



COYLE & COMPANY
CHARTERED ACCOUNTANTS

WORKING CAPITAL
MANAGEMENT

COVID-19 GOVERNMENT
SUPPORTS

31/03/2020

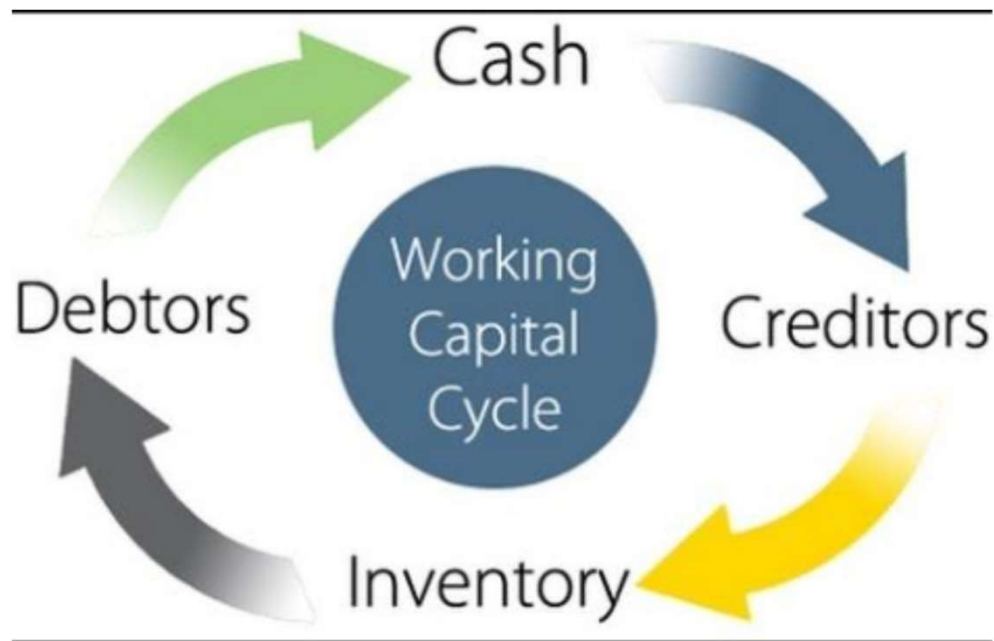
Working Capital Management

1. Engagement
 - i. Banking arrangements and lenders
 - ii. Revenue, clients, key creditors & suppliers
2. Review
 - i. Agreements & contractual obligations
 - ii. Banking covenants
 - iii. Insurance policy
3. Planning
 - i. Cashflow projection – 6-8 weeks with worst case scenario
 - ii. Look at personal outgoings too
 - iii. Maintain a rolling 3 month forecast



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Working Capital Cycle



- Incentivise quicker debtor payment
- Close control of stock
- Defer non critical payments
- Revenue deferral
- Asset disposal
- Government supports



Other considerations

- Do not let a **liquidity** issue become a **solvency** problem
- Communication with staff on the business strategy change and the plan for future – *everyone rowing in same direction*
- Maintain Revenue filings and submission compliance
- Employer considerations
 - Employment law obligations (redundancy issues)
 - Health and safety considerations for employees
 - Remote working management



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Covid-19 Government Supports

Covid-19 Pandemic Unemployment Payment

€350 per week

Available to all employees and the self-employed who have lost their job due to the COVID-19 pandemic

- Conditions;
 - an employee or self-employed
 - are aged between 18 and 66 years old
 - live in the Republic of Ireland
 - have lost your job due to the COVID-19 (Coronavirus) pandemic
 - have ceased trading due to the pandemic if you are self-employed



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Covid-19 Government Supports

COVID-19 Wage Subsidy Scheme (i)

- The scheme is available for employers who retain staff on payroll; some of the staff may be temporarily not working or some may be on reduced hours and/or reduced pay
- Employers should pay no more than the normal take home pay of the employee.
- The subsidy scheme applies to employers who top up employees' wages and those that aren't in a position to do so.

Employers must:

- be experiencing significant negative economic disruption due to Covid-19
- be able to demonstrate, to the satisfaction of Revenue, a minimum of a 25% decline in turnover
- be unable to pay normal wages and normal outgoings fully
- retain their employees on the payroll.



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Covid-19 Government Supports

COVID-19 Wage Subsidy Scheme (ii)

Under the scheme, employers can pay **70%** of the employee's average weekly net pay **as a non-taxable** payment (net pay = Gross less Income Tax, USC & Employee PRSI) and in turn receive a refund from Revenue for this.

This payment is capped at:

- €410 per week where the average net weekly pay is less than or equal to €586
- €350 where the average net weekly pay is greater than €586 and less than or equal to €960
- Employees with an average net weekly pay greater than €960 will be excluded from the subsidy scheme

The period for calculating an employee's average weekly pay is January & February 2020

The refund from Revenue will, in general, be made to the employer within 2 working days after receipt of the payroll submission (PSR)

- Top up payments are discretionary but are not tax allowable for employer.
- Top up payments above limits will result in employer refund being tapered.
- Directors can apply
- Read Revenue guidance and full conditions per legislation

Other Social Welfare Benefits

- Short Time Work Support
 - is a form of Jobseeker's Benefit and is an income support payment if you have been temporarily placed on a shorter working week
- Job Seekers payment where one adult dependent and one or more dependant children
- Illness benefit increased
- Make sure any forms submitted are filled out correctly



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Other Government Supports

- **LEO** – Business Continuity Voucher
- **Microfinance Ireland** (loans up to €50k – 6 months C&I moratorium)
- **SBCI Working Capital Scheme** (facility up to €1.5m max 4%)
- **Credit Guarantee Scheme** (loans up to €1m – AIB, BoI, Ulster Bank)
- **Enterprise Ireland** (Rescue and Restructuring Scheme)



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Thanks you & Questions ?

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