

# 3 Strategies to Improve Financial Stability

The COVID-19 pandemic has underscored the importance of being prepared to withstand an unpredictable business environment. Many organizations continue to look for ways to stabilize cash flow and avoid placing critical projects on hold. Consider the strategies below to improve your financial stability and flexibility to navigate uncertain times ahead.

## 1) Cash Reimbursement

Amidst economic volatility, having cash on hand may be more important than ever. Equipment and soft costs purchased within the last 6-12 months can be monetized to provide short-term budget relief through a cash reimbursement.

### **Benefits for Hospitals:**

- Improve short-term liquidity
- Preserve cash or other lines of credit
- Spread cost of asset over its useful life
- Diversify funding sources

### **Commonly Reimbursed:**

- Technology: Computers, servers, data centers
- Office Buildouts: FF&E, construction & design fees
- Soft Costs: Software implementations & licensing

Considering your equipment as an additional source of liquidity is a quick and easy way to increase cash on hand. A reimbursement will replenish your cash for 100% of a completed project's costs, enabling you to reinvest in your operations as needed.

## 2) Rate Locks

As interest rates fluctuate and the financial market outlook remains uncertain, many organizations are looking to lock in rates for current or future projects. Rate locks create cost saving and provide an invaluable level of security when borrowing funds. The rate secured on the day you sign the lease proposal will be the rate you receive when your project is ready to fund - whether that is now or within the next 12 months.

If you are planning any capital projects in the next year, taking advantage of fixed-rate financing with a rate lock allows your organization to secure today's rates and protect you from inevitable rate increases.

## 3) Flexible Payments

When you work with First American, we start by understanding your organization's objectives and customize a payment structure aligned to your needs. With our deferred payment option, you can implement new equipment or projects immediately, generate revenue from those investments, and pay later.

Amid periods of financial volatility, these financial tools can help you weather the storm. Whether you need short-term budget relief or want to position your organization for long-term stability, First American can help you implement the right financial solution.