

Welcome



Cash Flow

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Agenda

- Introduction - RCB
- What is cash flow?
- Types of cash flow
- Managing cash flow
- Profit vs. cash flow
- Cash flow statement
- Improving accounts receivable
- Types of payments
- Bank services to manage cash flow

Who is Reading Cooperative Bank?

- Established in 1886
- Current President & CEO: Julie Thurlow
- Nine branch offices and two school locations
 - Reading
 - North Reading
 - Andover
 - Burlington
 - Lawrence
 - Wilmington (Lowell St & Middlesex Ave)
 - Lynn
 - Nahant
 - Reading High School
 - NEMT (Wakefield)
- Over \$900 million in assets

What is Cash Flow?



- The total amount of money being transferred into and out of a business, especially as affecting liquidity.
- Over 80% business fail by poorly managing their cash flow
- Sustaining a positive cash flow is what all lenders look for

Types of Cash Flow



Operating

Cash you have available in your operating account



Investing

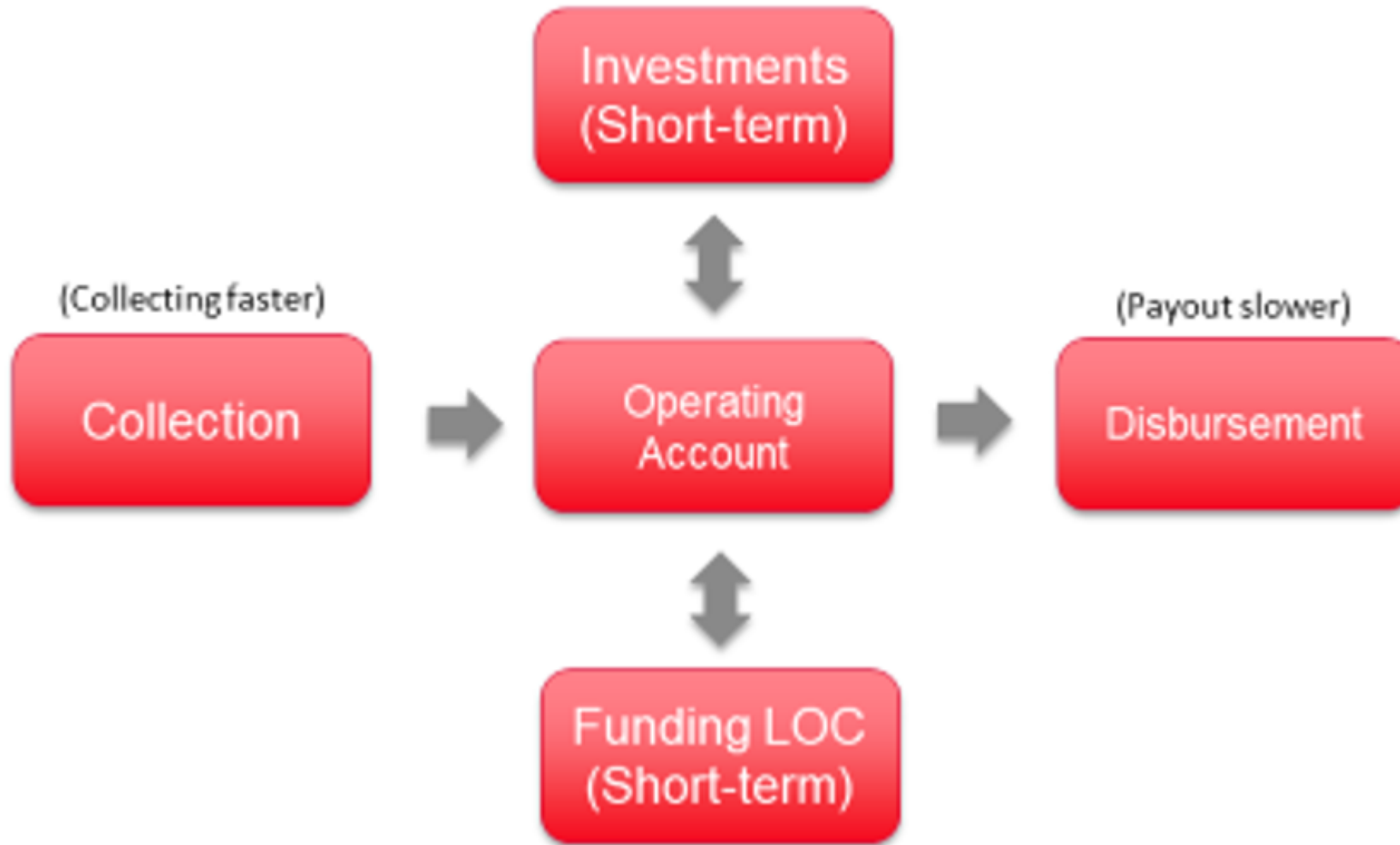
Cash from buying selling equipment, securities, etc



Financing

Cash from debt or equity financing (borrowed cash)

Managing Cash Flow



Profit vs. Cash Flow

CASH FLOW	VS	PROFIT
The movement of actual cash into and out of a business		Profit = revenue minus expenses
Helps to gain clarity on your spending		Reflects the overall financial performance and efficiency of a company's operations.
Forecasts businesses future expenses		Reflects business performance

**You can be
profitable but have
negative cash flow**

Cash Flow Statement Sample

Category	Amount (\$)
Cash Inflows (Revenue)	
Lemonade Sales	200
Tips from Customers	20
<i>Total Cash Inflows</i>	<i>220</i>
Cash Outflows (Expenses)	
Lemonade Ingredients (lemons, sugar, water)	50
Cups	15
Sign Materials (for marketing)	10
Table and Chair Rental	25
Ice	5
<i>Total Cash Outflows</i>	<i>105</i>
Net Cash Flow for the Month	115



Improving Accounts Receivable

- Prompt Invoicing
- Early payment discounts
- Clear payment terms
- Regular follow up
- Analyze accounts receivable data
- Multiple payment options
- Automated invoicing
- Require deposit for larger orders/sales

Moving to electronic billing and payments is vital to streamline customer payments

Types of Payments



Cash



Checks



ACH



Credit Cards



Wire Transfers

Bank services to manage cash flow



- Online Banking
- Mobile Deposit
- Remote Deposit Capture
- ACH Origination
- Positive Pay
- Sweeps including Zero Balance Accounts
- Merchant Services
- Lines of Credit/Equipment Loans
- SBA Loans

Thank You!

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