



Cash Flow Considerations

1. Don't start or grow your business without adequate cash or credit.
2. Make cash flow projections routinely--before a crisis hits.
3. Only sell on credit if common and necessary in your industry.
4. Obtain a bank line of credit for seasonal fluctuations, before you need it.
5. Use long term debt for long term assets. Don't buy assets on credit cards. Do not give creditors access to your primary bank accounts.
6. Focus on increasing sales and control growth based on available cash.
7. Raise prices when it will increase cash.
8. Reduce expenses that do not affect sales.
9. Ask for payments and take necessary action to collect all accounts receivable.
10. Ask suppliers for delayed payments
11. If you are selecting what bills or payments to delay, compare potential consequences of loss of services, repossession, reputation, penalties, fees, loan costs, and risk to your credit rating.
12. Payroll and sales taxes get paid first. Those are not your money.
13. Property taxes can wait three years in Idaho.
14. Income taxes can sometimes wait. Talk to your CPA.
15. Remember that bankruptcy can make some bills wait or be discharged. Some taxes may be negotiated, but they are not affected by bankruptcy like many other debts. Bankruptcy may delay but does not prevent creditors from taking their security.

SBDC consultants and business professionals can help. 208-792-2465 or ISBDC@LCSC.edu

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