

Liquidity Diagnostic

A Self-Assessment for CFOs at Independent Manufacturers

Most CFOs at independent manufacturers inherit a treasury function that grew organically. Cash is managed by the controller, AR chases its own invoices, AP pays when invoices clear — and nobody has a single view of where cash will be 90 days from now. This diagnostic asks 25 questions across five areas. It is designed to surface the gaps — not to flatter, not to sell. If you can answer honestly in 10 minutes, you will know exactly where your treasury function stands.

WHAT YOU'LL LEARN

- Where your cash flow visibility has blind spots
- How your working capital discipline compares to institutional standards
- Whether your banking, covenant, and reporting structure would hold up under stress
- Which areas need attention first — and whether the gaps are structural or tactical

25 questions | 5 areas | 10–15 minutes
Version 1.0 | AnchorPoint Liquidity Advisors

How to Use This Diagnostic





- Answer each question as it applies to your company today — not the process you mean to build.
- Check Yes only if the practice is in place consistently and would hold up to an auditor's review.
- Check Partial if the practice exists informally, only in some business units, or is built but not used.
- Check No if the practice is missing or relies on one person's memory.
- Score yourself: Yes = 2 points, Partial = 1 point, No = 0 points. Total at the end.

SCORING

Yes = 2 points Partial = 1 point No = 0 points

Tally section totals at the end. Maximum score: 50. Interpretation on the final page.

Score Interpretation (preview)

	40 – 50	Institutional-Grade
	30 – 39	Solid Foundation, Meaningful Gaps
	20 – 29	Significant Exposure
	0 – 19	Flying Blind

Answer honestly. This diagnostic is not a scorecard for your boss or your lender. It is a mirror. The value is in the questions you hesitate to answer Yes to.

1 Cash Visibility & Forecasting

How clearly do you see cash inflows and outflows before they hit the account?

		YES	PARTIAL	NO
Q01	You maintain a rolling 13-week cash flow forecast, updated weekly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q02	You have a 12-month forward liquidity view that's refreshed at least monthly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q03	You compare cash flow forecast vs. actual each week and explain variance drivers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q04	You know the consolidated cash position across all bank accounts within one business day.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q05	Your forecast is driver-based (AR collections, payables timing, payroll cycles) — not a plug figure.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Working Capital Management

Where is cash actually sitting in the AR / inventory / AP cycle — and is it trapped?

		YES	PARTIAL	NO
Q06	You track DSO, DIO, and DPO monthly against internal targets or benchmarks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q07	You have a formal process for chasing slow-paying customers (cadence, escalation, dispute resolution).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q08	You monitor inventory turns by SKU or product family and actively flag slow-movers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q09	You have negotiated payment terms with suppliers and manage DPO — not simply paying on invoice date.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q10	You can quantify how much cash is trapped in working capital versus a credible benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3 Banking & Treasury Structure

Is your cash where it needs to be, earning what it should, funded how it's supposed to be?

		YES	PARTIAL	NO
Q11	You have a documented bank account structure (operating, payroll, sweep, reserve) with clear ownership.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q12	Idle cash is swept to interest-bearing accounts or used to pay down the revolver automatically.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q13	You produce borrowing base certificates (if applicable) on schedule with no reconciling items.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q14	You know committed revolver availability and net liquidity (cash + undrawn facility) daily.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q15	You have reviewed bank fees, service charges, and treasury product pricing in the last 12 months.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4 Covenants, Debt & Reporting

Do you know where you stand with your lenders — today and twelve months out?

		YES	PARTIAL	NO
Q16	You know every financial covenant in your credit agreements from memory or a documented tracker.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q17	You forecast covenant compliance at least 12 months forward and can show headroom by quarter.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q18	You have modeled covenant sensitivity to a downside scenario (revenue decline, margin compression).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q19	You produce a monthly treasury or liquidity report for your board, lender, or ownership.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q20	You maintain a debt service schedule showing principal, interest, maturities, and refinance dates 24 months out.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5

Governance & Contingency

If cash got tight next month, is the playbook clear — or does it get built on the fly?

		YES	PARTIAL	NO
Q21	You have a cash authorization matrix specifying who can approve what at each dollar threshold.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q22	Cash disbursements require dual approval above a defined threshold.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q23	You have a documented liquidity contingency plan for specific shock scenarios (line reduction, major customer delay, downturn).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q24	Treasury responsibilities are clearly owned — not scattered across AP, AR, and controller roles on an ad-hoc basis.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q25	You conduct an annual treasury / liquidity review with management and your board or ownership.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Your Score & What It Means

Scoring Worksheet

Section	# Yes	# Partial	# No	Section Score
1. Cash Visibility & Forecasting				
2. Working Capital Management				
3. Banking & Treasury Structure				
4. Covenants, Debt & Reporting				
5. Governance & Contingency				
TOTAL SCORE (out of 50)				

Interpretation

40 – 50 — Institutional-Grade

You operate treasury at a level a PE-backed mid-market operator would expect. Liquidity is visible, covenants are managed, and surprises are rare.

Next step: Maintain the rigor. Stress-test annually for scenarios you haven't seen (supplier insolvency, customer concentration event, rate spike). Use AnchorPoint for an outside review once a year — fresh eyes catch things

30 – 39 — Solid Foundation, Meaningful Gaps

Treasury basics are in place, but specific blind spots — usually forward visibility, covenant headroom, or working capital discipline — will hurt in a stress event.

Next step: Target the weakest section first. Most companies in this band need a driver-based forecast, a covenant compliance model, or a working capital benchmark. A 90-day engagement typically closes the gap.

20 – 29 — Significant Exposure

Liquidity is managed reactively. Cash surprises are likely; forecasting and covenant discipline lack structure. One delayed customer payment or one weak quarter could trigger a scramble.

Next step: Start with a structural review — treasury roles, bank account setup, forecast methodology. Then build the 13-week cash flow and covenant model. This is where AnchorPoint delivers the most impact.

0 – 19 — Flying Blind

Liquidity is managed on instinct. There is no systematic visibility into cash, no formal forecast, and limited governance. One bad quarter, one lost customer, or a covenant reset could be an existential event.

Next step: This is urgent. Engage treasury expertise within 30 days. First priorities: a 13-week cash flow, a covenant check, and a liquidity contingency plan. AnchorPoint can put a working forecast in place in 30 days.

Want to talk through your score?

A 20-minute review will tell you what to fix first — and whether outside help makes sense.

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