Decision Evidence Record: Hypothetical equipment example

This example is fictional. It demonstrates the record and does not claim a client result.

Decision being considered

Approve a $90,000 equipment purchase using financing. Hypothetical example only.

Known facts

Cash on hand: $86,000. Deposit: $9,000. Estimated payment: $2,150 per month. Current average receivable days: 44.

Assumptions

Bookings hold at or above 70% of plan. Receivable days stay at or below 52. Installation does not interrupt current production.

Owner-controlled levers

Delay the deposit, stage the purchase, tighten collections, reduce discretionary draws, or defer other capital spending.

Minimum cash floor

$55,000.

Lowest projected cash point and date

$47,000 in week 8 under the base forecast.

Failure trigger

Receivable days move above 52 or confirmed bookings fall below 70% of plan.

Agreed response

Do not release the deposit until the base forecast stays above the cash floor. If either trigger trips, defer or stage the purchase.

Owner and due date

Owner: Operations lead. Due date: Before the equipment order is signed.

Expected operating response

More output capacity without missed payroll or delayed supplier payments.

Expected financial response

Cash stays at or above $55,000 and the added payment is covered by operating cash after the ramp.

Review date and evidence to compare

Review at weeks 4, 8, and 12. Compare cash balance, receivable days, bookings, production volume, and payment coverage.