

# Business

FDU Family Business Fridays

# NJ ECONOMY & THE IMPACT ON SMALL BUSINESS

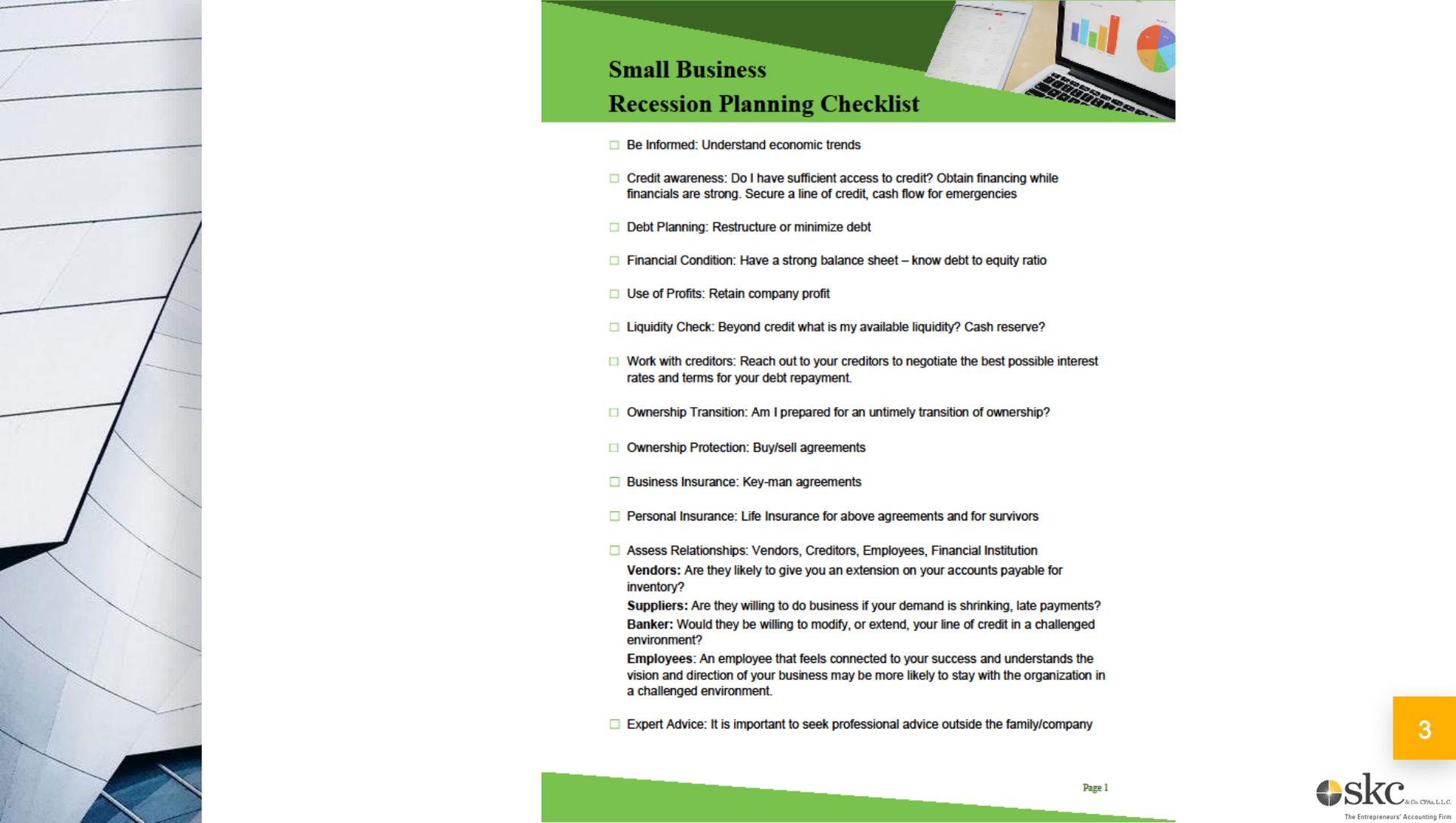
# “THE ENTREPRENEURS’ ACCOUNTING FIRM”



**Sarah Krom, CPA**  
Managing Partner



**Andrea Diaz, CPA, ABV, MST**  
Partner



## Small Business Recession Planning Checklist

- Be Informed: Understand economic trends
- Credit awareness: Do I have sufficient access to credit? Obtain financing while financials are strong. Secure a line of credit, cash flow for emergencies
- Debt Planning: Restructure or minimize debt
- Financial Condition: Have a strong balance sheet – know debt to equity ratio
- Use of Profits: Retain company profit
- Liquidity Check: Beyond credit what is my available liquidity? Cash reserve?
- Work with creditors: Reach out to your creditors to negotiate the best possible interest rates and terms for your debt repayment.
- Ownership Transition: Am I prepared for an untimely transition of ownership?
- Ownership Protection: Buy/sell agreements
- Business Insurance: Key-man agreements
- Personal Insurance: Life Insurance for above agreements and for survivors
- Assess Relationships: Vendors, Creditors, Employees, Financial Institution
  - Vendors:** Are they likely to give you an extension on your accounts payable for inventory?
  - Suppliers:** Are they willing to do business if your demand is shrinking, late payments?
  - Banker:** Would they be willing to modify, or extend, your line of credit in a challenged environment?
  - Employees:** An employee that feels connected to your success and understands the vision and direction of your business may be more likely to stay with the organization in a challenged environment.
- Expert Advice: It is important to seek professional advice outside the family/company

# NEW JERSEY BUDGET



**8.97% to 10.75%**

Millionaire's Tax rate increase

**2.5%**

Surtax on corporations



# UNCERTAINTY WITH UNEMPLOYMENT INSURANCE

# RELIEF PACKAGES AND TAXABILITY



# WHAT WE ARE SEEING AND PLANNING FOR



Prepare and plan for  
2021

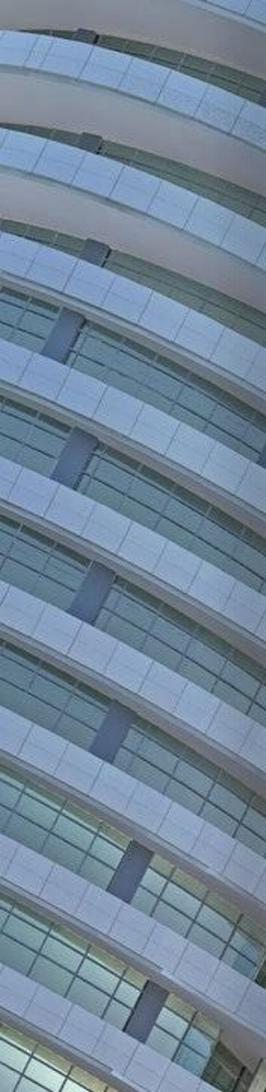
Changing lending  
environment

Changing ways of  
business

M&A activity



## NJ UPDATES



# THANK YOU!

## QUESTIONS?

YOU CAN REACH OUT TO US AT:

- [info@skcandco.com](mailto:info@skcandco.com)
- (973) 335-1112