

C-19

Covid-19
Business
Support
Guide

Business Reboot Checklist



EXTERNAL FINANCIAL
MANAGEMENT - WORKING
FOR YOUR BUSINESS

Introduction

Since Covid-19 restrictions were first implemented in March, businesses across the country have had to overcome many unprecedented challenges. As a country, we've all played our part and it finally looks like we're coming out the other end. It's been great to see so many businesses reopen as we make our way through the government's 'Roadmap for Reopening Society and Business'. Though optimistic, we are all acutely aware that the months ahead are fraught with previously unimaginable challenges and potential pitfalls for business owners.

We've reviewed all the available documentation to provide you with this business reboot checklist.

As lockdown restrictions ease, many have unanswered questions around issues that arose during the Covid-19 crisis. Over the past few weeks and months, we've been in constant contact with our clients and their feedback has been vital to the making of this document. For businesses that are reopening or trying to adjust to a new way of operating, it is a very daunting and overwhelming time. With so much going on, it can be difficult to know where to start. That is where the 'eXFM Covid-19 Business Reboot Checklist' comes in.

We've spent hours combing through government resources, industry guides and advice and recommendations from industry experts.

We've done the work so you don't have to. What you're left with is a business reboot checklist. This checklist is intended to act as a guide that will allow you to assess your readiness for reopening and to identify the crunch areas for your business. While the checklist is not intended to replace or supersede any official Irish government guidance, going through each area one by one will provide you with a good understanding of what's needed to be done and provide the foundation for a successful reboot.

This document was produced on the 19th of June, 2020 and is up to date as of that time. We've provided our understanding and views on certain matters that will be subject to change as the current situation develops. The Covid-19 situation and the Irish government's response to it is ongoing. We expect further details and clarification of government policy and regulation in the coming days and weeks. As lockdown restrictions are lifted, further government recommendations announced and the state of the economic climate becomes clear, we will endeavour to revisit this checklist and update the information within it. Whenever we do make changes, we promise to get in touch with you over email. In the meantime, please do not hesitate to get in touch with us for any assistance you might need.



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Please note: Readers should note that each individual business and sector is likely to have specific issues, circumstances and regulatory and legal requirements to address and consider. This document is not designed to be an exhaustive list of issues that may apply to every business. Accordingly, whilst we hope you find this document useful, we suggest that you take legal, accountancy, HR and other relevant professional advice before taking action on any of the points set out below. Consequently, neither eXFM nor any of its partners, staff or associated entities will accept any liability for losses suffered by any party, however caused, resulting from reliance upon the contents of this document.

Cash Flow Checklist

 Prepare a Rolling 12 Week Cash Flow

Forecast to determine whether the business can generate enough cash to survive until normal trading levels are restored. You need to be very realistic in your sales projections. This forecast should be updated each week, retaining the 12 week structure. Senior management needs to review this constantly and prudently.

 Forecast Additional Costs

Added to the above, ensure to include additional costs associated with reopening under social distance guidelines. This includes screens, signage, additional computer equipment to facilitate remote working and other items related to Covid restrictions.

 Apply for the Restart Grant

The Covid 19 Restart Grant is available to businesses with a turnover of less than €5m employing up to 50 people, which were closed or impacted by at least a 25% projected reduction in turnover to the end of June 2020. The grants will be equivalent to the rates bill of the business in 2019, or a minimum grant of €2,000, with a maximum grant of €10,000. The application form is available online from all [local authority websites](#).

 Debt Collection

Many businesses will struggle to collect their outstanding debts as many of their customers will be adversely affected by the shutdown. Have a systematic plan in place to contact and work with your key customers to maximise your cash inflows. This may need to be done at a more senior management level than normal debt collection. Ensure that your Cash Flow Forecast is based on realistic assumptions around collection of pre-Covid shutdown debts. This is especially relevant if you are heavily exposed to tourism or the hospitality industry.

 Review Customer Credit Terms

Review credit arrangements with existing customers. You may need to shorten your existing credit terms for goods supplied after reopening to those customers whose businesses have been particularly impacted.

 Review Supplier Credit Terms

Can you agree lengthened or deferred credit terms with your existing suppliers? Your 12 Week Rolling Cash Flow Forecast is a critical tool for allowing you to negotiate payment arrangements accurately and credibly with your key suppliers.

 Stock Evaluation

Will your levels of stock change on reopening? Are you able to run down existing stocks to preserve much needed cash? Have you lost a lot of perishable stock and now need to spend money up front to restock?

 Payment Break Extension

Has your company availed of the three month payment break on repayments of bank loans and leases? Do you need to consider asking for an extension for another three months while your business gets back up and running?

 Rent Review

Can you get a break on rent payments from your landlord?

 Bank Supports

Does the Cash Flow Forecast indicate that the company requires short term financial support from its bank? Contact your relationship manager to commence this process.

Financial Forecasts

Management Accounts and Profit & Loss

In addition to the Cash Flow Forecasts, the bank will most likely require recent Management Accounts and Profit & Loss Projections in support of your application. Are you in a position to provide these given staff working arrangements under the government guidelines?



Estimate Trading Impact

Management needs to give their best estimate of the impact on trading levels and cost savings identified. Be sure to factor in supplier costs increases/discounts or rebates policies changing. Also factor in the impact of the Temporary Wage Subsidy Scheme and/or the cost of redundancies.



Financial Projections

If you are looking for additional working capital, you will need to demonstrate repayment capacity in 2021 and 2022. Do you have a financial projections model which allows you to show this? Do you need external assistance with this?



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Payroll/Temporary Wage Subsidy Scheme

Avail of Temporary Wage Subsidy

Has your company availed of the Temporary Wage Subsidy Scheme? The scheme has now been extended to the end of August 2020. There is a very comprehensive set of guidance notes available from Revenue here - [COVID-19 Wage Subsidy Scheme](#),

Check you Qualify

Do you still qualify after reopening? At the moment qualification is based on the company's turnover in Q2 2020. This may be amended so keep an eye on [Revenue's website](#) and the media for updates.

Rehiring of Staff

Are you familiar with the process for rehiring staff who were on the Pandemic Unemployment Payment? It is dealt with in section 2.8 of the Revenue guidelines.

Cessation of Subsidy

Some employers may wish to cease operating the TWSS as they no longer qualify following reopening. Simply move your employees from PRSI Class J9 to their correct PRSI Class and upload accordingly.

Overpayment of Subsidy

Many employers have received overpayments of the TWSS, particularly in the early weeks of the scheme. This was due to the time lag in Revenue's software implementation. You need to allow for this overpayment to be repaid, albeit Revenue have not yet issued guidelines on this other than providing bank account details. Keep an eye on [Revenue's website](#) for updates.

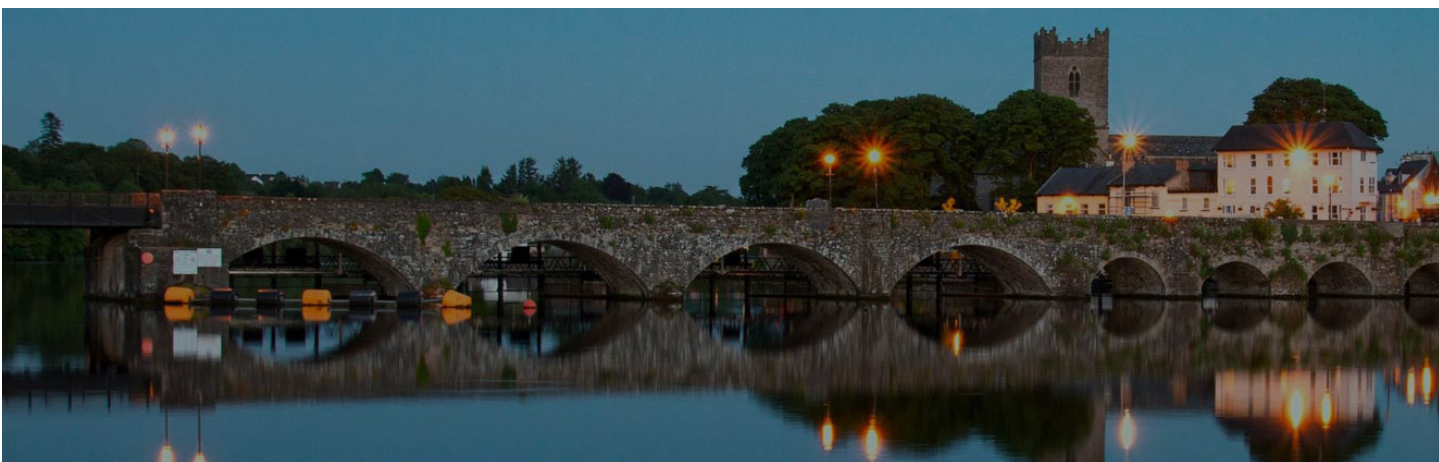
Warehousing of VAT & PAYE Liabilities

VAT Payments & Debt Warehousing

Do you need to suspend payment of some or all of your January to June 2020 VAT and February to June 2020 PAYE liabilities for 12 months to allow your business to recover? The Debt Warehousing Scheme [will warehouse VAT and PAYE \(Employer\) debts](#) associated with the COVID-19 crisis.

Conditions & Liabilities

A key condition of the scheme is that you must keep liabilities from July 2020 onwards filed and paid on time. Are you in a position to resource the accurate and timely filing of these Returns given the impact of Covid restrictions on staffing? Do you need to consider outsourcing these tasks?



COVID-19 Supports Available

COVID Supports Available So far in our checklist we've mentioned the Covid-19 Restart Grant, The Temporary Wage Subsidy Scheme and Debt Warehousing Schemes. There are many other schemes available to the SME sector. A comprehensive list of these can be found on the [Department of Business, Enterprise and Innovation's Guide to Covid Supports](#). We recommend looking through this listing to see what is available to your company. Some of the schemes we feel are most appropriate to our clients can be found below.

- **Credit Guarantee Scheme:** [The Credit Guarantee Scheme](#) supports loans up to €1 million for periods of up to 7 years. Applications can be made to AIB, Bank of Ireland and Ulster Bank. Eligibility criteria apply.
- **COVID-19 Business Loans:** Microenterprises can access COVID-19 business loans of up to €50,000 from Microfinance Ireland. The terms include a six months interest free and repayment free moratorium, with the loan to then be repaid over the remaining 30 months of the 36-month loan period. Loans are available at an interest rate of between 4.5% and 5.5%. Businesses can apply through their [Local Enterprise Office](#) or directly at [MicroFinanceIreland.ie](#). Eligibility criteria apply.
- **COVID-19 Working Capital Scheme:** The €450m SBCI COVID-19 Working Capital Scheme for eligible businesses supports loans from €25,000 up to €1.5 million (first €500,000 unsecured) with a maximum interest rate of 4%. Applications can be made through the [SBCI website](#). Eligibility criteria apply.
- **Future Growth Loan Scheme:** It has been agreed that an additional €500 million in COVID-19 funding will be made available through the Future Growth Loan Scheme to provide longer-term loans to COVID-19 impacted businesses.
- **Sustaining Enterprise Fund:** [The Sustaining Enterprise Fund](#) of up to €180 million is specifically aimed at firms operating in the manufacturing and internationally traded services sectors, with 10 or more employees, that are vulnerable but viable. The fund is operated by Enterprise Ireland, providing repayable advances of up to €800,000 as agreed with the EU under new State Aid rules.
- **Sustaining Enterprise Fund for Small Enterprise:** As part of the Sustaining Enterprise Fund, Enterprise Ireland operates a specific [Sustaining Enterprise Fund for Small Enterprise](#). This fund provides a short term working capital injection of up to €50,000 to eligible smaller companies to support business continuity and strengthen their ability to return to growth.
- **Pandemic Stabilisation and Recovery Fund:** The Ireland Strategic Investment Fund will focus on investment in medium and large scale enterprises in Ireland through a [Pandemic Stabilisation and Recovery Fund](#). The fund, worth up to €2 billion, will make capital available to medium and large enterprises on commercial terms.

Annual Accounts, Companies Office Returns & Corporation Tax Returns

Timely Filing of Annual Accounts

Will your accountant be able to produce your Annual Accounts in a timely manner given the restrictions and the implications of remote working/reduced working hours for all businesses? Consider the use of video conferencing technology to deal with queries and to host board meetings to approve the accounts.

Data Entry & Bookkeeping

Do you need some outsourced assistance in catching up data entry and getting your books and records ready for your annual audit?

Year End Stocktake

Have your year end stock-takes been delayed (or are they due to commence in the coming weeks)? Consider how this will be facilitated within the guidelines and liaise with your auditor on how they will perform their checks.

Late Filing Charges

Revenue has suspended surcharges on late filing of Corporation Tax Returns for accounting periods ending June 2019, [until further notice](#)

Revised Deadlines

Ensure Companies Registration Office filings are up to date, noting that The Companies Registration Office has introduced further changes to [annual filing obligations for companies](#) to assist companies during the COVID-19 crisis. Will you be able to meet the revised deadlines under the circumstances?

Review Contracts & Agreements

Consider the impact of Covid-19 on the accounting concepts and policies used, which we anticipate in many cases will require very careful thought [e.g. going concern, provisioning, post balance sheet events, impairment of assets such as goodwill, stock and customer debts]. You should also review contracts and agreements to ensure penalties and additional liabilities do not result from issues caused by Covid-19

Review Accounting Systems

Review accounting systems and policies for improvements required in response to Covid-19 disruptions [e.g. credit control, invoice approval, bank mandates and general authorisation procedures].

Review Insurance Policies

Review insurance policies for adequacy.

How we can help

Throughout the economic shutdown, we've been in constant contact with clients across a broad range of sectors. Their feedback helped us to identify the pressure points for business owners. This includes concern over cash flow, bank supports, Covid supports, staffing resources, and the costs associated with reopening. While this checklist doesn't alleviate those concerns entirely, it does provide the framework to consider each one of them objectively. Rather than being about finding the ultimate solution or acting as a magic wand, this checklist is meant to be a high level aid. It may also be used to help uncover issues or impacts of Covid-19 that you might not have considered. And that by spotting these issues early, you are in a much better position to address them.

After going through this checklist, you might want to discuss specific areas in more detail. For this and more we are here to lend our expertise. More than anything we want to make sure that as many businesses as possible can successfully navigate through the unique set of challenges that Covid-19 has placed in front of us all.

Below are just some of the ways how eXFM can help:

- Preparation of Management Accounts, detailed Cash Flow Projections and Business Plans. These are both for internal use and for submission to banks and other institutions offering Covid Supports.
- Sound and dispassionate advice to business owners based on our years of experience working with SMEs across multiple sectors.
- Expert knowledge of the various Covid Support Schemes allows us to guide business owners to the schemes best suited for their circumstances.
- Act as a liaison with Revenue to arrange Debt Warehousing and Phased Payment Arrangements.
- Preparation of Corporation Tax and CRO Returns.
- Outsourced staff available to assist with accounts processing and catch-up.
- Payroll services available to allow you to outsource this critical task.

Contact Information

Locations

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We remain committed to providing our clients with the guidance and support they need during these challenging times. We will provide further updates as the situation unfolds during the coming days and weeks. In the meantime, please do not hesitate to get in touch with us for any assistance you might need.



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