock to sell	50 bottles of soft drinks
Cash flow	Money coming in and going out over time	Weekly sales in, supplier bills out
Receivable (utang)	Money customers still owe you	A suki's listahan of ₱300

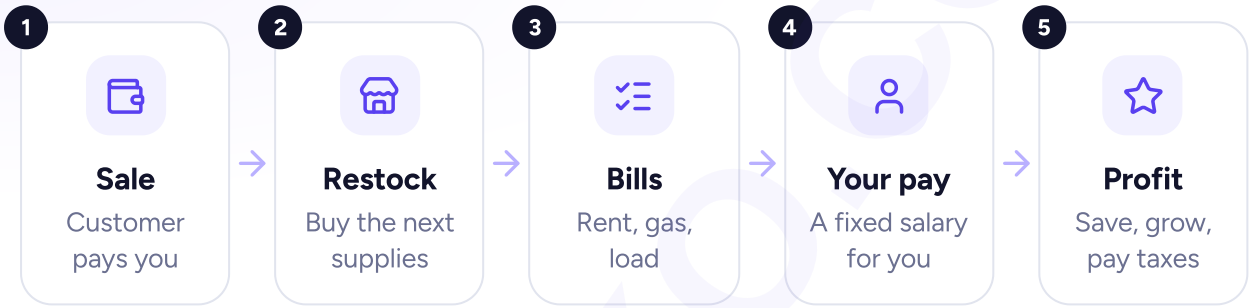
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New phrase: fixed cost

A **fixed cost** is a bill that stays the same whether you sell a lot or a little — like stall rent. Think of it like a jeepney's boundary: the driver must pay it every day, busy or not, so he needs enough passengers to cover it first.

Where one peso of sales goes

PICTURE 2 **The path of a peso**



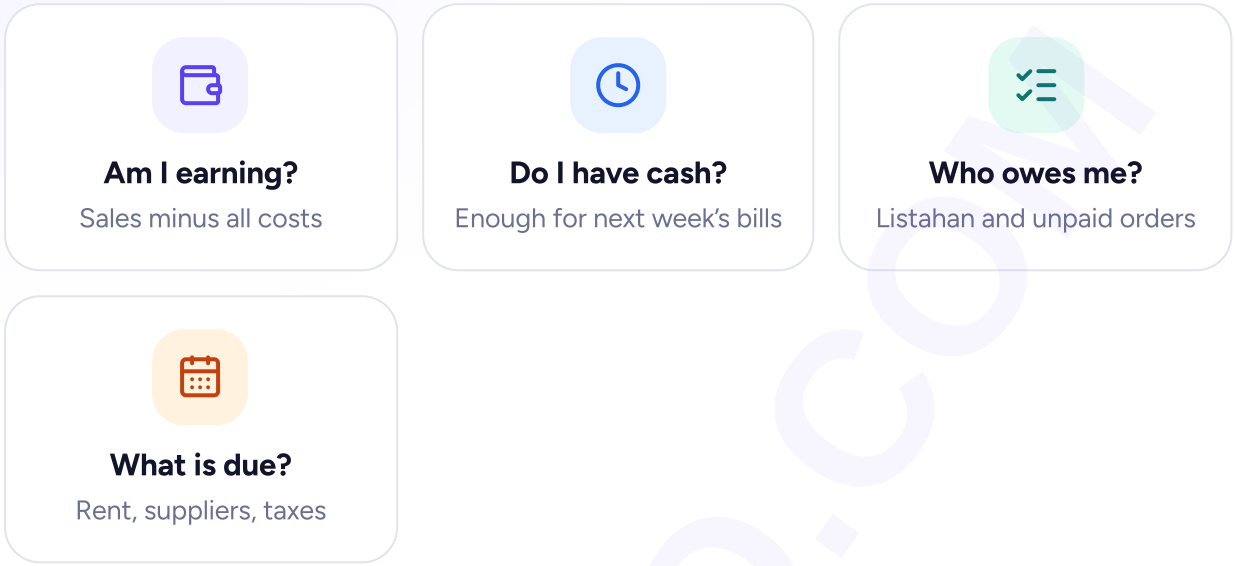
Each peso of sales has jobs to do. Restock and bills come first, then your pay, and what is left is real profit.

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Four money questions to ask every week

PICTURE 3 **Four weekly money questions**



Answer these four every week and money surprises become rare.

Profit and cash are different

You can earn a profit on paper and still have no cash — for example, if many suki buy on utang. That is why this book teaches both: profit (Lesson 1) and cash flow (Lesson 3).

QUICK RECAP

Capital is money you put in. A direct cost is what one item costs; a fixed cost is a bill you pay even on slow days. Gross profit = price − direct cost; net profit is what's left after all costs. Inventory is your stock; cash flow is money in and out over time; a receivable is money customers still owe you. Each peso of sales pays restock, bills and your pay before it becomes profit.

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TRY IT NOW

Sort your costs

1. List everything you paid for last week.
2. Mark each one D (direct cost) or F (fixed cost).
3. Add up each group.

Key takeaways

- Direct costs follow each item; fixed costs don't.
- Gross profit = price − direct cost.
- Net profit is after all costs.
- Profit and cash are not the same.

Quiz: 3 quick questions

1. Which is a fixed cost?

A Monthly stall rent
B Bananas for each banana cue
C Plastic cups for each drink

2. Price ₱20, direct cost ₱10. What is the gross profit?

A ₱10
B ₱30
C ₱20

3. What is a receivable?

A Money customers still owe you
B Money you owe the supplier
C Your savings

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Answers

1. **A. Monthly stall rent** — Rent stays the same even on slow days.
2. **A. ₱10** — ₱20 - ₱10 = ₱10.
3. **A. Money customers still owe you** — A listahan is a receivable — cash you haven't received yet.

PRACTICE TASK

Your money word card

Make a small card with five words: direct cost, fixed cost, gross profit, net profit and cash flow. Write one example from your own business for each. Keep it in your cash box.

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CHAPTER 3 · LESSON 1

Price for Profit

Your price must pay for the item, your bills and your own work — and leave a little extra. Here is how to build it.

The P-E-R-A recipe

PICTURE 4 **P-E-R-A: the money recipe**

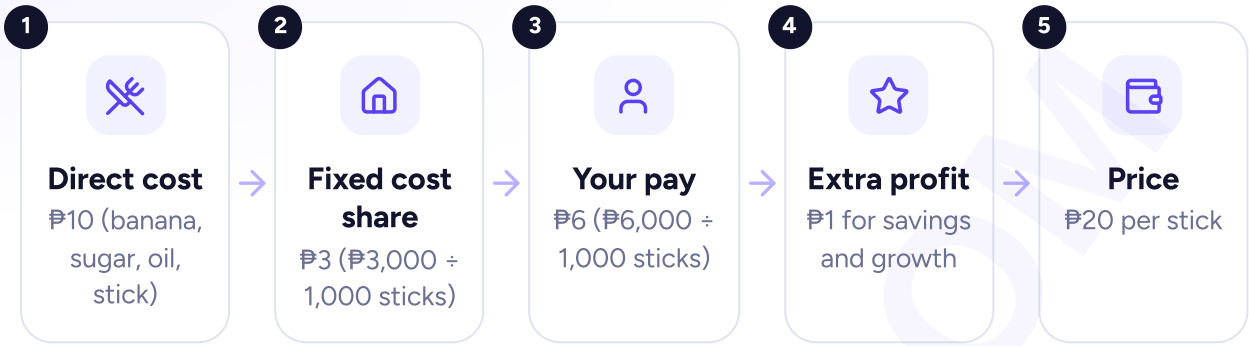


Named after "pera" — money. Follow the four letters and your money stops leaking away.

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Build your price in four layers

PICTURE 5 How a ₱20 banana cue price is built



Made-up numbers. Count the item, a share of your monthly bills, your own pay and a little extra. If the market price is lower than your total, change your recipe, size or costs.

New words: markup and margin

Markup compares your profit to your cost. **Margin** compares your profit to your price. For a ₱10 item sold at ₱20: markup is ₱10 ÷ ₱10 = 100%, margin is ₱10 ÷ ₱20 = 50%. Think of a slice of cake: markup measures your slice against the flour you bought; margin measures your slice against the whole cake.

Direct cost	Price	Gross profit	Markup	Margin
₱10	₱15	₱5	50%	33.3%
₱10	₱20	₱10	100%	50%

A 50% markup is NOT a 50% margin. Mixing them up is a common reason prices end up too low.

Your break-even point

Your **break-even point** is how many items you must sell to pay your fixed costs. With ₱3,000 fixed costs a month and ₱10 gross profit per stick: ₱3,000 ÷ ₱10 = **300 sticks**. Every stick after the 300th pays your salary and your profit.

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Don’t forget hidden costs

E-wallet and card fees, delivery, platform fees, spoiled food and free extras all eat profit. Example: an online order of ₱200 with ₱120 cost looks like ₱80 profit — but a 12% platform fee (₱24) leaves only **₱56**. Count fees before you set your online price.

QUICK RECAP

P-E-R-A: Price for profit, Every peso written down, Run your cash flow, Apart. Build a price from direct cost + a share of fixed costs + your pay + a little extra (₱10 + ₱3 + ₱6 + ₱1 = ₱20). Markup compares profit to cost; margin compares profit to price. Break-even = fixed costs ÷ gross profit per item (₱3,000 ÷ ₱10 = 300). Count hidden costs like fees and spoilage.

TRY IT NOW

Price one product

1. Pick your best-selling product and list its direct costs.
2. Add a share of your monthly fixed costs and your pay.
3. Compare your total with your current price.

Key takeaways

- P-E-R-A: price, every peso, run cash, apart.
- Your pay belongs inside your price.
- Markup and margin are different.
- Count fees and spoilage before pricing.

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Quiz: 3 quick questions

1. An item costs ₱10 and sells for ₱20. What is the margin?

A 50%
B 100%
C 20%

2. Fixed costs are ₱3,000 and gross profit is ₱10 per item. What is the break-even point?

A 300 items
B 30 items
C 3,000 items

3. Which belongs inside your price?

A Direct cost, a share of bills and your own pay
B Only the ingredients
C Only what your neighbor charges

Answers

1. **A. 50%** — Margin = ₱10 profit ÷ ₱20 price = 50%. Markup would be 100%.
2. **A. 300 items** — ₱3,000 ÷ ₱10 = 300.
3. **A. Direct cost, a share of bills and your own pay** — A price that leaves out your pay or bills slowly drains the business.

PRACTICE TASK

Price check day

Price your top three products with the four layers. If one is below your total, write two fixes (smaller size, cheaper supplier, bundle, or a small price increase). Use the ToolsKo Markup Calculator and Profit Margin Calculator to check.

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CHAPTER 4 · LESSON 2

Write Every Peso Down

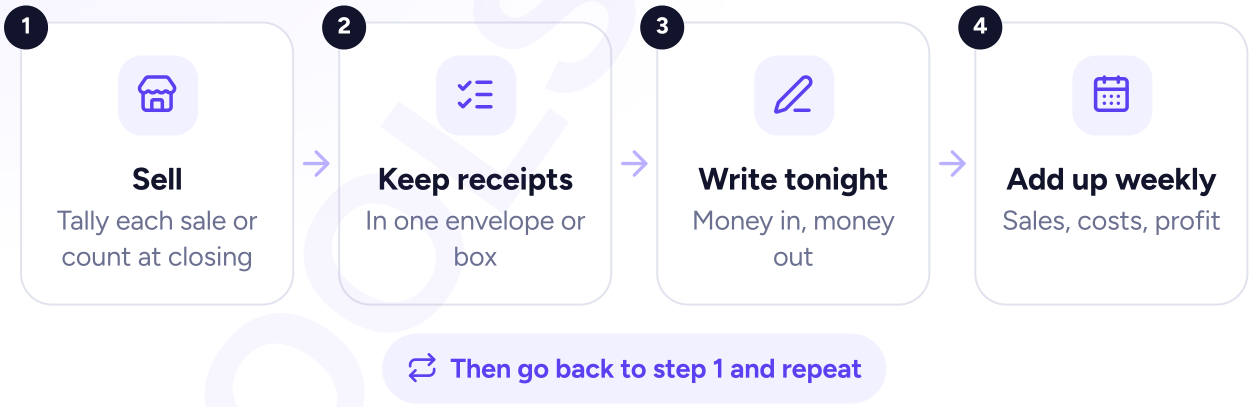
A simple record takes 10 minutes a day. It tells you if you are earning, where money leaks and what to fix.

Your memory is busy with customers, family and suppliers. A notebook never forgets. Write money in and money out every day, before you sleep.

New phrase: daily record

A **daily record** is one page that shows today's money in (sales) and money out (costs). It is like a jeepney driver counting the day's fare after the last trip — he knows right away if it was a good day.

PICTURE 6 **The daily record habit**



Sell, keep receipts, write tonight, add up every week. Ten minutes a day shows you the real story.

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A sample day

Money in	In (₱)	Money out	Out (₱)
120 banana cue × ₱20	₱2,400	Bananas	₱720
		Sugar and oil	₱360
		Sticks and bags	₱120
		Gas refill share and load	₱100
Total in	**₱2,400**	**Total out**	**₱1,300**
Left today	**₱1,100**		

Made-up example. The ₱1,100 still has to cover rent and your pay for the month.

Records the BIR asks for

If your business is registered with the BIR, you must keep **books of accounts** (manual, loose-leaf or computerized, as registered) and give **invoices**. Under the Ease of Paying Taxes rules, registered sellers issue an invoice for sales of **₱500 or more** and whenever the buyer asks. Keep your books and records for **5 years**.

New phrase: books of accounts

Books of accounts are the official notebooks (or files) where a registered business writes every sale and expense for the BIR. Your daily record is the practice version — it makes the official books easy to fill.

Count your stock too

Once a week, count what is left on your shelves. If you bought 100 bottles, sold 80 and only 15 are left, 5 are missing — broken, expired, given away or taken. Counting stock finds leaks your sales record can't see.

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QUICK RECAP

A daily record shows money in and money out for one day; add it up every week. Keep receipts in one place and write before you sleep. Registered businesses keep books of accounts, issue invoices for sales of ₱500 or more (or when asked) and keep records for 5 years. Count your stock weekly to find leaks.

TRY IT NOW

Start your record

1. Draw two columns: Money in and Money out.
2. Write today's sales and costs.
3. Compute what is left today.

Key takeaways

- Write money in and out every day.
- Keep all receipts in one place.
- Registered sellers keep books and invoices.
- Count stock weekly to find leaks.

Quiz: 3 quick questions

1. Money in is ₱2,400 and money out is ₱1,300. How much is left today?

A ₱1,100
B ₱3,700
C ₱1,300

2. For which sales must a registered seller issue an invoice?

A Sales of ₱500 or more, and whenever the buyer asks
B Only sales above ₱10,000
C Never

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3. You bought 100, sold 80 and have 15 left. What does this tell you?

A 5 items are missing — find the leak

B Everything is fine

C You sold 95

Answers

1. **A. ₱1,100** — ₱2,400 − ₱1,300 = ₱1,100.
2. **A. Sales of ₱500 or more, and whenever the buyer asks** — That is the rule under the Ease of Paying Taxes regulations.
3. **A. 5 items are missing — find the leak** — 100 − 80 − 15 = 5 missing.

PRACTICE TASK

Seven days of records

Write your daily record for seven days in a row. On day 7, add up total sales, total costs and what is left. Make a clean invoice or order summary with the ToolsKo Invoice Generator when a customer asks.

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CHAPTER 5 · LESSON 3

Run Your Cash Flow

Profit tells you if you earn. Cash flow tells you if you can pay tomorrow's bills. You need both.

New phrase: cash flow

Cash flow is the movement of money in and out of your business over time. Picture a water tank: sales fill it, bills drain it. If the tank runs dry on the day the supplier comes, you are in trouble — even if you earn well over the month.

A four-week cash flow

Week	Cash in	Cash out	Cash at end
Start			₱5,000
1	₱12,000	₱10,500	₱6,500
2	₱11,000	₱12,500 (rent and gas tank)	₱5,000
3 (rainy week)	₱9,000	₱10,000	₱4,000
4	₱13,000	₱10,000	₱7,000

Made-up example. The month ended ₱2,000 higher, but week 3 was tight. Planning ahead helps you survive slow weeks.

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PICTURE 7 **Cash flow traffic light**



Healthy

Cash in is more than cash out most weeks, and you have a cushion for at least one to two months of fixed costs.

Tight

Some weeks you barely cover bills, utang is growing, or your cushion is getting small. Slow down spending and collect what is owed.

Danger

You borrow just to buy daily supplies or pay old loans, or you skip paying yourself for months. Stop and review prices, costs and debts now.

Check your light every week. Yellow is a warning you can still fix; red needs action today.

Utang: be kind, but have rules

- **Set a limit** per suki, like ₱300, and write it in your listahan.
- **Set a collection day**, like every payday (15th and 30th).
- **Stop new utang** until the old one is paid.
- **Never lend your restock money.** Without stock, you can't sell at all.

New phrase: cash cushion

A **cash cushion** is money set aside for slow weeks and surprises. It works like a spare tire: you hope you won't need it, but you're glad it's there. A good first goal is one to two months of fixed costs — for ₱3,000 a month, that is **₱6,000** for two months.

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QUICK RECAP

Cash flow is money moving in and out over time. A month can end with more cash but still have tight weeks. Use the traffic light: green is healthy, yellow is tight, red is danger. For utang, set a limit, a collection day and no new utang until paid; never lend your restock money. Build a cash cushion of one to two months of fixed costs.

TRY IT NOW

Map next week

1. Write the cash you have today.
2. Write the cash you expect in and the bills due next week.
3. Check: will you have enough on every day?

Key takeaways

- Profit and cash flow are different.
- Plan for slow weeks.
- Utang needs limits and a collection day.
- Build a one-to-two-month cash cushion.

Quiz: 3 quick questions

1. You start with ₱5,000, take in ₱12,000 and pay out ₱10,500. How much cash is left?

A ₱6,500
B ₱1,500
C ₱17,000

2. Your fixed costs are ₱3,000 a month. What is a two-month cash cushion?

A ₱6,000
B ₱3,000
C ₱1,500

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3. You borrow money just to buy daily supplies. What light is this?

A Red — act now

B Green

C Yellow — it's normal

Answers

1. **A. ₱6,500** — ₱5,000 + ₱12,000 − ₱10,500 = ₱6,500.
2. **A. ₱6,000** — 2 × ₱3,000 = ₱6,000.
3. **A. Red — act now** — Borrowing for daily needs is a danger sign.

PRACTICE TASK

Your listahan rules

Write your utang rules (limit, collection day, no new utang until paid) and tell your suki kindly. Then start a cash cushion envelope and add a small amount each week.

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CHAPTER 6 · LESSON 4

Keep Business Money Apart

When family money and business money share one pocket, both get confused. Give the business its own pocket — and pay yourself a salary.

PICTURE 8 **Mixed money vs money apart**



A separate box, wallet or account for the business is the simplest money habit with the biggest payoff.

Three simple steps

1 **Give the business its own pocket**

A cash box, a separate e-wallet, or a business bank account. Some e-wallets offer business accounts even for micro sellers — compare fees and rules first.

2 **Pay yourself a fixed salary**

Take the same amount each week or month, like an employee. Don't grab cash whenever you need it.

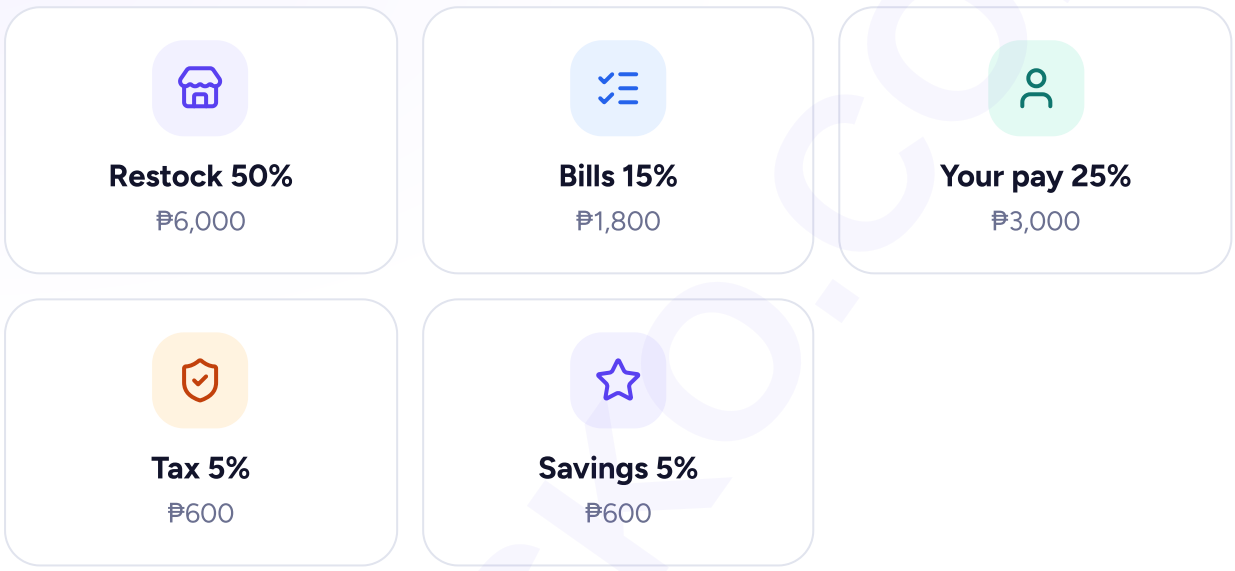
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3 **Split each week's sales into jars**

Decide what share goes to restock, bills, your pay, taxes and savings.

Example: splitting ₱12,000 weekly sales

PICTURE 9 **Five money jars**



Made-up shares that add up to 100%. Use your own numbers from your daily record — the habit matters more than the exact split.

Borrow safely

"5-6" lenders often lend ₱5,000 and collect ₱6,000 after about a month — that is **20% interest in one month**. DTI's **P3 loan** program (with SB Corporation) offers loans of **₱5,000 to ₱200,000** for existing micro businesses at up to **2.5% a month** — eight times lower than 20%. Ask at a Negosyo Center or DTI office.

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Before you borrow

Borrow only for something that earns more than the loan costs, like more stock that already sells well. Check that a lending company is registered with the **SEC**. Since April 1, 2026, SEC rules cap small, short loans (up to ₱10,000 and 4 months) from lending and financing companies at 12% a month in effective interest and a total cost of no more than the amount borrowed. Never borrow to pay another loan.

QUICK RECAP

Keep business money in its own box, e-wallet or account. Pay yourself a fixed salary instead of grabbing cash. Split weekly sales into jars — for example, ₱12,000 becomes ₱6,000 restock, ₱1,800 bills, ₱3,000 your pay, ₱600 tax and ₱600 savings. "5-6" is about 20% a month; DTI's P3 loan is up to 2.5% a month. Borrow only for things that earn, use SEC-registered lenders, and never borrow to pay another loan.

TRY IT NOW

Set up your pockets

1. Choose your business pocket: box, e-wallet or account.
2. Decide your weekly salary.
3. Write your five jar shares.

Key takeaways

- One pocket for business, one for home.
- Pay yourself a fixed salary.
- Split sales into jars every week.
- Avoid 5-6; borrow only for what earns.

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Quiz: 3 quick questions

1. Why keep business money apart?

A So you can see if the business earns and always have restock money
B Because it looks nicer
C To hide money from the family

2. A lender gives ₱5,000 and collects ₱6,000 after a month. What is the interest for that month?

A 20%
B 2%
C 6%

3. When is borrowing a better idea?

A To buy more of a product that already sells well
B To pay another loan
C To cover a family party

Answers

1. **A. So you can see if the business earns and always have restock money** — Separate money shows the real numbers and protects your stock money.
2. **A. 20%** — ₱1,000 ÷ ₱5,000 = 20%.
3. **A. To buy more of a product that already sells well** — A business loan should help you earn more than it costs.

PRACTICE TASK

Payday for you

Pick your salary day and pay yourself from the business pocket for four weeks in a row. Use the ToolsKo Loan Calculator to see the full cost of any loan before you sign.

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CHAPTER 7 · LESSON 5

Pay Your Taxes on Time

Taxes sound scary, but small sellers have simple options and lighter penalties. Know the basics, mark the dates, and ask when unsure.

If you registered your business with the BIR (see Book 1), you file returns even in months or quarters when you earned little. If your gross sales stay at **₱3 million or less** a year and you are not VAT-registered, you can choose between two simple ways to pay.

New phrase: gross sales

Gross sales means all your sales before you take out any costs. It is the whole basket of fruit you sold — not the money left after buying the fruit.

PICTURE 10 **Two ways small sellers pay income tax**

OPTION A

8% income tax

- 8% of gross sales above ₱250,000
- Replaces the 3% percentage tax
- File 1701Q each quarter, 1701A yearly
- Simple: no need to list expenses for the tax

OPTION B

Graduated rates + 3%

- Income tax on your net income (₱0 up to ₱250,000)
- Plus 3% percentage tax on gross sales
- File 1701Q and 2551Q each quarter, plus yearly return
- Can be lower when profit is small

For purely self-employed people with gross sales of ₱3 million or less who are not VAT-registered. Compare both with a calculator or a BIR officer before you choose — the choice usually stays for the whole year.

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Example: the 8% option

Step	Amount
Gross sales for the year	₱400,000
Minus the ₱250,000 deduction	₱400,000 − ₱250,000 = ₱150,000
8% of ₱150,000	**₱12,000** income tax for the year
If yearly sales were ₱200,000	₱0 income tax — but you still file your returns

Made-up numbers for a purely self-employed seller. Mixed-income earners (with a job too) don't get the ₱250,000 deduction on business income.

PICTURE 11 **The small seller tax calendar**



If a date falls on a weekend or holiday, it moves to the next working day. The BIR can also move deadlines — for example, the 2025 yearly return was moved to May 15, 2026. Check the BIR tax calendar.

Good news for micro taxpayers

Under the Ease of Paying Taxes law, a **micro taxpayer** has gross sales below **₱3 million** a year. If you file or pay late, the surcharge is **10% instead of 25%**, and interest is half the normal rate. Example: on ₱3,000 of late tax, the surcharge is ₱300 instead of ₱750. You can also file and pay at any BIR office or online. Still — on time is always cheapest.

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Other money duties

If you are a **BMBE** (Book 1), your business income may be free of income tax, but you still register and file. As a self-employed person, you also pay your own **SSS, PhilHealth and Pag-IBIG** contributions. If you hire helpers, you must pay their contributions too.

QUICK RECAP

Registered sellers file even when sales are small. With gross sales of ₱3 million or less and no VAT, choose the 8% option (8% of sales above ₱250,000, no 3% percentage tax) or graduated rates plus 3% percentage tax — compare both. Example: ₱400,000 sales → ₱12,000 at 8%. 1701Q is due May 15, Aug 15 and Nov 15; the yearly return April 15; 2551Q 25 days after each quarter if not on 8%. Micro taxpayers get a 10% surcharge instead of 25%. Pay your own SSS, PhilHealth and Pag-IBIG.

TRY IT NOW

Make your tax calendar

1. Write the tax dates that apply to you.
2. Put reminders on your phone one week before each date.
3. Put a small amount in your tax jar every week.

Key takeaways

- File even when sales are small.
- 8%: sales above ₱250,000 × 8%.
- Mark May 15, Aug 15, Nov 15 and April 15.
- Micro taxpayers get lighter penalties.

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Quiz: 3 quick questions

1. On the 8% option, a seller has ₱400,000 gross sales. What is the income tax?

A ₱12,000
B ₱32,000
C ₱20,000

2. What does the 8% option replace?

A The graduated income tax and the 3% percentage tax
B SSS contributions
C The mayor's permit

3. A micro taxpayer pays ₱3,000 of tax late. What is the surcharge?

A ₱300 (10%)
B ₱750 (25%)
C ₱0

Answers

1. **A. ₱12,000** — (₱400,000 − ₱250,000) × 8% = ₱12,000.
2. **A. The graduated income tax and the 3% percentage tax** — On 8%, you don't file the 2551Q percentage tax return.
3. **A. ₱300 (10%)** — Micro and small taxpayers get a 10% surcharge instead of 25%.

PRACTICE TASK

Compare your options

Use the ToolsKo Freelancer Tax Calculator to compare the 8% option and graduated rates with your expected yearly sales. Then use the Quarterly Income Tax Calculator (1701Q) before each quarter's deadline. If unsure, ask at your BIR office or a licensed accountant.

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CHAPTER 8

Your 14-Day Money Plan

About 20–30 minutes a day for two weeks. By day 14, you'll know your real profit, your prices, your cash flow and your tax dates.

Start any day. If a day is busy, do the short version and keep going tomorrow.

PICTURE 12 **The 14-day money plan**



Write it down, price it right, watch your cash, keep it apart, then mark your tax dates.

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Day	Task (about 20–30 minutes)	Done?
1	Write your money promise and start your daily record.	☐
2	List all your costs; mark each D (direct) or F (fixed).	☐
3	Count your stock and write it down.	☐
4	Price your best-selling product with the four layers.	☐
5	Price two more products; check markup and margin.	☐
6	Compute your break-even point.	☐
7	Write your cash flow for last week and next week.	☐
8	List who owes you; write your utang rules.	☐
9	Start a cash cushion envelope.	☐
10	Set up a separate business box, wallet or account.	☐
11	Decide your weekly salary and your five jar shares.	☐
12	Write your tax dates and set phone reminders.	☐
13	Compare the 8% option and graduated rates with a calculator.	☐
14	Add up 14 days: sales, costs, profit; write one change.	☐

Bonus exercises

1 **Call two suppliers**

Ask for prices on your top three supplies. A cheaper supplier raises your profit without raising prices.

2 **Find your star product**

Which product brings the most profit, not just the most sales? Show it first.

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3 **Visit a Negosyo Center**

Ask about free trainings, mentoring and the P3 loan program.

4 **Teach a helper**

Show a family member how to write the daily record, so it continues on your day off.

Small habits, steady growth

You don't need to be an accountant. Ten minutes of writing a day, a fair price and a separate money box already put you ahead of many small businesses.

QUICK RECAP

Days 1–3: money promise, daily record, cost list and stock count. Days 4–6: price your products, check markup and margin, find your break-even point. Days 7–9: cash flow, utang rules and a cash cushion. Days 10–11: separate money and your weekly salary. Days 12–14: tax dates, compare tax options and review 14 days of numbers.

TRY IT NOW

Start today

1. Copy the 14-day table.
2. Do Day 1 now.
3. Set a daily reminder.

Key takeaways

- Record, price, cash, apart, taxes.
- Start your daily record on day 1.
- Set utang rules early.
- End with a 14-day profit check.

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Quiz: 3 quick questions

1. What do you do on days 4–6?

- A Price your products and find your break-even point
- B Buy a new cart
- C Close your store

2. What do you start on day 9?

- A A cash cushion envelope
- B A new loan
- C A raffle

3. What do you do on day 14?

- A Add up sales, costs and profit, and write one change
- B Nothing
- C Delete your records

Answers

1. **A. Price your products and find your break-even point** — Pricing comes right after you know your costs.
2. **A. A cash cushion envelope** — A cushion protects you on slow weeks.
3. **A. Add up sales, costs and profit, and write one change** — Reviewing shows what to fix next.

PRACTICE TASK

Complete the 14 days

Follow the plan and tick each box. On day 14, write your real daily profit, your new prices, your break-even point, your cushion amount, your salary and your next tax date.

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CHAPTER 9

Common Beginner Mistakes (and Easy Fixes)

Most money problems in small businesses come from the same few habits. Spot them early and they are easy to fix.

PICTURE 13 **Risky habits vs wise habits**

RISKY HABITS

Money leaks away

- Copying a neighbor's price
- No written records
- Mixing family and business money
- Missing tax dates

WISE HABITS

Money stays and grows

- Price from your own costs and pay
- A 10-minute daily record
- Separate pockets and a fixed salary
- Tax reminders and a tax jar

Money problems are rarely bad luck. They are small habits you can change one at a time.

Now check your habits against this table.

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Mistake	Why it hurts	Easy fix
Copying a neighbor's price	Your costs may be higher	Build your price from your own costs
Leaving out your own pay	You work for free	Put your salary inside the price
Mixing up markup and margin	Prices end up too low	Check both with a calculator
No daily record	You can't see leaks	Write money in and out every night
Mixing family and business money	No cash for restock	Separate pocket, fixed salary
Too much utang to customers	Profit on paper, no cash	Limits and a collection day
No cash cushion	One slow week hurts badly	Save toward 1–2 months of fixed costs
Borrowing from 5-6 lenders	About 20% a month	Ask about DTI P3; use SEC-registered lenders
Missing BIR deadlines	Penalties add up	Phone reminders and a tax jar
Ignoring fees and spoilage	Hidden profit loss	Count them in your price

The weekly money check

Every week ask: "Did I earn?", "Do I have cash for next week?", "Who owes me?" and "What is due soon?" Write the answers in your notebook.

QUICK RECAP

Common mistakes: copying prices, leaving out your pay, mixing up markup and margin, no records, mixing money, too much utang, no cushion, 5-6 loans, missed BIR dates and ignoring fees. Each has an easy fix. Do the weekly money check.

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TRY IT NOW

Audit your money habits

1. Tick every mistake you might be making.
2. Write the fix for each one you ticked.
3. Set a weekly money check reminder.

Key takeaways

- Price from your own costs.
- Write every peso down.
- Keep money apart; pay yourself.
- Mark tax dates and avoid 5-6.

Quiz: 3 quick questions

1. Your neighbor sells the same item for ₱15. What should you do?

A Check your own costs first, then decide
B Copy ₱15 right away
C Sell for ₱10 to win

2. What is the problem with too much utang to customers?

A You can have profit on paper but no cash
B It is illegal
C It raises your taxes

3. How can you avoid missing BIR deadlines?

A Phone reminders and a tax jar
B Wait for a letter
C File only when sales are big

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Answers

1. **A. Check your own costs first, then decide** — Your costs may be different from your neighbor's.
2. **A. You can have profit on paper but no cash** — Cash you haven't collected can't buy stock.
3. **A. Phone reminders and a tax jar** — Reminders and saving weekly make paying on time easy.

PRACTICE TASK

Your money rules

Write 5 personal money rules (for example, "Write every peso tonight", "Pay myself every Saturday", "No utang above ₱300", "Tax jar every week", "No 5-6 loans"). Post them near your cash box.

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CHAPTER 10

Real-Life Examples: Money Habits That Work

Five example stories from common Filipino situations (names are made up). Look for the habits.

What all five have in common

Watch for it: they write numbers down, price from real costs, keep money apart, protect their cash and follow the rules.

A

Aling Bebeng, 52

Sari-sari store owner, Batangas

THE PROBLEM

Her listahan grew to ₱4,800 from 16 suki; no cash to restock.

WHAT ALING BEBENG TYPED

```
A ₱300 limit per suki, payday collection, no new utang.
```

THE RESULT

Most suki paid within a month; her shelves were full again.

Lesson: Kind rules on utang protect your restock money.

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J

Jun, 29
Siomai cart, Laguna

THE PROBLEM

Sold siomai at ₱4 with a true cost of ₱3.50: ₱100 a day on 200 pieces.

WHAT JUN TYPED

```
Used the four price layers; moved to ₱5 a piece.
```

THE RESULT

He sold about 180 a day but earned about ₱270 a day.

Lesson: Price from your real costs — fewer sales can still mean more profit.

M

Mika, 34
Online cake seller, Quezon City

THE PROBLEM

Used one e-wallet for family and business; never knew if she was earning.

WHAT MIKA TYPED

```
Opened a separate business wallet, wrote a daily record and paid
herself ₱8,000 a month.
```

THE RESULT

Saw two flavors barely earned, dropped them and focused on best sellers.

Lesson: Separate money shows which products really earn.

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K

Ka Dodong, 47
Tricycle parts shop, Iloilo

THE PROBLEM

Missed quarterly filings; he thought small sales meant no need to file.

WHAT KA DODONG TYPED

```
Asked at the BIR office, chose the 8% option, set phone reminders
and started a tax jar.
```

THE RESULT

He files on time now; as a micro taxpayer, his late penalties were lighter than he feared.

Lesson: File even when sales are small, and ask when unsure.

G

Grace, 26
Home nail salon, Davao

THE PROBLEM

Slow rainy months; she borrowed to pay ₱4,000 monthly fixed costs.

WHAT GRACE TYPED

```
Saved weekly until she had an ₱8,000 cushion — two months of fixed
costs.
```

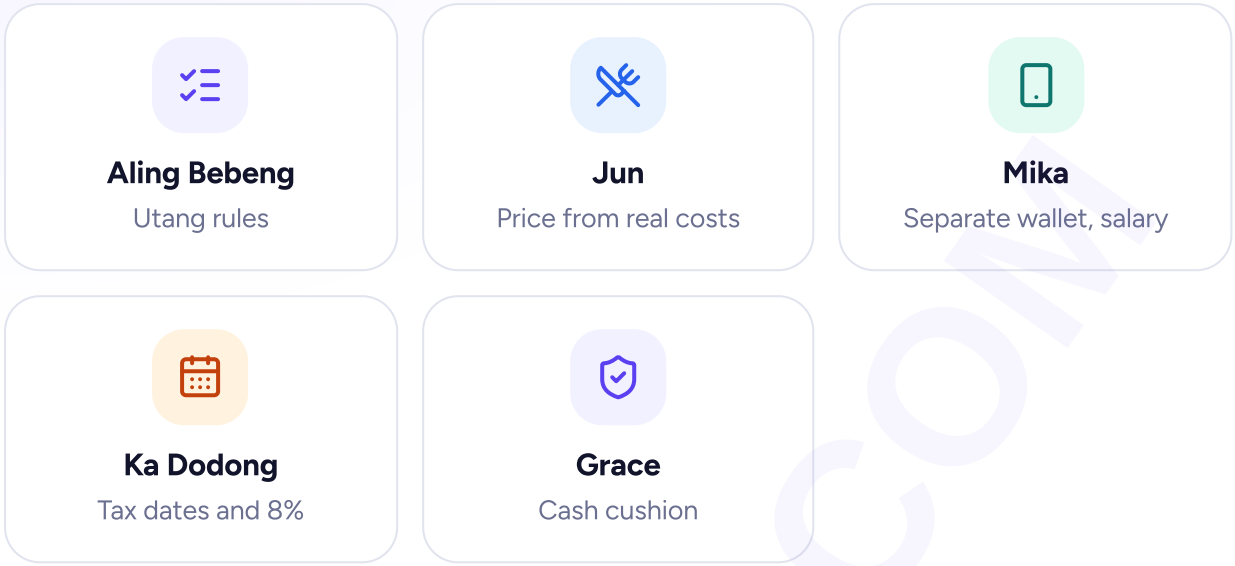
THE RESULT

Next rainy season, she paid every bill without borrowing.

Lesson: A cash cushion turns slow months into small bumps.

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PICTURE 14 **Five money habits that work**



Different businesses, same money habits.

QUICK RECAP

Utang rules saved Aling Bebeng's restock money; real-cost pricing raised Jun's profit; a separate wallet showed Mika what earns; reminders helped Ka Dodong file on time; a cushion carried Grace through the rains.

TRY IT NOW

Your first step

1. Pick the story most like your business.
2. Copy one habit from it this week.
3. Write how it went after 7 days.

Key takeaways

- Utang needs kind rules.
- Real costs make real prices.
- Separate money shows the truth.

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Cushions and tax jars prevent panic.

Quiz: 3 quick questions

1. What helped Aling Bebeng restock again?

A Utang limits and a collection day
B A 5-6 loan
C Closing on weekends

2. Jun sold fewer pieces after raising his price. What happened to his profit?

A It went up
B It went down
C It stayed the same

3. Grace's fixed costs are ₱4,000 a month. How big is a two-month cushion?

A ₱8,000
B ₱4,000
C ₱2,000

Answers

1. **A. Utang limits and a collection day** — Collecting what's owed brings cash back.
2. **A. It went up** — 180 × ₱1.50 = ₱270 a day, up from ₱100.
3. **A. ₱8,000** — 2 × ₱4,000 = ₱8,000.

PRACTICE TASK

Your money story card

Write your card: daily profit, best product and its price, weekly salary, cushion goal and next tax date.

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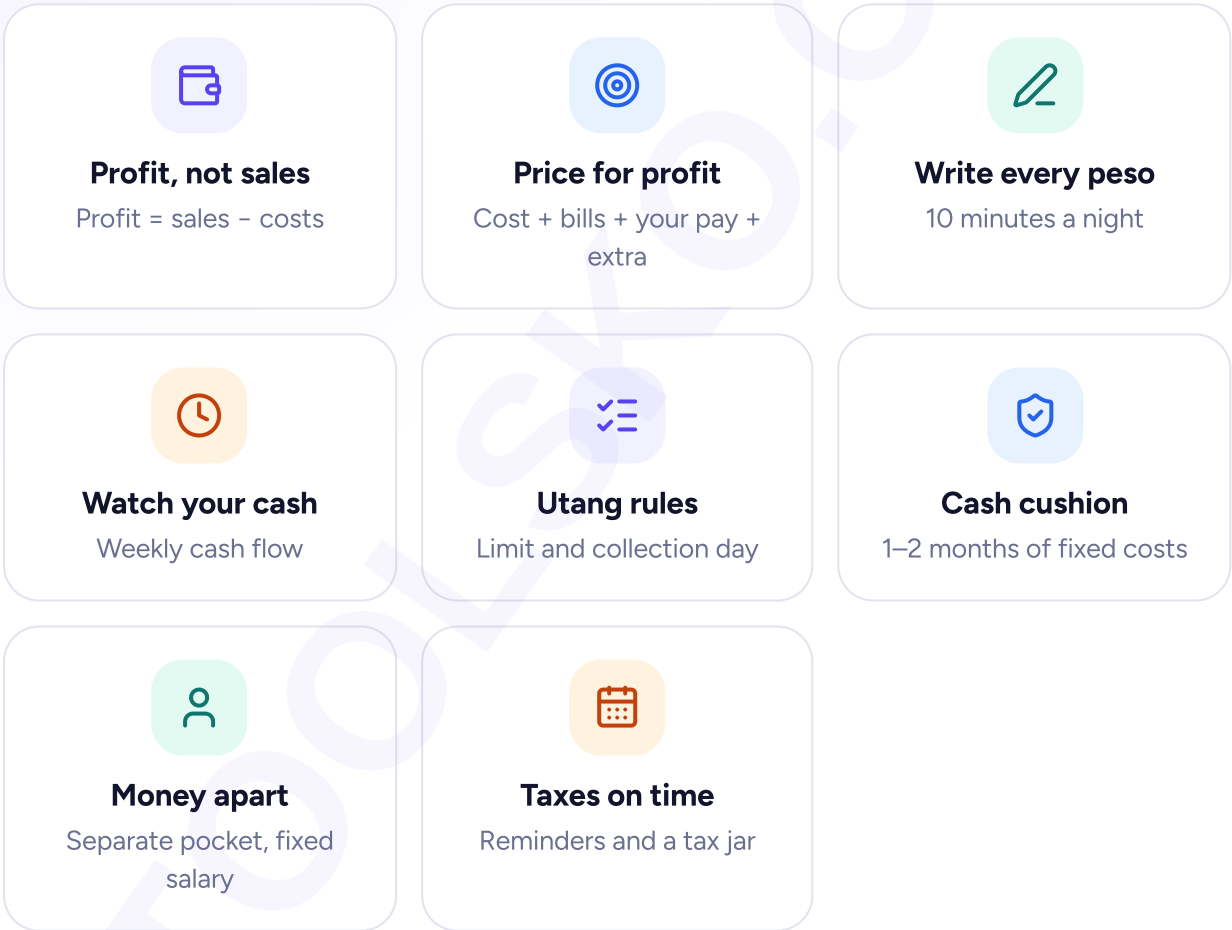
THE END

Quick Summary

Everything important, on one page.

The whole book on one page. Keep it in your cash box.

PICTURE 15 **Cheat sheet: business money in 8 cards**



Eight habits that keep a small business steady and growing.

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Remember	In one line
The big rule	Price for profit, write every peso down, watch your cash, keep business money apart, and pay taxes on time.
Recipe	P-E-R-A: Price for profit, Every peso written down, Run your cash flow, Apart.
Pricing	Direct cost + share of fixed costs + your pay + a little extra; markup is not margin.
Break-even	Fixed costs ÷ gross profit per item.
Cash	Weekly cash flow, utang limits, a cushion of 1–2 months of fixed costs.
Borrowing	Avoid 5-6; ask about DTI P3; borrow only for what earns.
Taxes	8%: (sales − ₱250,000) × 8%; 1701Q May 15, Aug 15, Nov 15; yearly return April 15.

You can manage your business money

You know how to price, record, watch your cash, keep money apart and plan for taxes. Start your daily record tonight.

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WHAT'S NEXT

Your Next Learning Path

You finished Book 4. Here is where to go from here.

This is **Book 4**, the last book of the **Small Business** series. You did it — here is the whole path:

PICTURE 16 **Your Small Business path — complete**



Start right, get found online, keep customers happy, then manage your money well: four habits for a steady business.

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What to do next

Next step	Why
Finish the 14-day plan	Real profit, fair prices, a cash cushion and your tax dates.
Review the series yearly	Starting right (Book 1), marketing (Book 2) and service (Book 3) bring the sales; money basics (Book 4) keep them.
Build your family money base	The Personal Finance series (Budgeting, Saving, Emergency Fund, Debt-Free Roadmap) keeps your home steady while your business grows.
Keep learning from official sources	DTI Negosyo Centers, the BIR and SB Corporation offer free guides, trainings and help.
Use AI to save time	AI for Small Business shows how to write posts, product descriptions and replies faster.

One last tip

Look at your numbers every week, even when business is good. A few quiet minutes with your notebook today saves you from big surprises tomorrow.

Free ToolsKo tools for this book

Put what you learned to work. These tools are free on toolsko.com, need no sign-up, and most work right in your browser.

Markup Calculator
Find the price that gives the markup you want.
toolsko.com/markup-calculator ↗

Profit Margin Calculator
See your real margin on any product.
toolsko.com/profit-margin-calculator ↗

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Break-Even Calculator
Find how many items you must sell to cover your bills.

toolsko.com/break-even-calculator

Online Selling Price Calculator (Shopee, TikTok Shop, Lazada)
Set an online price that covers platform fees.

toolsko.com/online-selling-price-calculator

Bundle Price Calculator (Buy 3, Buy 6: Profit per Bundle)
Check the profit on bundles and "3 for" deals.

toolsko.com/bundle-price-calculator

Invoice Generator
Make a clean invoice or order summary for customers.

toolsko.com/invoice-generator

Freelancer Tax Calculator PH: 8% vs Graduated (BIR)
Compare the 8% option with graduated rates.

toolsko.com/freelancer-tax-calculator

Quarterly Income Tax Calculator 1701Q (8% or Graduated, Freelancers)
Estimate your quarterly income tax before each deadline.

toolsko.com/quarterly-income-tax-calculator-1701q

Percentage Tax Calculator Philippines (3%, BIR Form 2551Q)
Compute the 3% percentage tax if you are not on 8%.

toolsko.com/percentage-tax-calculator-philippines

Self-Employed SSS, PhilHealth & Pag-IBIG Calculator (Freelancers)
See your own monthly SSS, PhilHealth and Pag-IBIG.

toolsko.com/self-employed-contributions-calculator

Loan Calculator
See the full cost of a loan before you sign.

toolsko.com/loan-calculator

Words to know

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Sales (revenue)	All the money customers pay you.
Profit	Money left after paying all costs: sales − costs.
Capital	Money you put in to start or grow the business.
Direct cost	What one item costs to make or buy.
Fixed cost	A bill you pay even on slow days, like rent.
Gross profit	Price minus direct cost.
Net profit	What's left after all costs, including your pay.
Markup	Profit compared to cost (profit ÷ cost).
Margin	Profit compared to price (profit ÷ price).
Break-even point	How many items you must sell to cover fixed costs.
Cash flow	Money coming in and going out over time.
Cash cushion	Money saved for slow weeks and surprises.
Receivable (utang)	Money customers still owe you.
Books of accounts	Official records of sales and expenses for the BIR.
Gross sales	All sales before taking out any costs.
Micro taxpayer	A business with gross sales below ₱3 million a year.

Where the facts come from

1. BIR 8% income tax rate vs percentage tax: do you still file quarterly? (Respicio & Co., October 2025)

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2. Freelancer tax: 1701Q deadlines for 2026 income (SweldoPH, September 2026)
3. Deadline of 2025 annual income tax returns moved to May 15, 2026 (Forvis Mazars, RMC 30-2026)
4. EOPT: revised taxpayer classification and reduced penalties for micro and small taxpayers (Grant Thornton, May 2024)
5. EOPT: preservation of books of accounts, 5 years (Grant Thornton, May 2024)
6. EOPT invoicing, clarified: invoices under RR 7-2024 and RR 11-2024 (PwC Philippines)
7. Pondo sa Pagbabago at Pag-asenso (P3): frequently asked questions (DTI)
8. Regulator cuts rates on small loans: SEC MC 14 s. 2025 (Daily Tribune, December 2025)
9. What is GCash for Business? (GCash Help Center)
10. Coverage of self-paying members under the UHC Act, PhilHealth Circular 2026-0011 (PhilHealth)

Tax rules, deadlines, loan rules and agency programs were checked on November 22, 2026. Laws, rates and deadlines change — always check with the BIR, DTI, SEC, SSS, PhilHealth, Pag-IBIG and your city or municipal hall, or ask a licensed accountant, before you act. All names and peso amounts in the examples are made up. ToolsKo is not connected to any company, platform, lender or government agency named in this book. This book is general information, not legal, tax or financial advice. Written by ToolsKo Learn · toolsko.com/learn

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SMALL BUSINESS

Book 1	Starting a Small Business
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Book 3	Customer Service Basics
Book 4	**Small Business Money Basics — this book**

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