



Planning Checklist for Business Owners Steps to Take During the Downturn

Your business is likely the largest item on your balance sheet. Use this checklist to manage this important asset during the economic slowdown brought on by the coronavirus pandemic.

Personal Planning

- Review accounts for potential tax-loss harvesting opportunities
- Review or create Health Care Power of Attorney (HCPOA)
- Review all estate planning documents and beneficiary designations
- Add or review digital asset access language to estate planning documents
- Consider Roth IRA conversions
- Utilize dollar cost averaging (DCA) strategies
- Consider financial gifts to family members
- Review charitable giving strategy
- Suspend 2020 Required Minimum Distributions (RMDs)

Coronavirus Relief Package

- Review criteria and quantify potential benefits of CARES Act loans
 - Paycheck Protection Program
 - Economic Injury Disaster Loan
- Quantify potential benefits of Employee Retention Credit
- Determine best option between PPP loan and ERC
- If applicable, apply for CARES Act loan(s)
- Review cash flow implications of FICA tax deferral (Can't use if get PPP forgiveness)

Business Liquidity

- Assess overall liquidity
- Determine if your business should have an emergency fund, and if so, how much
- Determine if your business should have a line of credit; if so, establish with your bank
- Review debt for refinancing opportunities
- Review entity structure for personal protection from creditors

Business Tax Planning

- Outsource tax planning and preparation to a qualified professional
- Review best tax setup and new laws like CARES Act with professional
- Complete 1099A planning
- Review NOL and recapture provisions for new credits

Business Insurance Planning

- Keep up health insurance
- Review property and liability insurance
- Call insurance company regarding rebate or discounts for unused property or assets
- Be proactive: Check to see if you have the right amount and type of coverage

Business Continuity Planning

- Review written business continuity plan and update as necessary
- Review succession planning agreements and documentation
- Review personal legal documentation as they relate to business continuity (wills, trusts, POAs)
- Add or review digital asset access language to business continuity and succession documents
- Review business assets for potential improper ownership
- Obtain updated business valuation; agreements should align with current value
- Consider additional life insurance to fund continuity/succession agreements

Business Finances

- Review 2019 financials and profit margin
- Determine how much of a decrease in revenue that your profit margin can absorb before cuts are necessary
- Revise 2020 budget and projections
- Create an action plan to increase revenue
- Review expenditures for quick and painless savings
 - Review "Miscellaneous" expenses for possible cuts
 - Temporarily suspend complimentary office snacks and drinks
 - Cancel unused media or technology subscriptions
 - Look for simple ways to reduce energy usage
 - Shop for lower-cost office supplies, stationery, and printing
 - Limit unnecessary business travel
 - Limit discretionary spending

- Delay capital expenditures and hiring plans
- Suspend employee "perks"
- Review expenditures for more difficult or labor-intensive savings
 - Renegotiate lease
 - Negotiate utility rates: energy, phone, internet
 - Review technology for savings in areas like unused programs or overlapping functions
 - Review opportunities for technology automation
 - Review business partners like bank and insurance providers for possible savings
 - Review vendors like cell phone providers: to see if usage is in line with plan cost
 - DIY or look for less expensive office service providers where possible: plant care, cleaning, landscaping, etc.
 - Sublet office space when appropriate
 - Negotiate rates with independent contractors
 - Suspend bonuses
 - Temporarily reduce owner and senior executive salaries
- Review expenditures for last-resort savings
 - Downsize office space
 - Decrease or suspend retirement plan contributions
 - Decrease or cut employee benefits (when/if possible)
 - Review payroll costs
 - Furlough
 - Layoff
 - Reduce salaries

- Develop a plan for short-term vs. long-term cutbacks:
 - 2 weeks
 - 1 month
 - 3 months
 - 6 months
 - 12 months

Business Operations

- Identify current and potential stress points from the coronavirus, social distancing protocols, and the economic slowdown
- Review or create your corporate crisis communications plan
- Develop backup plans for key employee sick leaves or departures
- Implement technology needed to continue business operations from remote locations
- Establish secure access to all important business technology from remote locations
- Establish secure access to all important internal and client files from remote locations
- Review service delivery methods for modifications needed
- Cross-train employees in vital functions
- Stabilize supply chain and add clarity to processes
- Create or review central contact list of all employees, key vendors and business-critical resources
- Review or implement formal remote working agreements

Business Stakeholders - Customers

- Be transparent and available in service and sales
- Proactively show generosity and flexibility in policies
- Track and use customers' preferred communication methods
- Update records with customers' approved key contacts (where applicable) in case of emergency
- Establish a reliable method of mass communication to customers is in place
- If possible, extend invoice due dates for customers who are struggling financially
- Communicate, communicate, communicate

Business Stakeholders - Employees

- Keep employees safe
 - Allow work from home when possible
 - Provide protective equipment and sanitizer where applicable
 - Frequently clean and disinfect the workplace
- Respect and allow flexibility for this unusual situation (caregiving responsibilities, additional stress, etc.)
- Include Employee Assistance Program as part of your benefits plan
- If possible, reassure employees about the company's financial position and the security of their employment
- Implement a structured method to learn about and respond to employee concerns is in place
- If possible, arrange or provide financial assistance to employees affected by the coronavirus or the economic downturn
- Communicate, communicate, communicate

Business Stakeholders - Community

- If possible, make financial or other donations to organizations that help those most at-risk during this time:
 - Food pantries
 - Medical organizations
 - Local nonprofits that provide financial assistance paying utilities or other obligations
 - Local groups that provide meals to school-aged children while schools are closed
- If possible, offer products and services at a discounted rate or pro-bono to those affected by the coronavirus and the economic fallout
- Encourage employees to practice social distancing and other tactics to reduce the spread of coronavirus throughout the community
- Support local restaurants and other small businesses by making online purchases, including gift cards
- Donate to organizations that are providing meal delivery to healthcare workers
- If possible, show preference to suppliers and vendors that are small and local businesses
- Communicate, communicate, communicate

Business Leadership

- Reset realistic goals for 2020
- Determine what success looks like in this unusual time
- Decide how progress will be evaluated in key areas
- Mentor future leaders on crisis and change management
- Regularly communicate updates, fact and contingency plans with employees – now is the time to overcommunicate
- Use this as an opportunity to demonstrate exceptional care and leadership
- Meet as a team to discuss potential opportunities:
 - To grow our business
 - To evaluate and evolve our product or service model
 - To demonstrate client care, add value and deepend client relationships
- Communicate, communicate, communicate