



## Looking Forward

End-of-year money moves  
for businesses **BY KATIE WILKINSON**

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ONE YEAR AGO, none of us would have predicted the challenges we have faced in 2020. Many businesses may have spent much of this year focused on managing one day at a time. With the end of the year almost upon us, it's a good idea to re-examine your business finances. Here are some tips from Fulton Bank:

### Evaluate your profitability

Start by looking at your income, profit and loss statement, and financial bottom line, which may have changed dramatically in the past year.

This will help you make better strategic choices for the year ahead. For example, if you have one product line that is outperforming the others, you could consider putting more marketing resources into that product. Or if there is an area where you currently have a small percentage of market share but that has potential for growth, you could make that a focus for the year ahead.

### Clean up your accounting and reporting

Take a look at your books and balance sheet, and watch out for any issues in your accounting such as:

- Errors or incorrect amounts — Have all your business income and expenses been tracked and counted?
- Business expenses not getting tracked correctly or being assigned to the wrong category.
- Outstanding invoices — In these challenging times you may have more customers past-due on their payments. Send them a reminder or see if it is possible to establish a payment plan that is realistic given their situation.
- Missed payments — Do you owe money to any of your contractors or vendors?

### Boost your cash flow

Cash flow is the lifeblood of small business. There are various strategies that business owners can use to make sure they get paid faster and maximize the cash in their bank accounts:

Ask for better payment terms from your customers. Slow payment terms

could be putting a pinch on your cash flow.

Consider renegotiating your payment terms or offering a slight discount for early payment.

Accept payments via multiple methods. Are you still waiting for checks to arrive in the mail, or are you taking electronic, credit card, and mobile payments? Fulton Bank can work with you to recommend payment solutions.

Schedule payments in advance. Are you paying your bills too soon? Hold on to your cash for a little while longer by scheduling payments so that your bills get paid on time, but not too early.

### Review your retirement savings

Many small business owners get so busy with the day-to-day details that they don't take time to think about their long-term financial future. Particularly challenging times like this past year can also make it hard to keep retirement finances on track. The end of the year is a good time to revisit your plan:

- How much have you saved for retirement?
  - Are you on track to be able to retire, and at what age?
  - How much retirement income do you expect to have?
  - Are you participating in tax-advantaged retirement plans for your business, like a 401(k) or Simplified Employee Pension (SEP) IRA plan?
- Fulton Financial Advisors can help with retirement plans, for you or your employees.

One thing this year has taught us is that sound planning now can help position us to navigate future challenges. Know that your banking partner stands ready to assist you. ■



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