

# Basic Cash Flow Analysis



A web-based seminar

Wednesday, February 3rd, 2010, 10:00 AM–12:00 PM Central

## Program Content:

The Institute of Certified Bankers™(ICB) is dedicated to promoting the highest standards of performance and ethics within the financial services industry. This webinar has been approved for 2.5 CLBB credits.

Determining the ability of an entity to generate cash flow is essential whenever the repayment of a loan will extend beyond one year. Cash flow analysis measures the ability of an entity to generate sufficient cash to operate the business successfully and have excess cash to service the annual debt payment requirements. Understanding how to calculate and interpret cash flow is essential for successful financial institution employees.

This course is designed to assist financial institution employees in calculating cash flow utilizing the Universal Cash Flow Analysis method (UCA), which is used often by financial institutions to determine the flow of cash into and out of a business entity. The course will start by defining cash flow and identifying potential sources and uses of cash and then illustrating how cash flow analysis is actually the process of converting an Accrual Basis financial statement into a Cash Basis financial statement. The Rules of Cash Flow will also be covered when determining cash flow generation from changes in asset, liability and capital accounts on the balance sheet over time. The highlight of the course will be the calculation of a full UCA from the beginning to the end.

## Covered Topics:

- Comparison of the Traditional Cash Flow Method (Net Income + Depreciation + Interest divided by Annual Debt Service) to the UCA model
- The Rules of Cash Flow
- Accrual Basis versus the Cash Basis of preparing financial statements and how cash flow analysis links the two together
- How each amount on a Universal Cash Analysis is calculated and their meaning
- A Fast Cash Analysis method which can achieve the same results in less time than utilizing the UCA method

Upon completion of this course, the participant will have a good understanding of how cash flow is calculated and more importantly, how to interpret its meaning.

## Presenter:

Jeffery W. Johnson is a training professional in the financial industry by leading various seminars covering important topics relating to issues in financial institutions. He teaches actively for fifteen state banking associations in the United States, Risk Management Association (RMA) and individual financial institutions nationwide. He co-authored a training course entitled "Lending to Service and Other Professional Organizations" for RMA in 2001.

Mr. Johnson earned a B.A. Degree in Accounting from Morehouse College in Atlanta; a MBA in Finance from John Carroll University in University Heights, Ohio; Banking diploma from Prochnow School of Banking at the University of Wisconsin and a Graduate Certificate in Bank Management from the Wharton School of Business at the University of Pennsylvania.

## Who Should Attend:

Senior Loan Officers, Senior Credit Officers, Commercial Loan Officers, Branch Managers, Credit Analyst, Loan Review Personnel, and Consumer Loan Officers all would benefit from this presentation.

## Cancellation Policy:

Refunds will be given only for cancellations received in written form 3 business days prior to the program. If your bank is unable to participate after registering, you can also select to receive an audio CD plus a special password to see the information online of the seminar at no additional charge.

*If you are unable to attend the webinar but would like to have this information for training purposes, you may also purchase an audio CD, handout materials and a password to view the information online.*

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## Ways to Register:

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