

CASE STUDY - Starving for cash

Client: Apartment turnover company

Client Location: Virginia

Problem: The Company was in search of an outsourced controller to provide monthly financials to management that were timely and accurate. They were not receiving this at the time of bringing us on board and therefore were unable to ascertain whether the company was generating a profit or loss.

They were also concerned about possible misappropriation of funds which they believed was the cause of them experiencing cash flow problems. These cash flow problems had caused them to become significantly behind on paying payroll taxes. They wanted to get a handle on everything before the government began garnishing their bank accounts.

Goal:

1. Accurate accounting records for the company including job costing detail.
2. Tax notices handled and brought up to date.
3. All past due taxes, penalties & interest paid.
4. Cash flow management system.
5. Job descriptions and standard operating procedures for office staff and possibly field managers.

Solutions: We worked with the accounting and office staff to establish financial operation procedures within the organization.

- Financial records were brought up to date and reviewed for accuracy and reporting to help management properly manage cash flow.
- Job descriptions were created for the accounting and office staff to implement a segregation of duties and stop everyone from doing everything. More efficient business processes were created, documented and implemented to provide more structure within the finance department.
- A Financial Health Checkup™ was done on the current processes to pinpoint the areas that were causing inefficiencies in the day to day operations as well as cash flow deficiencies.
- A Financial Flow System™ was created to develop a better workflow process within the finance department.
- Established a payment plan to help pay down payroll taxes and avoid garnishment.

Results: After implementing our recommended solutions, management was able to:

- Gain financial insight around the state of financial health of their business.
- Place employees in positions that allowed him to leverage their strengths and create efficiency.
- Manage and streamline the workflow within the organization.
- Reduce their payroll liability by 25% and establish a plan to pay down the balance.