

# Why Cashflow is Important for NFPs

Stay informed, stay solvent

by  
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**calxa**   
Business Insights. Automated.

# Agenda

- Solvency
- Insecure Funding
- Managing Uncertainty
- Scenario Planning
- The Worst Case Scenario
- How to Forecast Cashflow

# 01

## **Staying Solvent**

# **Equipping directors to properly discharge their duties (and protect themselves)**

- Knowledge
- Systems
- Inquire
- Insurance
- Advice

02

**All funding is  
insecure**

# There is no secure funding

- Grants are subject to the whims of government
- Donations rely on the disposable income of donors
- Sale of goods and services are vulnerable to economic downturns

03

# Manage Uncertainty

# Plan for Uncertainty

- Maximise what you do know
- There are an infinite number possible futures
- Focus on the possible and likely
- Think, prepare and plan



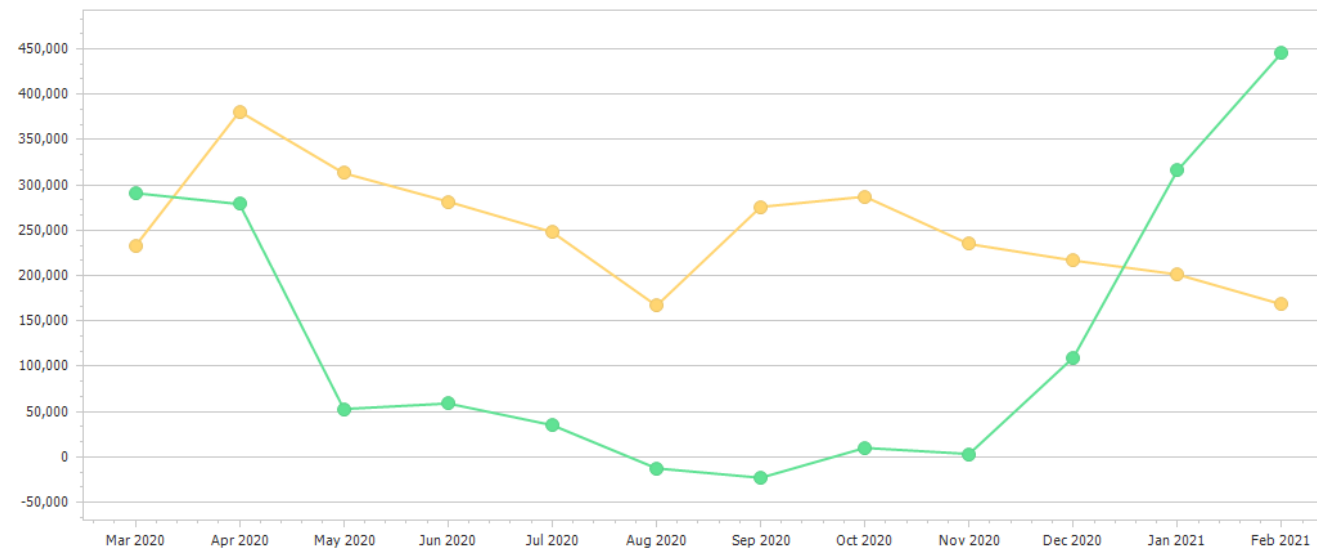
# 04

## **Scenario planning**

## Cashflow Scenarios — Charity Inc

MAR 2020 — FEB 2021

● Scenario Bank At End ● Forecast Bank At End



05

## **The Worst Case**

# Metro Screen

- “Every effort has been made by Metro Screen to secure additional funding but to no avail. We need to be responsible to our staff and ensure we are able to meet our obligations to them, and therefore it is with regret that the Board has made the decision to close Metro Screen in December 2015”



06

# How to Forecast Cashflow

# The Step by Step Plan

## 1. P&L Budget

Connect Calxa to  
Accounts  
Create P&L Budget

## 2. Cashflow Settings

Set the timing starting  
with the smart defaults  
Fine tune for your needs

## 3. Balance Sheet

Asset purchases  
Grants in Advance  
Loan repayments

## 4. Present Reports

Numbers or Charts  
Bundle them up  
Schedule Delivery

# Check the Donation or Discount options