

# How to Manage Cash Flow and Stay Sane in a Crisis

## **Cut non-essential expenses.**

If you have an office Spotify account, a spare storage facility not being used, or auto order supply subscriptions, cancel them now. If it's not making you money or mission critical for your business operations, cut it off.

## **Talk with your landlord**

Many states have made it illegal to evict a family from an apartment or leased home. Many commercial landlords are offering concessions and grace during this time. Negotiate! See if they will allow you to skip a month or two and add it on to the end of your lease term as a balloon payment.

## **Check your local utilities**

Many local utility companies will not cut off the utilities due to lack of payment. Call and see if they can defer payment for a month.

## **Call your credit card company**

Many credit card companies are waiving late fees and interest on a case-by-case basis. It never hurts to ask for no late fees and 0% interest for 2-3 months.

## **Take care of your team**

If you have cash to sustain them for the next 90 days, apply for an SBA loan. There is likely debt forgiveness of the majority of your payroll costs if you retain employees through June. They don't have to be working. This will ensure you have a workforce in a few months and let the SBA foot the bill for the labor. If floating your team for 90 days is not an option, consider filing unemployment on their behalf. This gives the perception that they're still your employees and just on temporary leave. They will be eligible for up to 50% of their regular pay with an increased maximum of \$600 per week. Unemployment claims filed during this time won't hurt your company unemployment rate, and you filing on their behalf will exempt them from the requirement of needing to apply for 2 jobs per week to retain their unemployment.

## **Tap into creative financing**

The SBA is offering up to \$10M in funding, or 2.5Xs your regular payroll + rent and debt service, whichever is smaller. These loans are at a 3.75% (2.75% if you're a non-profit) and have terms up to 30 years.

The new bill also allows you to take a loan from your IRA or 401(k) up to \$100,000 and pay it back over 12 months. If you have free cash in a retirement account, borrowing from yourself until you secure an SBA loan or alternative financing may keep you open another month or two.

Many have home equity lines or business lines of credit. Check with your bank and see what options you may have at your disposal. If you already have a home equity line, this may be another way to provide short-term financing until an SBA loan arrives or the economy turns. For startups, non-profits, or those with no other options, start a gofundme page through Intuit. They have waived a portion of their normal fees and there are many in the community looking to sponsor and support a business or non-profit like you. During the

COVID-19 disaster, payments to employees for out of pocket medical costs, funeral costs, certain home repairs, working from home expenses like laptops and internet, cleaning products, and child care or tutoring expenses may be paid and deducted tax free.

### ***Check with your local tax authorities or accountant***

Many local tax jurisdictions (eg: SC sales tax) have delayed the filing and payment requirement with no penalty or interest until June or July.

### ***Remember, this too shall pass***

Find ways to keep calm. Meditate, spend time outdoors, exercise, take hot baths, and enjoy your favorite coffee or drink. We're all in this together and we will get through this. Business models will change, it may take a year to recover, but we will survive, come out strong on the other side, and be ready to seize new opportunities. Take care of your family and your teams; they're the ones walking through this with you and the ones that will help you succeed.

### ***Talk to your accountant***

Even if you're not a numbers person, we are. This is our time to shine for you with cash flow planning, creative financing, business model shifts, budgeting, or even just getting your return filed and your refund on its way. We will make frequent updates to our new COVID-19 Resource Center. Please check back on this page often and use any resources we've found to your benefit. Our team is also offering free 30-minute consultations to help you brainstorm next steps. We would love to support you and give you our best, so that you can give your best to your team and the community.

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## HOW CAN WE HELP?

 **864-233-8449**

 **[info@montgomeryandco.com](mailto:info@montgomeryandco.com)**

