

COVID-19: Know Your Numbers

May 28, 2020



REINVESTMENT
FUND

CoMetrics
STRENGTH IN NUMBERS



CHILDREN'S VILLAGE
sharing wonder every day



public
citizens for
children + youth

Today's Presenters

Children's Village

Mary Graham, *Executive Director*

Reinvestment Fund

Bevin Parker-Cerkez, *Managing Director*

Teri Bell, *Program Manager*

Public Health Management Corporation

Kerri Lee, *Special Projects Manager*

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**
Revenue (funding source) = 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

Expense	Vendor(s)	Date of Contact	Specific Request	Result/Status
Rent				
Property Taxes				
Insurance				
Utilities				
Telephone				
Internet				
Vehicle Expense				
Vehicle Lease				
Equipment Rental				
Food Costs				
Program/Educational Supplies				
Cleaning Expense				
Office Supplies/Postage				
Marketing				
Licensing				
Due/Subscriptions				
Accounting/Bookkeeping				
Legal				

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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