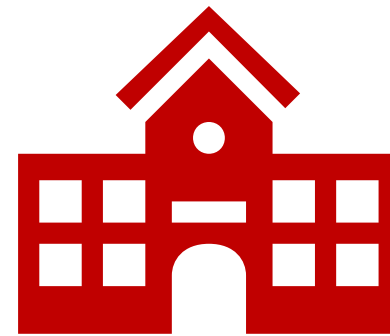
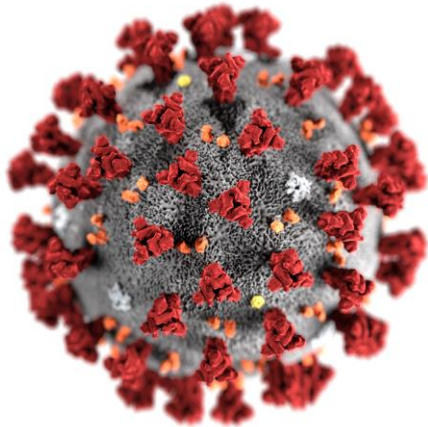




SHARED  
SERVICES  
OF MASSACHUSETTS

# Navigating During a Health Crisis

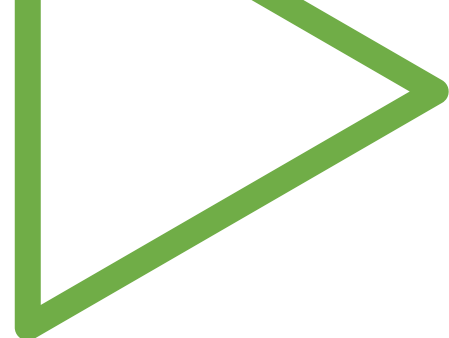
Finance Considerations for Early  
Childhood Programs





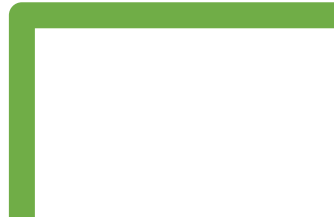
SHARED  
SERVICES  
OF MASSACHUSETTS

As early  
childhood  
professionals,  
we're trained to  
educate and  
nurture  
children....



But now  
more than  
ever...

It's important that you see  
yourself as a business  
leader!



It may seem like  
the world has  
turned upside  
down...

Changing the way we  
look at our business will  
be vital now and in the  
future.



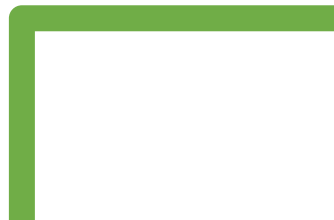
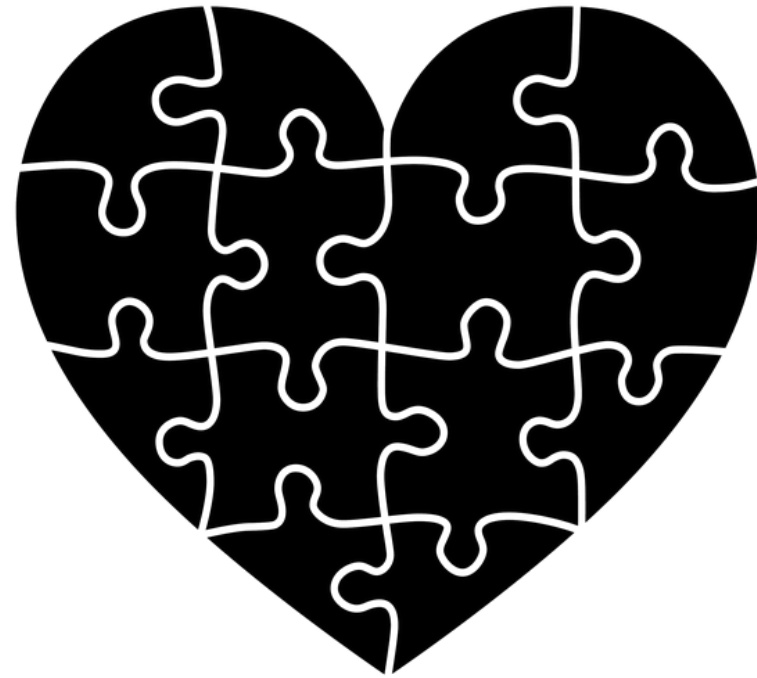
Know that this  
too will pass...

We need to prepare for  
lasting change to sustain  
our businesses.



During this time,  
ECE business  
leaders will lead  
with compassion

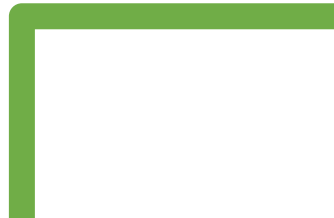
Yet understand the  
financial realities of  
operating in a crisis





# Analyze your financial situation

How long can I stay in business given the current conditions?



# And make Difficult Decisions

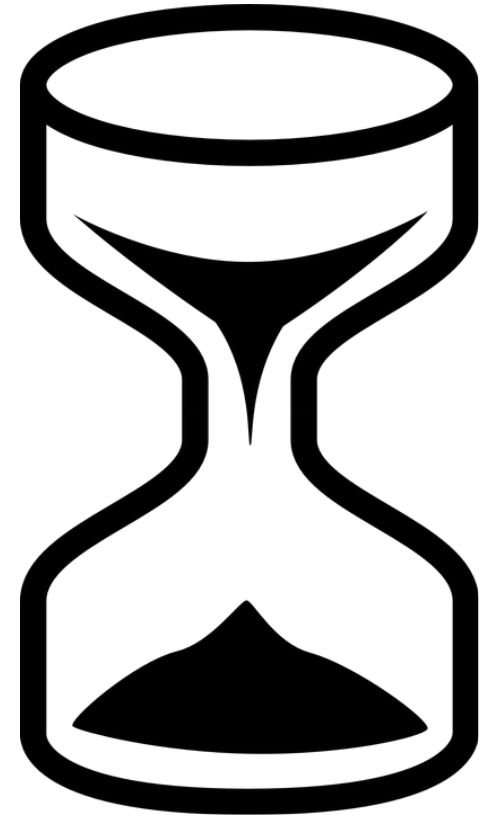
The best plan for your  
business is ensuring that  
children, families and your  
employees have a  
workplace to return to





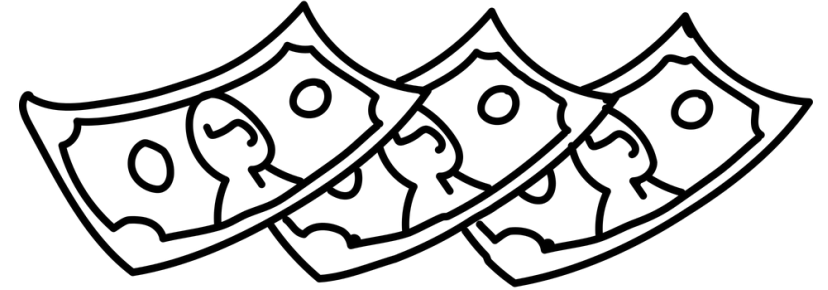
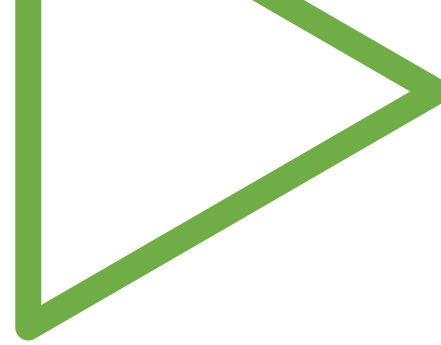
# How Long Can I Stay in Business?

How much cash do I have on hand and how long will that amount allow me to pay for the expenses necessary to keep my business afloat?



# Determine Cash on Hand...

- How much money is available to my business today (in the bank, accessible investments, elsewhere)?
- How much money is expected to be received shortly (tuition payments, grants, fundraising dollars, etc.)?
- Can I still expect that income?



# Determine Payables

What do I HAVE to  
pay to keep my  
business going?

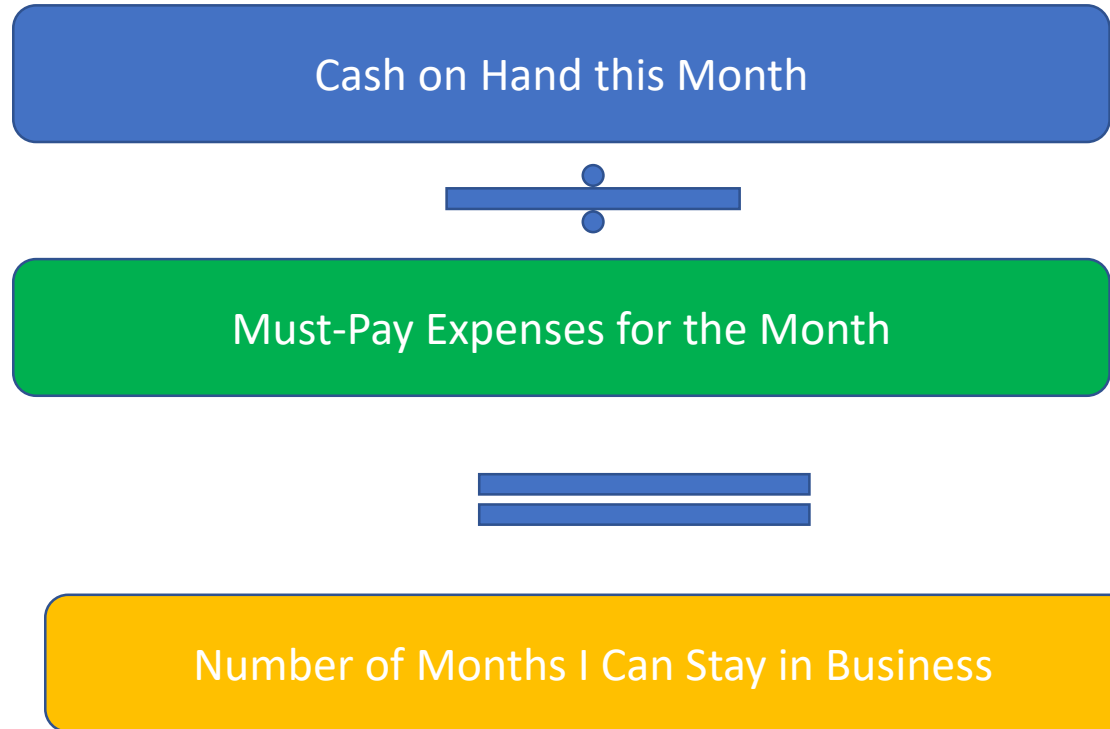
Rent/Mortgage is  
FIRST



# Calculate Number of Months (Days) Current Cash Can Sustain Your Business\*

Example

	March	
Cash on Hand	\$2,000	Savings & Tuition Expected
Must-Pay Expenses	\$1,000	Rent/Mtg Utilities
# Months I can stay in business	2	Assuming no more money coming in after March



\*Assuming no additional cash coming in

# You Can Do This Calculation with and Without Paying Employees

Remember, the goal is for children, families and staff to have a program to return to

Cash on Hand this Month



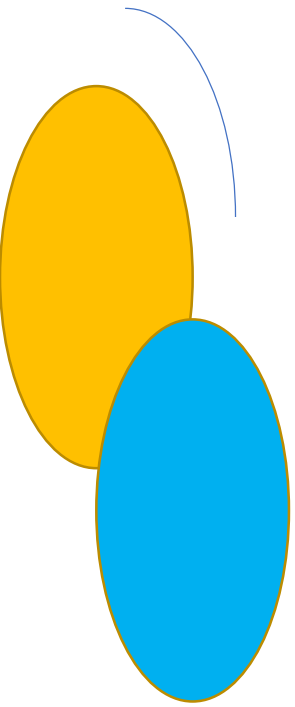
Must-Pay Expenses for the Month



Number of Months I Can Stay in Business

# Use a Cash Flow Worksheet

<b>Cash Flow Worksheet</b>													
Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
Cash on Hand		0	0	0	0	0	0	0	0	0	0	0	
<b>Income (Cash In Flows)</b>													
Tuition													0
CACFP													0
Registration fees													0
Holding fees													0
Activity fees													0
Other fees													0
Grant													0
Loan Proceeds													0
<b>Total Monthly Cash In</b>		0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Available Cash</b>		0	0	0	0	0	0	0	0	0	0	0	0
<b>Expenses (Cash Out Flows)</b>													
Payroll													0
Payroll Taxes													0
Health Benefits													0
Other Benefits													0
													0
Food													0
Transportation													0
Childcare Supplies													0
Office Supplies													0
Utilities													0
Marketing and Promotions													0
Insurance: Business/Liability/Real Estate													0
Accounting/Legal													0
Repairs/Maintenance													0
Printing													0
Postage													0
Rent or Mortgage Interest													0
Dues & Subscriptions													0
Training/Education - Staff													0
Taxes/Licenses													0
Depreciation													0
Miscellaneous													0
<b>Total Monthly Cash Out</b>		0	0	0	0	0	0	0	0	0	0	0	0



See the Shared Services Web Platform Business Tools Section

# Is there Room to Negotiate Your Payables

Can you get short  
term relief from:

- Landlords
- Lenders
- Vendors
- Suppliers



# Can You Afford to Retain Staff?

If not, be sure employees are aware of unemployment and health care coverage options. Are there options for furloughs versus layoffs?





# Start Planning for Re-Opening ASAP

## Enrollment

- What will enrollment look like?
- Will you need additional marketing?
- Will your tuition rates change?



## Policies & Contracts

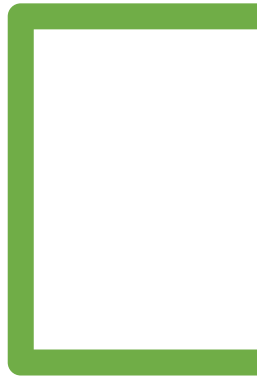
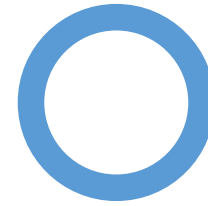
- Do you have policies in place that protect you in the event that a health crisis occurs again?
- Do you receive tuition in advance?
- Are your sick policies in order?
- If the program is required to close, are parents responsible for tuition?
- Can you charge a fee to hold a child's spot?

## Re-Opening Expenses

- Deep cleaning
- Re-stocking food & other supplies
- Cash to cover the first payroll
- Cost to recruit new staff
- Marketing costs to recruit new families
- Staggered start for new children and families will put pressure on your budget.
- Not being able to fully staff may put you at risk for losing employees

# Lead with Your Head and Follow with Your Heart

- Constantly Monitor Cash Flow Projections
- Making data driven financial decisions will position you for long term success!



Use the  
Resources on the  
Shared Services  
Web Platform to  
Support the  
Suggestions in  
this Presentation

