

Quick Guide to Financial Liquidity



LIQUIDITY & WORKING CAPITAL

Steps:

1. Determine your current working capital needs. How much will you require, on a monthly basis, for the next full trading year?
2. Review your balance sheet. What liabilities have built up that may need to be paid and therefore will be a cashflow requirement? (e.g. rent, VAT, etc.).
3. Determine what are the liquidity needs, for the next six to 12 months (for example, loans, creditors, Revenue payments, etc.).
4. Evaluate the options available to you. This may include, for example, overdraft for low season months, short-term loan to consolidate loans, or additional loan requirements. Speak with your advisor or accountant if you are unsure.
5. If your cashflow is challenged, discuss this with your financial institution and the options for additional funding or restructuring your existing loan.

Loan Options:

- *SBCI COVID-19 Working Capital Scheme* Complete online application on www.sbc.gov.ie and tick Innovation Criteria 1 as that is most relevant to Tourism
- *Credit Guarantee Scheme* Talk directly to your bank about is option. Schemes details also on www.sbc.gov.ie
- *MicroFinance Ireland COVID-19 Loan Scheme* Complete online application www.microfinanceireland.ie

Cash Flow Forecasting:

- Prepare monthly financial projections and cashflow for 12 to 18 months to show cash available for debt service.
- Prepare base case and best-case scenarios to determine minimum and maximum cash requirements

Funding Options:

- Short Term Loan
- Overdraft Facility
- Tax Warehousing
- Trade Finance Solutions
- Forbearance Requests

STEP BY STEP HELP ON PREPARING A MONTHLY P&L AND CASHFLOW FORECAST, DETERMINING LOAN REPAYMENTS AND OPTIONS, TALKING TO YOUR BANK ARE ALL AVAILABLE HERE

www.failteireland.ie/FinancialPlanning

**Need Guidance? Contact your local Fáilte Ireland representative
Call 1800 242473 Email: CustomerSupport@failteireland.ie**