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A Business Owner's Guide to End of Financial Year

With the end of financial year only weeks away, now is a great time to focus on activities every business owner should do to make the most of the last days of Financial Year 2014. Here is our checklist of activities, strategies and considerations for Business Owners.

Action	Strategy	Things to Consider
<input type="checkbox"/> Contribute to your Superannuation	To grow wealth for your retirement by diverting taxable income into a tax deductible contribution	Be aware of the concessional contribution cap. If you are: <ul style="list-style-type: none"> <input type="checkbox"/> Under 59 keep your contribution under \$25,000. <input type="checkbox"/> Over 59 keep your contribution under \$35,000.
<input type="checkbox"/> Protect your power to earn Income	Income Protection provides you with a replacement salary or wage if you can't work due to illness, injury or disability. This premium is tax deductible	Tailor this policy to take into account your family's income needs, business expenses and your other cash and wealth to get the best policy outcome for you.
<input type="checkbox"/> Bring forward and even pre-pay business expenses	This strategy can be used to minimise taxable income for the current year while allocating money towards the future year's expenses	See if you can negotiate a pre-payment discount and save even more.
<input type="checkbox"/> Defer income until July 2014	This strategy means that income can be allocated towards the new Financial Year	This can be combined with having an EOFYS with the stock cleared by 30 June and the income received in July 2014.
<input type="checkbox"/> Spend money on business use assets	Diverting taxable income towards assets that can help you grow your business like: new accounting software or a new point of sales system can ensure the success of your business and provide tax deductions and depreciation over time	Make sure your purchases are for the purposes of growing the business or can be put to business use.
<input type="checkbox"/> Write off Bad-Debts	We all have those invoices that chances are, will not be collected. Use the last few weeks to get them paid or to write them off.	Work with your accountant on this one and consider outsourcing to Debt Collectors.
<input type="checkbox"/> Check the value of your Business Assets	Depreciating assets over several financial years allows you to deduct the overall cost of investing in Business Assets. Make sure your depreciation allowance is correct	Work with your accountant on this one
<input type="checkbox"/> Have an EOFYS (End Of Financial Year Sale) to get rid of inventory	Converting Inventory into income can provide you with a better tax outcome than letting it sit idle	Combining an EOFYS with deferred invoices payable in the following Financial Year can be a powerful strategy.
<input type="checkbox"/> Payback money you borrowed from your Company.	Business Owners operating under a Company have only 3 ways to get money out of a Company. <ol style="list-style-type: none"> 1. Salary or wages 2. Dividends and 3. A Loan Each way has distinct tax consequences.	Work with your accountant to ensure that the right combination of the three ways is used. Also make sure that if a Loan has been drawn from the Company that it is paid back before the lodgement of the Company Tax Return or that a Loan Agreement is in place that complies with Tax Law (Division 7A)
<input type="checkbox"/> Negotiate an Interest in Advance Loan. They are usually offered at this time with a discount to standard interest rates.	Diverting taxable income to pre-pay the interest on an existing loan or a new loan will help you manage cash flow for the new year and take advantage of discounts on standard interest rates.	This strategy effectively lets you claim a future year's interest charge at the beginning of the loan term rather than throughout the year. Make sure you have sufficient cash reserves.