Purchasing and financing tax. do you have any advice on how much/how long finance tax payments?

RE asset finance. from your networks would it be better to push for full payment holidays or just settle for interest only. I'm hoping there will be more clarity on this in the upcoming week from govt :)

Payment holidays are about deferring costs in an environment where you don’t have the immediate cash to pay, but remember the interest costs continue to accrue so it’s not a holiday in that sense.

Depending on your cashflow it may be better to pay interest-only. That way you aren’t building up a bigger debt on the loan.

Should show the subsidy as a separate item in the pay slip?

This depends on the software package you use. The subsidy doesn’t need to be accounted for separately but some packages may require you to identify the subsidy.

In most cases the subsidy should be included as part of the total wage amount paid to the employee.

Refer to these helpful examples from the IRD: <https://www.ird.govt.nz/covid-19/tax-relief/wage-subsidies>

Are there any government subsidies for small businesses to help with accountancy fees charged for cashflow forecasting anf planning?

The Government has set aside specific funds, managed by the Regional Business Partners to fully fund some business advisory services. This does include support for financial analysis and cashflow management relating to COVID-19 but is unlikely to cover your regular accounting fees. Get in touch with us if you would like to know more about this. lee@frankhq.co.nz

Back to leases… if big commercial landlords ( retail) will not respond to email enquires to do with rent abatements - just not replies at all - is there anything you can do

If you have exhausted all options to get in touch with the commercial landlord (try phone and social media too if appropriate), this may be the point you need to call in your lawyers to support.

So you would be forecasting with zero revenue if your business is unable to trade eg hospitality so just expenditure forecasting?

Yes in this case you would forecast the impact of zero revenue and some expenditure (e.g. rent) on your current cash balance.

What do you expect to happen as far as the international tourist

The reverse of the creditor question. What should we expect in terms of collections from our debtors. How do we estimate what our collections will look like?

Start with your aged accounts receivable. This shows you what was or is payable to you and how old certain debts are. Prioritise the largest amounts and talk to the debtors to understand their position and likely payment timing. For smaller amounts you could estimate based on how old they are and any other information you have about the specific debtor (for example their payment track record).

What were the names of those cash flow forecasting tools again...? I wrote down Futurely and Float... there was one more Greg mentioned

They are:

Futrli

Spotlight

Float

Our cashflow chain relies on customers (debtors) paying. They don't pay then the crunch comes on. Creditors will need to wait. What do you think.

Definitely take a considered approach to paying creditors but in most circumstances we wouldn’t recommend a blanket approach by not paying anyone. Also think about the wider relationship with your creditors. If you don’t pay a critical supplier and they fail it may have a really negative and long-lasting impact on your business.

And also, will the government proviode the guarantee for those loans or is the business expected to underwrite it somehow?

More information is coming out about the Business Finance Guarantee Scheme. This article has some very good details and some commentary from the banks <https://www.interest.co.nz/news/104380/more-detail-unveiled-which-businesses-are-be-eligible-80-taxpayer-backed-bank-loan->

Do you agree to the lock down and shutting down the economcy? It is very good to protect the health care system now, but by the end of the lock down the tax revenue will be so little and won't be able to support the health care system and will result it greater negative health impacts