

# Navigating the pandemic.

Part of the PEM knows series, offering tips on guiding your charity through uncertain times.



## Be realistic.

- Develop a cash flow projection. The frequency of these projections will differ from charity to charity.
- Ensure that these cash flow projections are based on current knowledge of your cash position and not based on historic data.
- Cash flow projections should include any deferred payments that you have taken advantage of during the pandemic ie HMRC VAT deferral.
- Identify changes in your income - what income streams have been impacted by the pandemic? Could the receipt of income be slower and lower in value?
- If you have a trading subsidiary that has ceased to trade because of the pandemic, what is the likelihood that this will return to pre COVID-19 levels and if so realistically when will this be?
- Review your expenditure - is there any unnecessary expenditure that you could cut? Be realistic about what expenditure you need to retain to enable you to continue to deliver your charitable services.
- If you have taken advantage of the job retention scheme then weigh up the need for people to return to work as the lockdown is eased compared to the cash received as part of this Government scheme.



## Be bold.

- Ask your funders if they can pay earlier? Could certain grants be paid in advance rather than arrears? Could restrictions on funds be released?
- If you are an Arts organisation could tickets sales be converted into donations? Could you stream live performances online to enable cash flow to be maintained?
- Ensure that you make use of the Government schemes available to you.
- Have you approached your landlords and/or other service providers to defer payments if necessary?



## Be organised.

- If funding relates to a trading activity that you are able to continue then timely invoicing and cash collection is key. Grant installments that are subject to performance related conditions should be submitted to the donor as soon as those conditions are met.
- Examine your banking arrangements to ensure that you are not breaching any covenants.
- Keep in touch with your funders and banks and ensure that you are open and honest with them.
- Make sure that you claim any Government funding you are due in a timely manner.



## Be alert.

- There has been an increase in reports of fraud during the pandemic.
- Effective governance and financial management and oversight need to be maintained even when employees are working remotely.
- Review your internal controls to ensure that they are operating appropriately to reduce the risk of fraud.
- Ensure that your staff are aware of the protocol in the event of suspected fraud.

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