



Sobel & Co., LLC

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

Annual Nonprofit & Social Services Symposium

Finding New Ways to Enhance Cash Flow

“SHOW ME THE MONEY”

Wednesday, January 18, 2012

Presented By.

Alan D. Sobel, CPA

alan.sobel@sobel-cpa.com

SHOW ME THE MONEY



Surplus \neq Cash Flow

- Non Profit Has:
 - \$1 Million in Revenues
 - \$ 900k in Expenditures
 - \$100k Surplus
- What's the Cash Flow?
- Receipts – Payments = CF
 - A/R Considerations
 - A/P Considerations
 - Cap Ex Considerations



Cash Flow Planning

- Not Budget ÷ 12
- Operating Tool – Best Practice
- 13 Week Rolling Cash Flow Forecasts
 - Essentially a Quarter
 - Predicts Problems Early
 - Early Indicators Allow Time For Solutions



Cash Flow Planning

- Starting Point is Budget
- Forecast the Anticipation of Income
 - Consider Timing of Receipts
 - Terms for Contracts
 - Timing of Campaigns
- Forecast the Schedule of Expenditures
 - Payroll
 - Other Expenditures
 - Investments – Cap EX



Cash Flow Planning

- Starting Cash
- Add Forecasted Weekly Receipts
- Deduct Weekly Expenditures
- Ending Cash
- Tailor to Organizations Needs
- Update Forecast For Actual
 - Adjust Forecasts



Cash Flow = Planning

	Week 1	Week 2	Week 3	Week 4						
Cash BOP	100,000	150,000	80,000	95,000						
Collections	125,000	85,000	90,000	95,000						
Disbursements:										
Payroll	0	-125,000	0	-125,000						
A/P	-75,000	-30,000	-75,000	-35,000						
Cap Ex	0			-25,000						
Cash EOP	150,000	80,000	95,000	5,000						
Open A/R	125,000	100,000	115,000	125,000						
Revenues	100,000	100,000	100,000	100,000						
Collections	125,000	85,000	90,000	95,000						
Ending A/R	100,000	115,000	125,000	130,000						



Cash Flow Tools

- Bill Quicker
- Extend Vendor Terms
 - Pay Accounts That Charge Interest First
- Bank Line of Credit
- Properly Capitalized
- Leverage Positive Cash for Discounts

