




# 6 ESSENTIAL TIPS TO ACHIEVE FINANCIAL SUCCESS

THE MUST-HAVE BUSINESS  
OWNER'S CHECKLIST





It seems as if business owners are juggling an increasing number of tasks to stay on top of their commercial financials, personal tax, superannuation and investment goals.

On top of that there are ongoing compliance requirements for both personal and professional finances. Then you realise that you haven't been investing any time in forward planning for your personal life and your business outcomes.

To help wrangle control back over your finances, we've created a kick-start checklist with some handy tips for you along the way.



# SELF-MANAGED SUPERANNUATION (SMSF)

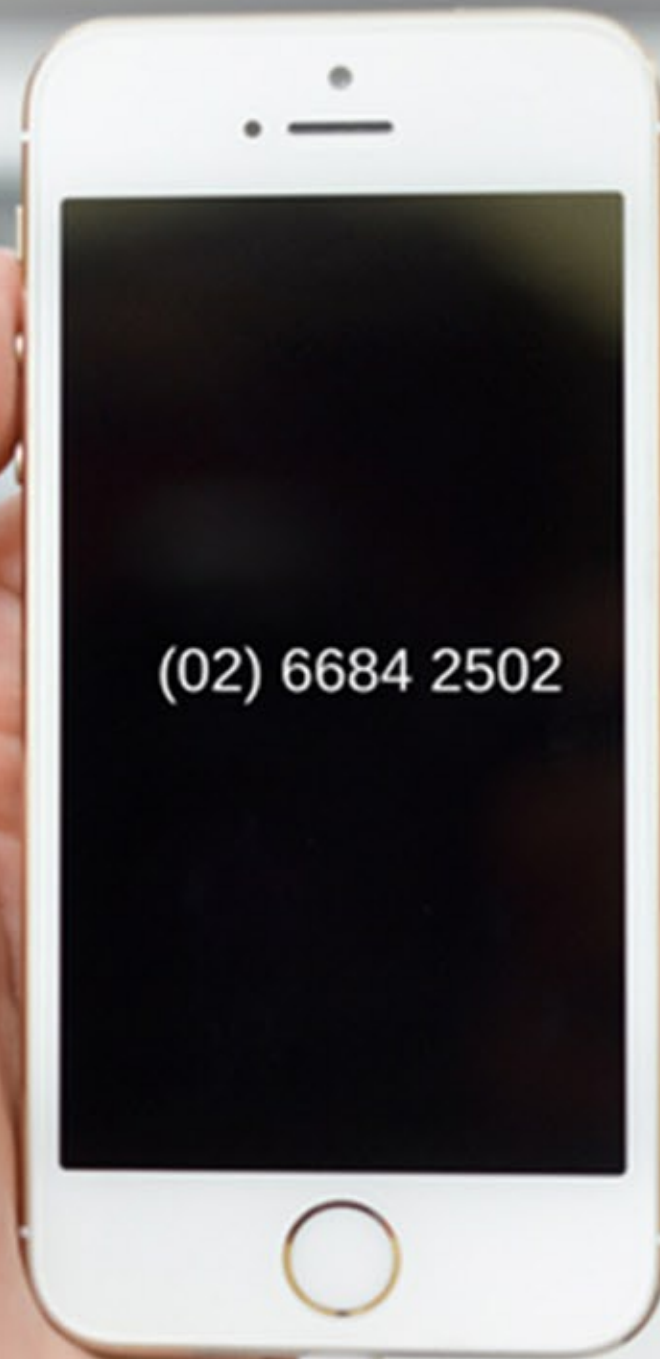
- Is it time for me to setup a SMSF?

A great hands-on way to manage your retirement savings, you should talk to your accountant about establishing a SMSF if you:

- Have a starting balance of over \$150,000.
  - Are an Australian resident who is not planning to spend extended time overseas.
  - Must be committed to actively managing your investments.
  - Must undertake regular administration and compliance activities.
- If you already have a SMSF, you will want to review your investments for the previous financial year and decide whether you need to make adjustments to your investment strategy
  - If you are over 65 years old you can contribute to a complying superannuation fund by using money sourced from the sale of your main residence. Known as a Downsizer Contribution, you can deposit up to \$300,000 as an individual, meaning that couples can potentially deposit a total of \$600,000.







- The \$20,000 Instant Asset Write-off

Your business can receive an immediate deduction for business acquisitions and depreciation pools of less than \$20,000. If your business is needing new equipment and the purchase will improve profitability, this is a terrific opportunity to invest in your business while gaining a tax deduction.

- Motor vehicle log book

Ensure you have a current log book for your motor vehicle claims. If your log book is more than five years old, you will need a new one. Make sure you start it before 30 June 2018 so it will be valid for the 2018 tax year.

- Prepay any expenses

If your cashflow allows, pay for any forthcoming July/August expenses before 30 June. Prepayments are only deductible for businesses that qualify as a small business (i.e. turnover less than \$10million).



# TIDY UP YOUR PERSONAL TAX

- Did you sell any investments during the year?

If so, you may need to pay capital gains tax. Make sure that you document what price you sold for and the date you sold. Before your tax return can be completed you will also need to provide information about when you purchased this asset and whether any expenses were incurred during this process.

- Salary sacrificing into your Superannuation

An ideal way to fatten up your superannuation nest egg, utilising salary sacrifice as a part of your salary package allows you to pay pre-tax income into your superannuation fund. Capped at \$25,000 inclusive of your Superannuation Guarantee Contributions, these extra payments will compound effectively towards retirement.

- Investment expenses

If you are channelling part of your income into personal investments, make sure that you capture any associated tax deductible expenses. For example:

- Share trading brokerage
- Investment website subscriptions
- Investment loan account keeping fees
- Seminar fees





# CASH FLOW IS KING – GET PROACTIVE

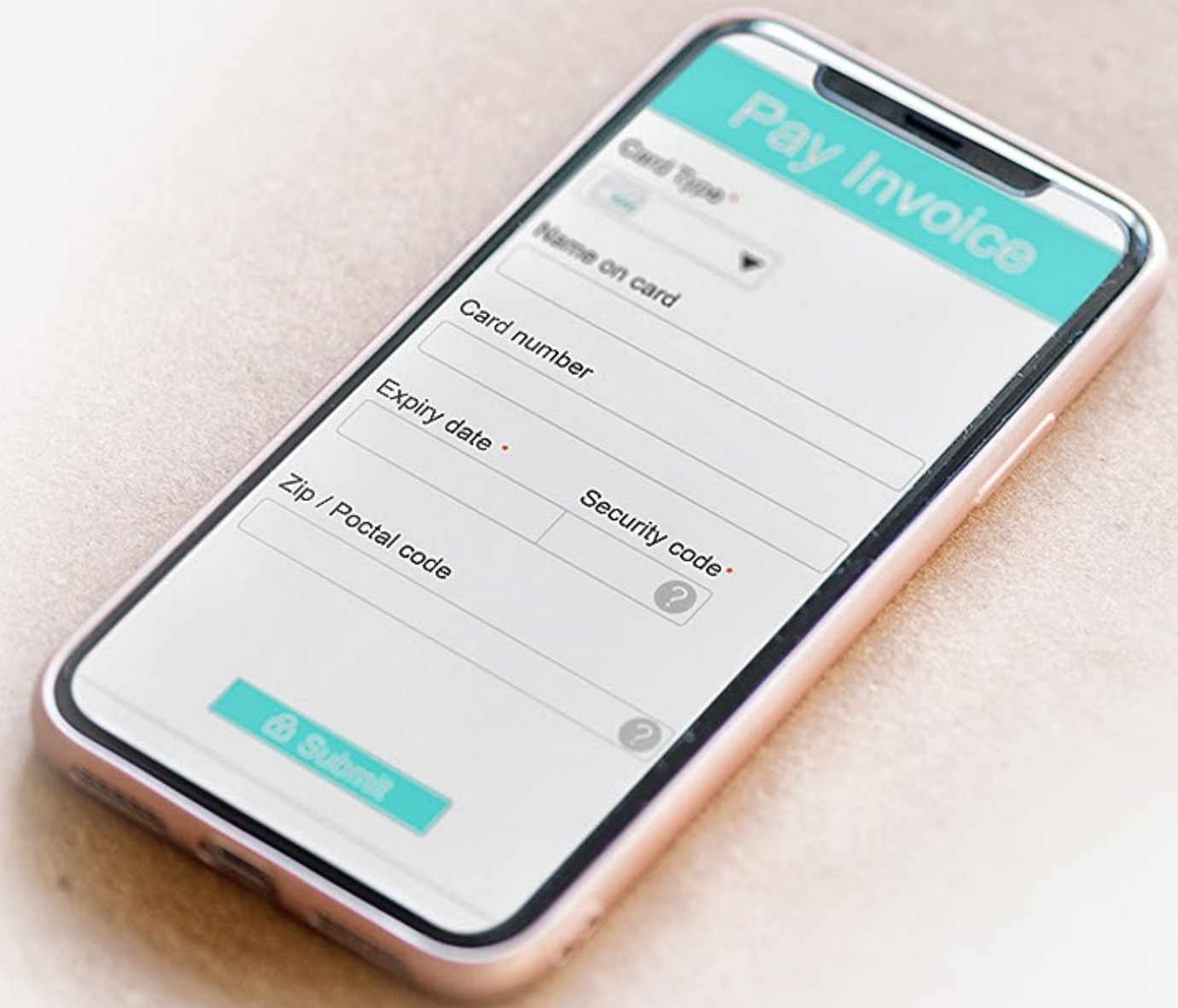
- Accounting packages

If you are running your finances using a spreadsheet, now is the time to look at buying an accounting package. Completely different from the expensive and confusing packages offered years ago, companies like Xero offer easy-to-use web-based systems that you can login to from anywhere in the world.

For a small fee you can ask your accountant to setup the foundations and step you through the day-to-day data entry that will keep you on top of your finances. The best bit is that these packages are smart enough to show you how business has been tracking over previous months and can even predict what your future cashflow may look like.

- Hire a bookkeeper

One of the simplest business tasks to outsource, regular bookkeeping will ensure that you have great visibility over your cashflow. By hiring a bookkeeper for a couple of hours at a time, you will get valuable time back that you can then invest in growing your business. At the same time, your bookkeeper can liaise with your accountant to make sure that your business is financially compliant.

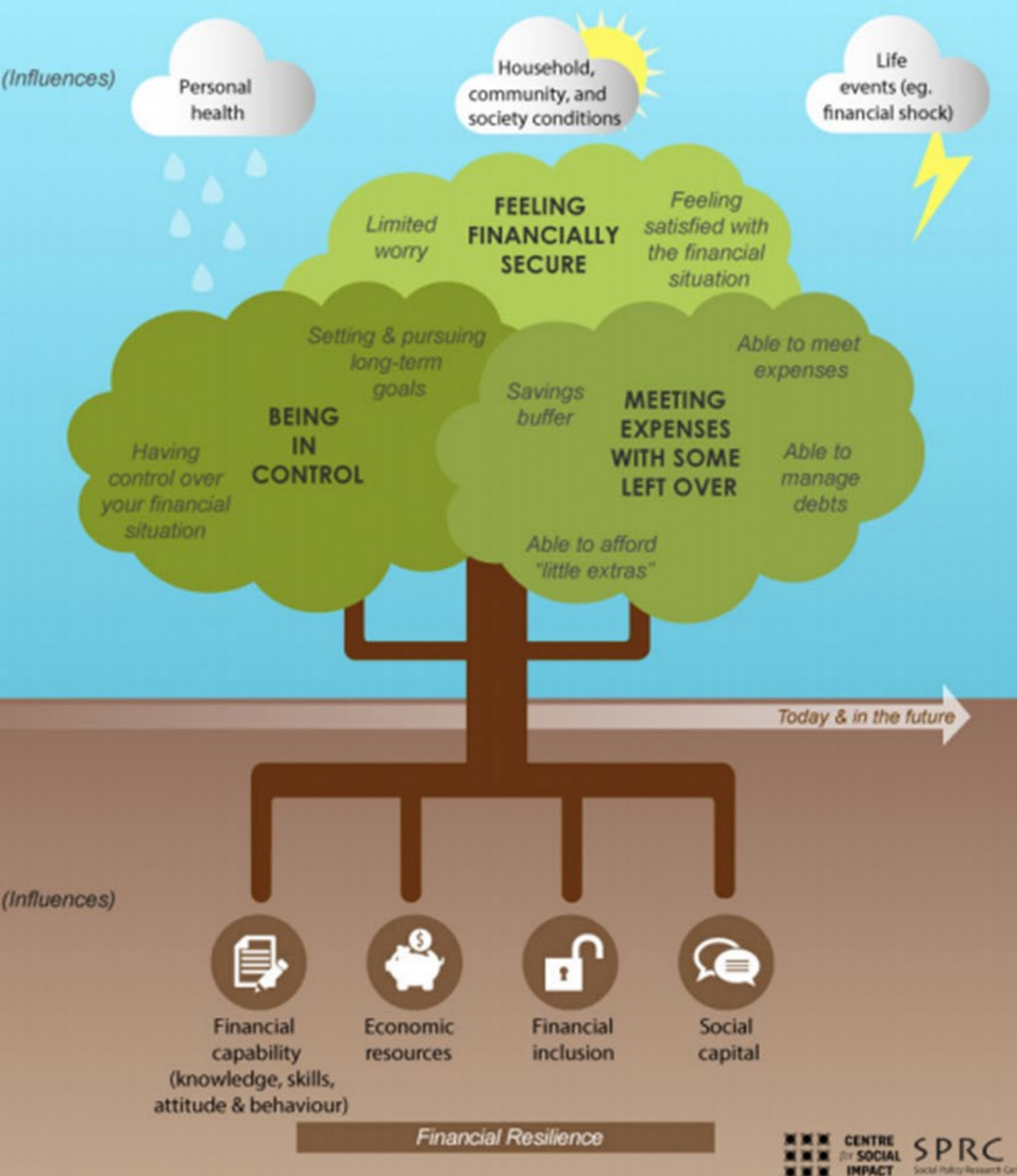


- Talk to your accountant about improving cashflow

If your business suffers from having plenty of cash one month and then no cash the next, you need to discuss how to structure your business with your accountant. By flattening out the highs and lows, you'll reduce your stress by knowing that you can comfortably pay your bills from month to month.



## FINANCIAL WELLBEING



- Business structure

Many businesses function within a financial and staff structure established when the business was new. Years later, this structure could be central to restricting commercial growth and causing financial frustrations. It's important to organise a meeting with your accountant to undergo a business 'health check'. It may be that taxation and corporate laws have changed to favour your business and you need to take advantage of that.

- Your exit plan

Always a difficult subject to discuss with your business partners, it is vital that your business has a clear exit plan. Covering issues such as a business disagreements and personal disputes, division of assets, sale of the business, a takeover and the death of a partner, it is important that all parties know exactly where they stand. Your accountant can step through this process with you.



# PROTECT YOUR WEALTH FOR FUTURE GENERATIONS

- Review your suite of insurances

To protect your family and to cover your debts it's important that you hold the following insurance policies. If you already have these in place, be certain to review these insurances once every few years. Your accountant can put you in contact with insurance professionals who will assess your needs.

- **Income protection**

Vitally important if you own your business, income protection will provide you with a source of income if you become severely ill or are injured. Please note that if it's in your personal name the premiums are tax deductible.

- **Life insurance**

This can be established either inside or outside of a superannuation fund, with many opting to utilise their superannuation contributions to pay the premiums. Make sure that the amount you are insured for covers your current debts and allows for extra cash to ensure the comfort of your family.

- **TPD (Total and Permanent Disability) insurance**

Designed to provide for you if you were to become permanently disabled and unable to work, this insurance bridges the two listed above. It is a lump sum payment, so be certain that it will pay for your debts, ongoing commitments, family, healthcare and rehabilitation.



- Structures to protect personal wealth

As well as regularly reviewing and updating your Will, you must meet with your accountant to discuss structures that will protect your personal wealth. This protection may be used as a shield from corporate litigation, family disputes and divorce.





We are here to help you and your business achieve the success you deserve. Our client-centred principles are combined with more than **30 years of industry-leading accountancy practice**, creating an exceptional experience and outstanding results.

Call Tracy today on **02 6684 2502** for a **friendly, obligation-free discussion about your needs.**