



# THE CASH FLOW COLLAPSE CHECKLIST

## 21 Warning Signs Your Business Is About to Run Out of Cash

By The Turnaround CFO

Most founders don't realize they're in financial danger until the situation becomes critical.

Cash flow collapse happens slowly... then suddenly.

This checklist gives you a blunt, honest view of your company's financial stability.

### CASH FLOW WARNING SIGNS

- Your bank balance has been trending downward for 4+ weeks.
- You're relying on a credit line to cover payroll.
- Your credit line is nearly maxed out.
- AR aging is worsening (30+, 60+, 90+ days ballooning).
- Customers are delaying payment more than usual.
- You don't know your cash position 2–4 weeks out.
- You don't have a 13-week cash flow model.
- Vendor payments are getting pushed out because you “need another week.”

### OPERATIONAL WARNING SIGNS

- Overstaffing relative to revenue (labor % too high).
- Declining gross margin, even with stable revenue.
- Inventory or COGS creeping up without explanation.
- Operational inefficiencies (routes, workflows, tech stack).

- Repair or add-on revenue inconsistent or missing.
- Fear of raising prices despite rising costs.
- Unprofitable customers absorbing too much time or labor.

## FINANCIAL LEADERSHIP WARNING SIGNS

- You only look at numbers once a month (or less).
- Your accountant provides data but no insight.
- Your P&L; looks profitable but the bank account tells a different story.
- Loan covenants are unclear or were never reviewed.
- You're avoiding communication with the lender.
- You don't have a monthly financial review or cash rhythm.

## Your Scorecard

0–5 Signs → YELLOW ZONE — Stable but needs visibility.  
6–12 Signs → ORANGE ZONE — Active financial distress.  
13–21 Signs → RED ZONE — High risk of insolvency.

## What to Do Next

If you're in the Orange or Red Zone, immediate action is required. This is exactly what I help founders with as The Turnaround CFO.

## Book a 1:1 Financial Triage Call

We will diagnose your cash leaks, assess survival runway, and build a stabilization plan.

**Visit: [TheTurnaroundCFO.com](https://TheTurnaroundCFO.com)**

## About The Turnaround CFO

I'm a former private equity operator, CFO, and Head of M&A; specializing in distressed small-business turnarounds.

My mission is simple: Stop the bleeding. Restore margin. Rebuild stability.