

Understanding Personal Cash Flow

LEARN TO EVALUATE HIGH-NET-WORTH BORROWERS



DURATION

10 - 12 hours



DELIVERY CHANNEL

eLearning

*Skills Application Lab
Available*



Course Modules:

- 1 Personal Financial Statement Analysis
- 2 Personal Tax Return Analysis

COURSE OVERVIEW & BENEFITS

When a high-net-worth borrower's—or guarantor's—financial situation is complex, you must be able to navigate their personal financial statements and tax returns to form an accurate picture of their cash inflows and outflows.

Understanding Personal Cash Flow (UPCF)—ideal for wealth managers, private and personal bankers, consumer lenders and small business lenders—explores the intricacies of using personal financial statements and tax returns to identify assets and liabilities and locate, evaluate and calculate cash flow.

The first module, *Personal Financial Statement Analysis*, teaches participants how to assess the borrower's overall financial health by verifying and evaluating assets and liabilities, examining contingent liabilities, and adjusting the borrower's personal financial statement to reflect the lender's more-realistic valuations.

The second module, *Personal Tax Return Analysis*, teaches participants how to use an individual's tax return and related K-1s to identify true cash inflows and outflows, and eliminate the noncash pass-throughs that can cloud the evaluation of cash flow.

This course is replete with hands-on exercises that encourage participants to apply what they've learned so that they exit training ready to immediately transfer new skills to their job.

LEARNING OBJECTIVE

Learn how to use personal financial statements and tax returns to identify and evaluate the cash inflows and outflows of borrowers and guarantors.

COMPETENCIES GAINED

Participants will be able to:

- Assess personal financial statements and identify assets that could serve as collateral
- Adjust a borrower's balance sheet to more accurately reflect liquidity, leverage and net worth
- Evaluate a borrower's personal tax return and K-1s to determine cash, noncash and pass-through items
- Reduce risk in lending transactions involving high-net-worth individuals

TARGET AUDIENCE

UPCF is suitable for anyone who needs to understand the various components of complex personal financial statements and tax returns, including wealth managers, personal and private bankers, underwriters and business lenders who must evaluate high-net-worth borrowers and guarantors.