

March 17, 2020

Dear Clients and Business Associates,

We appreciate all of you that seek and value our support and guidance. COVID-19 is the type of unpredictable event that has the ability to change the direction of our nation and economy suddenly. How long and how significantly it will impact our businesses, our employees, and our personal lives is uncertain. We have each fielded questions from our clients. Every situation will be different; but here are some reminders as you consider your decisions

- There is no greater tool than a strong balance sheet, business or personal. A solid financial position is critical to allow your business and personal life flexibility in decisions.
- Liquidity is extremely important. As the saying goes, "Cash is King"! You should consider preserving and, if possible, building cash reserves. Cash will allow you to invest in your employees, equipment, materials, and subcontractors at a time of uncertain cash collections.
- Be diligent about cash collections and billing. Employees will need to take care of themselves and loved ones, and authorizations needed to collect receivables may be impacted by workplace absences both internally and externally. Billing, payroll, accounts payable and other critical duties should be cross-trained internally. Employees should understand the importance of communicating regarding receivable collections and payments of your vendors.
- The IRS is considering actions to delay the tax filing deadline from April 15th; however, as of today the the filing deadline remains in place. However, they did provide some relief if individuals owe less than \$1 million and corporations that owe less than \$10 million. You may delay paying your taxes interest and penalty free for 90 days. You should consider preserving this cash as long as possible. We encourage all of our clients to provide us with needed information as soon as possible. While most of our employees may be working remotely, our technological capabilities allow us to continue serving you. It is important that you are prepared for whatever liabilities or estimates that will need to be paid and your information is critical provide those answers. Please note that we are waiting on additional guidance on these provisions which are changing quickly.
- Workplace absences at a time of larger backlogs has the ability to delay projects. It is important that you seek direction and authorizations for expected delays in delivery dates. Notify other customers if you are unable to utilize your available workforce to progress other projects.
- Be honest and flexible with your workforce. With schools closed and the lack of available childcare support, your employees will need to shuffle greater demands at home. Find ways to keep employees engaged within their personal set of circumstances. Consider asking them for suggestions on how to best to approach these challenges with them and be transparent where appropriate.
- Capital investments are an important part of how businesses grow, and when backlog is large it is important to be able to get the work done. Consider whether leasing or financing equipment (even if temporarily or monthly) allows you to preserve cash and added flexibility. Consider whether returning equipment on lease may be appropriate if allowed by your agreement.

- Communicate with your insurance, bonding and banking relationships and keep them informed on how this is affecting your business. Ask them for support and flexibility if necessary. The federal government has taken measures to support bank lending for businesses and individuals; anticipate your needs ahead of time to avoid a crisis. If your line of credit is inadequate or you don't have one, now might be a good time to secure adequate near term cash flow financing.
- Seek advice from legal counsel in matters of human resources related to how you handle policies, procedures, and actions as you respond to COVID-19 employment matters.
- Stay informed about COVID-19 from reliable health organizations and make decisions based on facts and science.



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