Navigating the Cash Flow Crunch

- COVID19 Crisis
The Michigan SBDC

Funded through a cooperative agreement with the

- U.S. Small Business Administration (SBA)
- Michigan Economic Development Corporation (MEDC)
- Matching funds from Local Network Partners in each region.
Our Impact on the Michigan Economy

2018 STATEWIDE IMPACT*

5,633 BUSINESSES CONSULTED & 6,755 INDIVIDUALS ATTENDED TRAINING

WE PROVIDED CONSULTING TO:

- 2,331 STARTUPS
- 3,302 ESTABLISHED BUSINESSES

THROUGH SBDC CONSULTING:

- 385 NEW BUSINESSES WERE OPENED
- 4,475 JOBS WERE CREATED AND RETAINED

MICHIGAN SBDC CONSULTANTS HELPED GENERATE $203,603,784 IN STATEWIDE CAPITAL FORMATION
Our Clients

• New Ventures
• Existing Businesses
• Growth Companies
• Advanced Technology Companies
Our Services

• 1:1 and Team Consulting
• Business Assessments & Analysis
• Export Assistance
• Financial Management & Planning
• Loan Package Development
• Marketing Strategy & Execution
• Operations Management & Planning
• Organizational Development
• Process Improvement
• SEO Analysis
• Transition Planning
Easy, Online Registration

www.sbdcmichigan.org
SBA Disaster Relief Programs

- SBA Express Bridge Loans
- Paycheck Protection Program
- Small Business Debt Relief Program
- Economic Injury Grants
- Economic Injury Disaster Loan
Where to Go for Information

SBDCMichigan.org/disaster-loan-help
SBA.gov/disaster
michiganbusiness.org/covid19/
Michigan.gov/coronavirus
sbam.org/Resources/COVID-19-Resources
irs.gov/coronavirus
who.int
cdc.gov/coronavirus
Protect Cash Reserves

• Defer non mission-critical spending
• Collect receivables
• Watch inventories
• Manage payables
Establish Payment Groups

- Separate vendors in A, B and C groups
  - A = payroll, taxes, bank, insurance/benefits
  - B = major raw material/product suppliers
  - C = everyone else
Accounting

• Process and reconcile transactions frequently
• Need up-to-date financials, personal financial statements and tax returns to negotiate with lenders or apply for Disaster Relief Loans.
Communicate with Stakeholders

• Employees
• Vendors
• Customers
• Lenders
### Coronavirus Relief Funds & Payment Planner

**Client Name**

**Client #**

**Coronavirus Relief Funds Payment Planner**

Prepared by: __________

**Source of Funds**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Amount Awarded</th>
<th>Date Expected</th>
<th>Repayments Begin</th>
<th>Repayment Amount</th>
<th>Repayment Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA Express Bridge Loan Pilot Program</td>
<td>$ 100</td>
<td>3/31/20</td>
<td>7/31/20</td>
<td>10</td>
<td>Monthly</td>
</tr>
<tr>
<td>SBA Paycheck Protection Program</td>
<td>$ 200</td>
<td>3/31/20</td>
<td>7/31/20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>SBA Small Business Debt Relief Program</td>
<td>$ 300</td>
<td>3/31/20</td>
<td>7/31/20</td>
<td>30</td>
<td>Monthly</td>
</tr>
<tr>
<td>SBA Economic Injury Grant</td>
<td>$ 400</td>
<td>3/31/20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBA Economic Injury Disaster Loan</td>
<td>$ 500</td>
<td>3/31/20</td>
<td>2/28/21</td>
<td>50</td>
<td>Monthly</td>
</tr>
<tr>
<td>Michigan Small Business Relief Program - Loans</td>
<td>$ 600</td>
<td>3/31/20</td>
<td>7/31/20</td>
<td>60</td>
<td>Monthly</td>
</tr>
<tr>
<td>Michigan Small Business Relief Program - Grants</td>
<td>$ 700</td>
<td>3/31/20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SOURCE OF FUNDS</strong></td>
<td><strong>$ 2,800</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Use of Funds**

<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>Amount Owed</th>
<th>Vendor Group</th>
<th>Deferment Date</th>
<th>Allocation</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>$ 10</td>
<td>A</td>
<td></td>
<td>100%</td>
<td>$ 10</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>$ 20</td>
<td>A</td>
<td>7/15/20</td>
<td>100%</td>
<td>$ 20</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$ 30</td>
<td>A</td>
<td></td>
<td>100%</td>
<td>$ 30</td>
</tr>
<tr>
<td>Rent</td>
<td>$ 40</td>
<td>C</td>
<td></td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$ 50</td>
<td>B</td>
<td>4/30/20</td>
<td>20%</td>
<td>$ 10</td>
</tr>
<tr>
<td>Bank</td>
<td>$ 60</td>
<td>B</td>
<td>4/30/20</td>
<td>20%</td>
<td>$ 12</td>
</tr>
<tr>
<td>Utility</td>
<td>$ 70</td>
<td>B</td>
<td></td>
<td>15%</td>
<td>$ 11</td>
</tr>
<tr>
<td>Vendor A</td>
<td>$ 80</td>
<td>C</td>
<td></td>
<td>9%</td>
<td>$ 7</td>
</tr>
<tr>
<td>Vendor B</td>
<td>$ 90</td>
<td>C</td>
<td></td>
<td>10%</td>
<td>$ 9</td>
</tr>
<tr>
<td>Vendor C</td>
<td>$ 100</td>
<td>C</td>
<td></td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL USE OF FUNDS</strong></td>
<td><strong>$ 109</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ENTER THE AMOUNT OF CASH YOU WISH TO ALLOCATE > $ 100

OVER-ALLOCATED
# Daily Flash Report

**As of 3/30/20**

**Prepared by:** __________

## Cash Available

<table>
<thead>
<tr>
<th></th>
<th>Bank Balance</th>
<th>Line of Credit Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>add:</td>
<td>Deposits in Transit</td>
<td>Borrowing Base*</td>
</tr>
<tr>
<td>less:</td>
<td>Outstanding Checks</td>
<td>Current Balance</td>
</tr>
<tr>
<td></td>
<td>General Ledger Balance</td>
<td>Available</td>
</tr>
<tr>
<td></td>
<td>Unreconciled Difference</td>
<td>$ -</td>
</tr>
</tbody>
</table>

| Unused Line of Credit | Total Cash Available | $ - |

### Accounts Receivable

<table>
<thead>
<tr>
<th></th>
<th>0 - 30</th>
<th>31 - 60</th>
<th>61 - 90</th>
<th>90+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Top Over 90 Day Accounts**

<table>
<thead>
<tr>
<th></th>
<th>0 - 30</th>
<th>31 - 60</th>
<th>61 - 90</th>
<th>90+</th>
<th>Total</th>
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<tbody>
<tr>
<td>Accounts Receivable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**All Others Combined**

<table>
<thead>
<tr>
<th></th>
<th>0 - 30</th>
<th>31 - 60</th>
<th>61 - 90</th>
<th>90+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

## Accounts Payable

<table>
<thead>
<tr>
<th></th>
<th>0 - 30</th>
<th>31 - 60</th>
<th>61 - 90</th>
<th>90+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

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<th>61 - 90</th>
<th>90+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

## Cash Flow Forecast

**Week Ending:**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash Balance</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>add: Receipts</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>LOC Advances</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Cash Available</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>less: Payroll &amp; Payroll Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Employee Expense Reports</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>A Vendors</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>B Vendors</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>C Vendors</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>LOC Payments</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Ending Cash Balance</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Notes:**

A: Must pay vendors such as bank, taxes, utilities, insurance, benefits.
B: Mission critical vendors such as contractors and professional service providers
C: Everyone else

---

**Daily Flash.xlsx**

1 of 1

3/30/20 1:58 PM
A Few More Thoughts

• Economic relief is critical to survival in the short-run
• Sales are critical to survival in the long-run
• What can you do to engage with your customers NOW?
  • What new products or services can you offer?
  • How do you communicate?
• Great opportunity for employee training
  • Have Zoom meetings with staff to learn new software applications
  • Read business books to help you improve your leadership skills
What Questions Do You Have?

Brooks Kindel
Business Growth Consultant
616-745-4477
kindelb@gvsu.edu

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