

PERSONAL AFFAIRS OF THE BUSINESS OWNER

The end of the financial year is an important time to make sure your personal affairs are in order. Involve your CPA or legal adviser as required.

1. Action: **Ensure trust distributions are properly made before end of financial year**

Regularity: Annually, (before year-end)

Possible Action:

- There have been considerable changes to the tax treatment of trusts. These changes could expose you to large unforeseen tax bills. Speak to your Accountant about your trust.

2. Action: **Undertake Tax Planning**

Regularity: Annually (before year-end)

Possible Action:

- Year-end presents a number of tax planning opportunities and risks. Speak to your Accountant about tax planning opportunities.
- Don't invest in any year-end tax planning schemes until you speak to your Accountant.

3. Action: **Review you loan agreements with your business**

Regularity: Annually

Possible Action:

- Given the ATO has a focus on this area, speak to your Accountant about whether your shareholder loan agreement complies with the law and that company funds received by shareholders and their associates is correctly treated for tax purposes.

4. Action: **Review the structures you have in place to protect your personal assets**

Regularity: Annually

Possible Action:

- This area of law is constantly evolving; therefore, you should review the effectiveness of your business structures and your asset protection strategies with your lawyer.

5. Action: **Review your Will, particularly if there has been changes in your circumstances**

Regularity: Annually

CONCLUSION

Good business practices will help ensure your business is well run. A well-run business will help place your business in the best possible position to respond to whatever trading conditions you face, and help you move your business in the direction you want it to go.

Structural changes are best made in the good times. However, if you need to make structural changes in less positive periods, communicate openly with the affected people; make sure you treat them with dignity and pay them any entitlements.

Whether your business is strong, weak or patchy, this checklist will help you make the most of any situation and feel more in control of your business.