

ACEC – 2020 Webinar

Navigating Your Small Firm Through COVID-19

April 2, 2020

David Cohen, Esq., ASA
Matheson Financial Advisors, Inc.
(508) 655-9700
dcohen@mathesonadvisors.com



© copyright Matheson Financial Advisors, Inc.

1

What's on the Agenda

- Update based on conversations with firms across the country
- Financial questions and decisions
- Keeping Workers Paid and Employed Act



© copyright Matheson Financial Advisors, Inc.

2

The News

- Essentially all firms have converted fairly seamlessly to the remote work environment
 - The transition from 1 office to 30 offices
 - Past investments in IT are really paying dividends
 - Some firms did not have translatable hardware
- Significantly more communication taking place
 - Projects, social, check-ins, happy hours
 - What's missing is the mentoring aspect – walking around the office and connecting



© copyright Matheson Financial Advisors, Inc.

3

The News – cont'd

- Impact to work very dependent on market sectors and geographies
 - Is construction an essential business
- Most firms have seen some impact to business and backlog, but would have anticipated more negatives
- Most firms doing more strategic financial planning
 - Scenarios and what ifs



© copyright Matheson Financial Advisors, Inc.

4

Implementation

- Cash, Cash, Cash
 - It just received a promotion
 - ACH instead of checks
- Accounts Receivable
 - Collections slowing
- Accounts Payable
 - Slow it down and conserve your cash
- Track your COVID-19 costs
- Capital Expenditures – don't do it unless its for IT
- RIFs, furloughs, adjustments to compensation
- Line of credit
 - To borrow or not to borrow

© copyright Matheson Financial Advisors, Inc.



5

Keeping Workers Paid and Employed

- Small business loans for firms with fewer than 500 people per physical location
- Loans to be used for payroll support, salaries, paid sick or medical leave, insurance premiums, and mortgage, rent and utility payments
- April 3rd is the commencement date for applications for small businesses and sole proprietors
- April 10th is the commencement date for applications for independent contractors and self-employed individuals

© copyright Matheson Financial Advisors, Inc.



6

Keeping Workers Paid and Employed – cont'd

- Good faith certification of necessity of loan due to COVID-19
- No fees or prepayment penalties
- No personal guarantees or collateral
- \$349 billion available

© copyright Matheson Financial Advisors, Inc.



7

Keeping Workers Paid and Employed – cont'd

- Potential for loan forgiveness
 - Eligible for forgiveness if money used for allowable expenses and as long as these expenses were in place before February 15, 2020
 - Payroll costs do not include compensation above \$100,000 in wages
 - Amounts forgiven can be reduced by a reduction in employees or compensation
 - Cancelled debt not included as taxable income

© copyright Matheson Financial Advisors, Inc.



8

Keeping Workers Paid and Employed – cont'd

- Emergency Economic Injury Disaster Loans (EIDL) Grants
 - Now available for ESOP companies with less than 500 employees
- Refundable payroll tax credit for 50% of wages paid by employers during the crisis
 - Some qualifications
- Can defer employer share of Social Security tax
- Check with your accountant and payroll service



© copyright Matheson Financial Advisors, Inc.

9

Q&A - Discussion

- What questions do you have?



© copyright Matheson Financial Advisors, Inc.

10

About Matheson Financial Advisors

Matheson Financial Advisors, Inc. (“Matheson Advisors”) is a boutique corporate financial advisory services firm providing M&A advisory services, internal ownership transition and management buy-out consultation, Employee Stock Ownership Plan (ESOP) solutions, and business valuations for a variety of purposes. Our clientele includes firms in the engineering, architectural, environmental consulting, construction, and government contracting industries, as well as other professional service firms. We offer the technical expertise of larger investment banks, combined with the personal service and relationship orientation of a smaller boutique advisory firm.

David Cohen
Managing Director
4 Mechanic Street, Suite 206
Natick, Massachusetts 01760
dcohen@mathesonadvisors.com
cell: 774-217-3380



© copyright Matheson Financial Advisors, Inc.