

# COVID-19 Cash Resiliency Checklist

## Cash flow and cash reserves strategy for steep decline and slow recovery:

1. Cash is most important issue in businesses right now!
2. Get a thorough understanding of your cash flow and reserves.
  - a. Cash Balances:
    - i. Checking
    - ii. Savings
    - iii. Line of Credit availability
    - iv. Revolving credit (AmEx, others)
3. Build a cash projection model.
  - a. Understand the flow of cash in your business.
  - b. What are the "In's & Out's"?
  - c. What action can you take to affect these positively?
4. Invest NOW in good financial support if you haven't already.

## Tactical Actions:

1. Hoard cash, at least temporarily.
2. Proactively manage A/R (Money customers owe you) Call and ask for payments.
3. Use 100% of vendor terms at your disposal.
  - a. Move from auto payments or credit card payments or direct debits to manually sent payments. You initiate instead of auto. (EFT initiated by you, checks or call when paying with credit card)
4. Lighten your inventory load. Inventory on the shelf is like cash on a shelf. Re-stock in smaller quantities until things pick back up.
5. Physically move cash from checking to savings to make less accessible.
6. Owner manages who gets paid and when, not the A/P person.
7. Review non-essential discretionary spending and eliminate things you absolutely CAN live without.

## What outside cash resources may be available?

1. Leverage your current banking relationships. Explore options.
2. SBA small business lending - This continues to evolve.
3. Vendor partnerships - Work to extend terms
4. Customer relationships/partnerships - Expedite customer payments.
  - a. Offer credit card payments.
  - b. Suggest auto-debits from their bank account.

