1. Getting Through COVID-19: A Financial Game Plan for Small Businesses - YouTube

<https://www.youtube.com/watch?v=4vHBs1AhKnk>

Transcript:

 hey everybody I'm going to give us just a couple just a minute here to make sure everybody that's gonna jump on what will get here and then we'll get started you okay we're going to get started now we've got a few people on welcome everyone to York Ovid 19 small business

 financial game plan before we get started I'm going to go through just a few housekeeping items first feel free to ask any questions you have by clicking on the questions box on your screen at the end of the presentation I'm going to do my best to answer any questions you might have but if we don't get to them all just a heads up that bench is also going to be hosting another Q&A session next week at the same time so keep an eye out for that if you don't get any of your questions answer today and I'm going to introduce

 myself I am Janet berry Johnson I am a CPA and I'm also a writer for bench and I spent about a decade working in an accounting firm I did both small business accounting and taxes and now I spend all of my time writing about them those topics so I'm really passionate about helping small business owners understand their accounting and taxes to help them make better business decisions and today's webinar is hosted by bench bench is the largest bookkeeping service in the US they make bookkeeping and tax

 season painless for small businesses by providing a remote team to handle day-to-day bookkeeping and they also provide an app to help business owners track their finances and that's really important all the time but especially when money's tight so one of the things we know right now is that a lot of small business owners are really feeling uncertain about the future so many small businesses are essentially non-operational right now either because they were ordered to close or they felt like closing the doors was the right

 thing to do to limit the spread of coronavirus and others might be struggling to support employees who are working from home right now balancing productivity with caring for families and of course one of the biggest challenges is that we just don't know right now how long this is going to last or what the long-term impact will be on the economy but despite all of that there are some things that you can do now to protect your business while also protecting your employees and your customers so today we're going to cover six of those steps

 so one of the first things that you want to consider is whether you have business interruption insurance coverage that can help you replace some of the revenue that you might be losing right now now I want to preface this by saying that every insurance policy is different so you really have to look at your policies and talk to your insurance agent to find out what kind of insurance you have and what sort of exclusions are written into the policy that said there's actually two kinds of business interruption

 coverage that might come into play here business interruption insurance is usually purchased as part of the commercial property insurance policy and it's intended to cover some loss of revenue if your operations are disrupted so for instance if you had a fire in your warehouse and you're not able to fulfill orders business interruption can cover some of that lost revenue while you get up up and running again the second type of contingent business business interruption insurance it's similar to regular business interruption

 but it covers lost revenue resulting from a disruption to your customers customers or suppliers so for example if you have a retail store and you rely on products from an overseas supplier and that supplier is not operational then that could cause you to lose business so that's a loss that might be covered by contingent business interruption insurance now even if you do have this coverage there might be some exclusions in the policy wording that are going to make it difficult for you to successfully file a claim so for example

 after the SARS outbreak in 2003 many insurance companies updated their policies to exclude infectious diseases so your insurance company might take the position that your lost revenue is caused by kovat 19 and so it's not covered however I did see a story just a couple of days ago that a restaurant in the French Quarter of New Orleans filed a lawsuit asking the court to determine that their lost business wasn't because of the virus but because of the government are limiting public gatherings and the mayor restricting

 restaurant operations and they're asking the court to interpret the insurance policy in a way that provides coverage for their lost revenue now I'm not an attorney and I'm definitely not suggesting that a lawsuit is the best course of action right now but it is something to keep an eye on because I expect we're going to see a lot of these insurance questions working their way through the courts in the next few years again if you do have business interruption coverage that coverage can really vary depending on which company

 you're with and how the policy is worded so talk to your insurance agent and if you don't have coverage right now it's probably too late to buy it for this event but it is something to consider for the future once the current situation stabilizes now our second recommendation is to implement in an emergency budget now this involves cutting out all unnecessary expenses to ensure that the money that you do have is going to last as long as possible so you've probably already cancelled your travel plans for the immediate future

 but look at other ways to cut any non-essential spending if you have subscriptions that aren't critical or large projects you're working on that you can put off for later or maybe you've been making extra debt payments to pay off your loan or credit card you might want to put those on hold and just pay the minimum due and because really the more cash you can hold on to now the better positioned you're going to be to keep your business afloat now I know that many of these cost-cutting efforts

 are tough because a lot of times budget cuts are going to impact people and put more jobs on the line but at this point it's really a matter of survival for many small businesses so your goal is going to be to weather the next few weeks or months and come out on the other side and if you need help with that a good resource is going to be bench if you they can help you review your expenses and look for ways to cut costs if you have a bookkeeper handling your small business accounting it's a lot easier to

 take a look at your expenses and your cash flows and spot those places where you can make cuts and that's really helpful especially in tough times now our third tip is to consider refinancing your current debt or even getting a low interest rate loan now you have probably heard that the Federal Reserve cut interest rates to 0% now unfortunately this doesn't necessarily mean you're going to be able to get a loan or a credit card with a 0% interest rate but the feds decision does tend to lower the

 cost of borrowing overall even though actual interest rates are higher than the federal funds rate so it is a good idea to talk to your bank if you have any high interest debt you might be able to refinance and lock into a lower rate and if you can lower your interest rate and maybe even extend your loan term that can really reduce your monthly payment and help out your cash flow right now unfortunately it might cost more over the long term to extend your loan term but if you can if you can get through this situation you can pay that

 off down the road and if you don't currently have any debt but you need help with cash flow you might consider a loan from the US Small Business Administration the SBA recently announced that they're going to be offering disaster relief loans for small businesses who've been impacted by coronavirus so with a disaster relief loan you can borrow up to two million and the funds can be used to cover loss revenue make debt payments meet payroll and any of those other expenses that you need to stay afloat right now now the

 SBA's disaster relief loans aren't exactly the fastest option it can take more than a month to get loan approval and I do expect that lenders are really going to be swamped with applications but that is an option that's out there if you need funding faster than that another possibility is an SBA Express bridge loan now with a bridge loan you can borrow up to $25,000 the catch is you can only get one from a bank that you had a relationship with at the time of the disaster so for example if the bank where you maintain your

 business checking account is also an SBA lender then you can talk to your banker about your options there now our fourth tip is to communicate if you know that you're going to have trouble paying bills or making loan payments in the coming weeks or months it's really crucial to communicate with your lenders and vendors and suppliers now the good news is that companies around the world are offering free services they're allowing customers just get payments waiving late fees and offering other types of financial assistance to

 individuals and businesses that are being impacted by the coronavirus there was just an article a few days ago in USA Today listing a bunch of these programs they're from utility companies phone and Internet service providers and even banks but the key really is that you have to communicate because if you simply ignore your bills you run the risk of having your account reported to collections or having your services cut off but if you call to discuss your options you might be surprised at how willing they are to work with you and

 our fifth suggestion is to look at programs in your city or state now the federal government has been working on a stimulus package I believe it's supposed to be finalized this today actually but several state and local governments have also announced different programs and initiatives and at helping small businesses the resources available in every state and city are going to vary and new ones seem to be announced every day but I did find a few big examples that we can talk about today for example the New York City Department of Small

 Business Services is giving out loans of up to $75,000 with a 0% interest rate and they're also offering small businesses with less than five employees grants to help cover payroll costs now grants are definitely more attractive than a loan because you don't have to pay them back so that's really a great if you are a small business owner in New York City but no matter where you live you might want to look into an other small business grants we have an article on bench Co that lists a bunch of small

 business grant programs so definitely check that one out and you might have heard that the IRS pushed back the deadline to file and pay your 2019 tax returns they pushed it back by about 90 days from April 15th to July 15th and many states are following suit but you really need to double check with your state because not all of them have changed their deadlines or they might provide a different timeline for example in California the Franchise Tax Board pushed the deadline to file and pay 2019 taxes back by 60 days to June 15th and

 Maryland is extending their deadline for certain business related tax filings to June 1st so it's really important to check with your state's Department of Revenue to find out if they've extended your tax filing deadline if they've extended the payment deadline that can really help out and this helps in a few ways because first if you're really not able to file your tax return because of coronavirus then you're going to have more time to get your paperwork together and get it filed but more importantly if

 you've been setting aside money to pay your tax bill this gives you an opportunity to use those funds for your more crucial needs right now so you can use those use those funds to pay your bills to pay employees and you're still going to have to pay it eventually but you can worry about that 90 days from now instead of today and several states are also making changes to employment benefits now the federal stimulus packages are also providing some different unemployment options but in Washington State they were the location

 for the first confirmed case of kovat 19 in the US and they just recently announced a mandatory statewide stay at home order well in Washington State they're talking about paying unemployment benefits even to workers who are on standby or working reduced hours so if you have highly trained employees and you really don't want to lose them but you can't afford to keep them working full-time a program like this could help you hold on to them and they won't have to go looking for another job because you can't keep them busy again

 those were just a couple examples of some statewide programs that we're seeing and there's really more being announced every day so check with your governor's office or your like local Chamber of Commerce that they're probably going to have the most up-to-date information that applies in your area and finally our last tip is to talk to your accountant or your tax advisor as I mentioned before the tax deadline was extended to July 15th and again that's the deadline to file as well as the deadline to pay any federal

 income taxes now a lot of people have already filed their tax returns and paid what they owed for 2019 unfortunately if you already paid what you owed you're probably not going to be able to get that money back now but if you're expecting a refund it's really important to file as soon as you can as it stands the IRS announced that they are still going to be issuing refunds so definitely file your tax return as soon as possible so that you can collect that money and again this is something to discuss with your accountant or tax

 advisor because things are really changing quickly it seems about every time I write about one of these programs that everything changes so your accountant and tax advisor are going to be following this news closely as well and they can give you the latest information now I know that we just covered a whole lot of information in a really short amount of time but hopefully this gave you a few ideas for resources that you can tap into so with that I'm going to see if we have any questions to answer so one of the questions we have here is

 about unemployment I've had to let some of my employees go due to Cova 19 will my unemployment tax rate increase if my employees file for benefits so what I understand is that businesses who will are temporarily closed due to kovat 19 are not going to have their experience rate impacted if they have to lay people off so there's going to be a relief from having your rate change at this time because of covin 19 so that's that's some some good news for employers that just really don't have an option of

 keeping people on the payroll so I have another question here having trouble reading who these questions are from sorry I am self-employed and I can no longer work during this crisis can I apply for unemployment assistance so this is kind of a big question I understand that small business owners and self-employed people currently cannot apply for unemployment benefits if they need to close or temporarily shut down but that is something that a lot of people are talking about right now there's a whole lot of people that

 have been moving into the gig economy in recent years and I know for one the freelancers Union is really pushing lawmakers to extend unemployment benefits to cover freelancers and self-employed people as it stands unless there's something brand in the brand-new stimulus bill that's going to extend those benefits self-employed people are not covered by unemployment but that's something to keep an eye out on I think that because there's just so many people in the gig economy we might see that change

 and I have another one here a question if I'm a small business owner and I'm eligible for unemployment benefits if I need to close or temporarily shut down my business because of Coco vat19 so again small business owners probably not going to be able to apply for unemployment benefits but you might be able to qualify for a small business loan the Small Business Administration as I mentioned earlier is offering disaster relief loans to small businesses and that might be an option I know that bench is currently also putting together

 a very detailed blog post about small business loans and the disaster relief loan program so that could be a helpful resource you can find that on the bench Co blog and I don't have any other questions here if anybody else that's listening in would like to ask some questions I'm more than happy to try to answer them for you as much as I can but if we don't have any other questions then I appreciate everybody that tuned in today and I guess we will call it a day now remember that I mentioned bench

 is also going to be hosting another Q&A session next week same time at 11:00 Pacific so take a look out and register for that if you have any questions in the meantime you know we're going to compile all of those questions and try to get it everybody's questions answered so we're happy to help out thank you you