Anchin is recognized by Construction Executive in The Top 50 Construction Accounting Firms™

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Anchin has once again been recognized by *Construction Executive* in The Top 50 Construction Accounting Firms.™

Anchin's Phillip Ross Shares the Best Practices He Recommends to Help

Construction Firms Weather an Economic Downturn:

During these unprecedented times, it is important for construction companies to identify and build upon core competencies, prioritize internal operations and efficiencies, and create cash reserves wherever possible. Businesses with flexible cost structures and good cash balances were able to adjust more easily than others over the past few months. Companies with sufficient financing programs and the availability to leverage additional credit will be in a much better position during these times.

A good rule of thumb is that you should be able to cover your fixed costs and overhead for a few months with your cash on hand. Some ways to find cash are by monitoring receivables more closely and collecting on overdue accounts, filing mechanics liens when necessary, negotiating longer payment terms with suppliers, and applying for loans through government programs like the Paycheck Protection Program and Main Street Lending Programs. Payroll tax deferrals and Employment Payroll Tax Credits are also tools to build up cash reserves during challenging times.

Updated budgets based on the most current information are a must as well as is developing alternative scenarios to manage and plan effectively. It is also imperative for companies to have timely internal reporting to monitor actual versus budgets to enable your company to be in a position to make smart and timely decisions.

Finally, it is extremely important to solidify your bank and surety relationships, since good relationships with them are crucial for your business even in good times. Contractors with longstanding partnerships with banks and sureties know that they will have the support of these banks and bonding companies to help them successfully navigate these economic times.