COVID-19 – Operating in a time of crisis

Respond and restore. Together.

With the rising impact of COVID-19 being seen worldwide, all industries will face significant disruption to their supply chain, workforce and cashflow. Organizations are unpacking the effect the pandemic will have on their business and are clarifying which elements of the economic stimulus package can help most. The right response will depend on the specific circumstances you and your business face.

Times of uncertainty require resiliency and fast decision-making. The priorities for many are liquidity and cash management, supply and demand, labor concerns, and factors such as regulations and political changes. Businesses need advice that enables solutions to respond and restore. Kevane Grant Thornton is here to help keep you going.

We’re here to listen and assist

First, we listen—whether you have to navigate tax or accounting implications, safeguard trust and value, or adapt to a remote workforce. Then we help. We can assist you in identifying and mitigating risks and offer solutions to your specific challenges.

Immediate Response
Solutions for Liquidity, Cash Flow Management, and Working Capital

- **Cash cycle optimization** – Review cash cycle processes to optimize performance across the cycle and improve working capital
  - Conduct detailed modeling of your working capital facilities
- **Cash flow and liquidity assessment** – Develop cash flow forecasts and assess opportunities to enhance liquidity and balance sheet strength
  - Run scenario analyses on your financial and cash forecast and understand how that interacts with short-term liquidity needs

Solutions for regulatory and political changes

- **Economic stimulus** - Assess opportunities in order to maximize benefits received from the new economic stimulus and identify which assistance are available for you
  - Families First Coronavirus Response Act
  - Coronavirus Aid, Relief and Economic Security Act (CARES)
  - Puerto Rico tax related communications
- **Business and Tax consulting** –
  - Assistance with the calculation of the new required leaves as well as recoverability under available payroll tax credits
  - Identify the available benefits under the Paycheck Protection program and SBA Debt Relief
  - Evaluation of benefits under the new Employee Retention Credit
- **Tax savings** - Identify tax savings and opportunities
  - A revised approach based on the new tax stimulus can help to provide cash flow and generate tax minimization
Kevane Grant Thornton Solutions

Accounting Consulting Services
Solutions for Accounting Implications

- **Impairment** - Impairment analysis of long-lived assets and goodwill’s assessment of a triggering event
- **Leases** - Payment collectability, disruption in operations, and modifications to lease contracts
- **Modification/extinguishment of liabilities** - If receiving lender accommodations related to the economic stimulus, evaluate debt modification guidance
- **Revenue recognition (variable consideration)** - Update estimates and provide disclosures. Review step 1 considerations for new contracts
- **Insurance recoveries** - Perform analysis regarding probable insurance recoveries in advance of receipt, except for business interruption insurance on lost revenue
- **Subsequent events** - Assistance in considering whether pandemic related events provide evidence about conditions that existed at the balance sheet date

Solutions for Tax Accounting Implications

- **Changes in tax law** - Assistance in evaluating and requesting available benefits and incentives under new legislation, both under federal and Puerto Rico jurisdictions
- **Changes in tax accounting methods** - Assistance in determining timing of recognition and in identifying reasonable estimates and management intent
- **Valuation allowances** - Identifying changes in the various sources of evidence, preparing model alternatives and scheduling the reversal of taxable temporary differences
- **Puerto Rico income taxes** - Monitoring state legislative activity and Puerto Rico Treasury Department communications

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