

COVID-19 BUSINESS PREPAREDNESS CHECKLIST FOR LAW FIRMS

ALWAYS BE PREPARED. Visit our [COVID-19 Resource Center](#), for the latest updates and tips for you and your firm. In addition, here is an industry-specific checklist designed to help you demonstrate leadership as you steer your firm through these challenging times.

Liquidity is going to be the biggest challenge for the next few weeks and months and being prepared is critical. Below are steps you can take to put your firm in the best possible position given all the challenges ahead:

☐ **Make an assessment of your firm's liquidity.**

- Cash on hand.
- Assets that can be converted to cash (factor receivables?).
- Knowing your operating cash flow cycle.

☐ **Review the firm's operations.**

- What immediate cost-cutting measures can be made (the obvious and easy spending to cut).
- Consider reducing/eliminating discretionary spending, such as conferences and seminars.
- Determine your legal responsibilities while implementing these cost-saving measures as to avoid unnecessary liabilities.

☐ **Ensure regular communication.**

- Regular virtual meetings and updates among the executive team and partners.
- Relay information to all employees as best you can and as often as deemed necessary.



Bill Sansone, CPA, Partner
Team Leader, Law Firms
T (732) 842 3113
bsansone@withum.com



STRUGGLING TO GET STARTED? Please reach out to us and we will be available to help you through this process and manage through the disruption.

☐ **Prepare a cash flow analysis for the next 30, 60 and 90 days.**

FACTORS TO CONSIDER

- Payroll and payroll taxes (note – you should understand the impact of new regulation on payroll taxes).
- Partner compensation, including distributions.
- Insurances and benefits to be maintained.
- Impact on clients and potential loss of business.
- Slow down of payments from clients.
- Extended payments from creditors, landlord and finance companies.
- Disruption of supply chains.



☐ **Identify sources of capital and liquidity.**

- Increase in existing line of credit.
- New lines of credit.
- Capital call from Partners.

☐ **Create a plan to approach consensual relief from secured creditors (now or Near Future).**

☐ **What are the duties of the managers of the firm? What is your exposure from insolvency?**

☐ **Reach out to your professional consultants (lawyer, accountant, banker, insurance consultant or broker) for advice.**

☐ **Evaluate the firm's ability of employees to work remotely. What steps and resources are available to assist your employees to work from home.**

☐ **Evaluate exposure under the state and federal WARN, wage and hour and other employment law.**

☐ **Insurance.**

- Are you covered for business interruption? Does this qualify? Will it qualify (Congress may create a change in policies)?
- Check renewal dates on policies.
- Any insurance installment payments due?

☐ **Plan for recovery.**

- Map out a long term strategy aimed at ramping up the resources of the firm for economic recovery
- Identify opportunities. While the short-term effects of the pandemic are focused on loss mitigation, once we enter recovery, how can you be positioned to come out stronger and more agile?