



# Managing Your Financial Commitments

When you take out a loan with Microfinance Ireland, often this can be one of the first steps of your business journey. Having good financial practices within your business can make all the difference to your success.

## Meeting your financial commitments

### ➤ Maintain and monitor your Cashflow Forecast

The Cashflow Forecast is not only a useful document when you are starting out in business or looking for a loan, but should be reviewed monthly to compare your actual cashflow position against your projections.

### ➤ Monitor Your Bank Account

Take advantage of online banking for small businesses to easily monitor receipts and payments to or from your business bank account. Consider opening a separate Bank account for your fixed outgoings (e.g. Rent, Rates, Loan Repayments, etc.) so you know exactly how much you need to put aside each week to cover those payments.

### ➤ Keep Revenue payments up to date

It is really important to submit your returns for VAT, PAYE, PRSI, etc. to Revenue on time – usually bi-monthly or quarterly. If you fall behind with Revenue, you may have to accept their credit terms and that could put more pressure on cash flow than if you had kept your payments up to date.

## ➤ Managing your Debtors

Always agree clear payment terms in advance with anyone that owes you money and make sure to check that the payment has arrived on time. Make it as easy as possible for your customers to pay you. Facilitating online payment straight to your business bank account or receiving payment by credit card are the ways most people prefer. Always ask for a deposit in situations where you must incur cost in order to fulfil a contract.

## Managing financial difficulties

We understand that customers may find themselves in financial difficulty for a wide variety of reasons. It is your responsibility to make sure you have sufficient funds in your bank account to meet your loan repayment. If for some reason you do find yourself in financial difficulties it is always best to let us know as early as possible. We will work with you and help you get back on track with your repayment schedule. We can:

- Arrange for one of our credit team to contact you to discuss your situation. They may propose revised loan arrangements or recommend a mentor to work with you to find the best solution for your business
- Allow a period of reduced repayments to support your cash flow. The missed repayment can then be spread over a number of subsequent months or the remaining term, or in exceptional circumstances we will extend the loan term

We are always happy to work with you to identify the best solution for your business and support you through your business challenges as they arise over the duration of the loan. If repayments are not met, we will take all the formal and legal steps as necessary to recover the outstanding balance and the costs associated with this.