

FDU Family Business Fridays

NJ ECONOMY & THE IMPACT ON SMALL BUSINESS

“THE ENTREPRENEURS’ ACCOUNTING FIRM”



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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:

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