Accelerating a Program: Cash Flow Modeling & Leveraging

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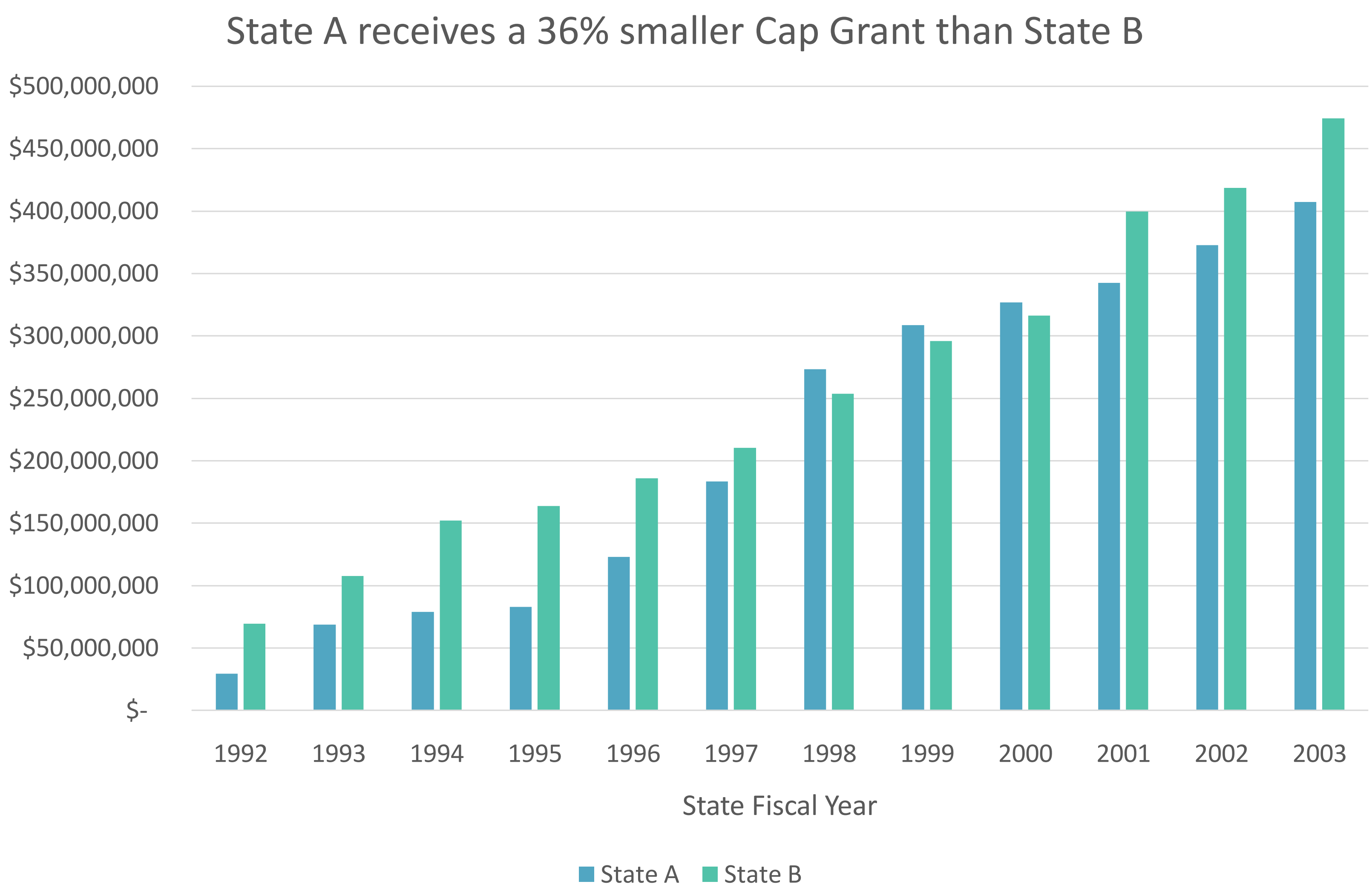
- Began cash flow modeling in SFY 1997
- Began conservatively, continued success created confidence and improvements
- By SFY 1998 - IUP based on traditional method would have generated only $30m funds available but model allowed obligations of $90M with no need to leverage (forward funding)
- Had cumulative fund utilization rate well over 100% for 13 years

Cumulative Project Assistance



Can Cash Flow Modeling Meet Your Increased Demand?

Clean Water
State Revolving Fund

- Are programmatic changes to increase funds available for loans already in place?
- What is the magnitude of the unfunded demand?
- How long have “ready to proceed” projects been waiting for funding?
- Does the program have the ability to hire additional staff?

Lessons Learned

- “Unusual” projects skew historical disbursement trends – populate model with & without these projects to get accurate picture of historical disbursement trends
- “Hoarders” make effective cash management impossible – require minimum time limits between reimbursement requests (i.e. within 6 months of loan signing, not less than quarterly, etc.)

Additional Resources

- CIFA CD contains three part series on Cash Flow Analysis – transcripts, slides, and recordings of webinar series EPA's Nick Chamberlain provided
- When SharePoint site is completed, webinar series will be available there as well