COVID-19: Know Your Numbers

May 28, 2020

[Logos of Public Health Management Corporation, Reinvestment Fund, CoMetrics, Children's Village, and PCCY]
Today’s Presenters

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Agenda

Immediate Actions – Stabilizing today
1. Maximizing revenue sources
2. Limiting expenses
3. Establishing a reserve

Next Steps – Preparing for reopening
1. Track your numbers
2. Gather, estimate and analyze your data

Available Supports & Resources
Immediate Action: Look at Your Budget

- Standard chart of accounts
- Balanced budget
  
  \[
  \text{Revenue (funding source)} = \text{expense (payroll, bills)}
  \]

- Liquidity is access to readily available cash
Immediate Action: Maximize Revenue Sources

- PPP
- PEFSEE
- Other Grants/Loans
- Philadelphia COVID-19 Small Business Relief Fund
- CARES Act
Immediate Action: Limit Expenses

**Negotiate with vendors to:**

- Defer or delay payments
  - Defer rent and extend lease
  - No late payment fees or interest
- Reduce payment based on closure
  - Insurance payments
- Eliminate payment through contract or service cancellation
  - Music or dance class for children
## Immediate Action: Limit Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Vendor(s)</th>
<th>Date of Contact</th>
<th>Specific Request</th>
<th>Result/Status</th>
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<td>Rent</td>
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<td>Property Taxes</td>
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<td>Vehicle Expense</td>
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<td>Vehicle Lease</td>
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<td>Equipment Rental</td>
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<td>Food Costs</td>
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<td>Program/Educational Supplies</td>
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<td>Cleaning Expense</td>
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<td>Office Supplies/Postage</td>
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<td>Marketing</td>
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<td>Due/Subscriptions</td>
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Immediate Action:
Make a Plan to Establish a Surplus/Fund Balance

- A fund balance is a reserved amount of money to be used in times when regular income is disrupted or decreased in order for typical operations to continue.
- Best Practices (fund monthly, if you use it you replenish it)
- Preparation for a second wave(s) of closure
- Establishing a LOC with a bank or access to other liquidity
Track Fiscal Data

• Utilize current budgeting tool, ECE standard chart of accounts template, and/or COVID loss and tracking tool

• Look at historic performance to make informed future predictions (profit and loss statement, tax returns and enrollment activity)
New Fiscal Considerations

• **What is the financial operating capacity?**
  – How will enrollment change?
  – Will it be enough to cover expenses?

• **What are the health and safety implications?**
  – One-time facility costs
    (example: sinks in every classroom)
  – Ongoing operating costs
    (example: more frequent and/or deeper cleaning)
  – Staffing expenses
    (example: paid sick leave, substitute pools)
Track Fiscal Data Frequently

• COVID loss and tracking tool
  • COVID grants and loans
  • COVID expenses
  • COVID lost or reduced revenue

• 2020 actual YTD (January through April)

• 2020 expected/budgeted vs. actual
  • Enter monthly budget data
  • Enter actual as months pass
  • Calculates variances

• Calculates monthly and annual net income
Next Steps:
Gather Data on Enrollment

• What is your (new?) capacity?

• What are your (new?) hours/days of operation?

• What are enrolled families saying that they need?

• What are families on your waitlist saying that they need?
Next Steps: Gather Data on Staffing

• **Who returns to work** (if laid off) or **who continues to be employed** (if enrollment requires phased staffing)?

• **Which staff are available, willing and able to return to work?**

• **What hours and classrooms need staffing?**

• **How do CDC guidelines impact staffing needs, orientation, training, etc?**
Next Steps: Estimate Data

Enrollment by month
- When will you open classrooms?
- For what age groups?
- What are likely funding sources for children enrolled?

Staffing costs by month
- How will you staff each open classroom?
- Will you require additional staff to meet CDC guidelines?

Facility costs by month
- One time vs. ongoing costs
Next Steps: Analyze Data

Run several financial scenarios

- Phase up re-opening
- Summer camp
- September opening at capacity

What other options do you have?

- Merge
- Close
Fiscal Hub

- Strategy for Collecting ECE Fiscal Data
- Means to Develop ECE Industry Standards
- Basis for ECE Advocacy
- Includes a Standard Chart of Accounts
- Includes Fiscal Technical Assistance
- Open to all Philadelphia center-based providers open since 2016
# Fiscal Supports & Resources

**Technical Assistance**

- PHMC COVID-19 Business and Health & Safety Support
- PCCY
- Fiscal Hub
- FirstUp
- Repositioning Fund - Reinvestment Fund

**Resources**

- SEPECC Meetings
- Sustainingquality.org
- SharedSourcePA.org
Questions?

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