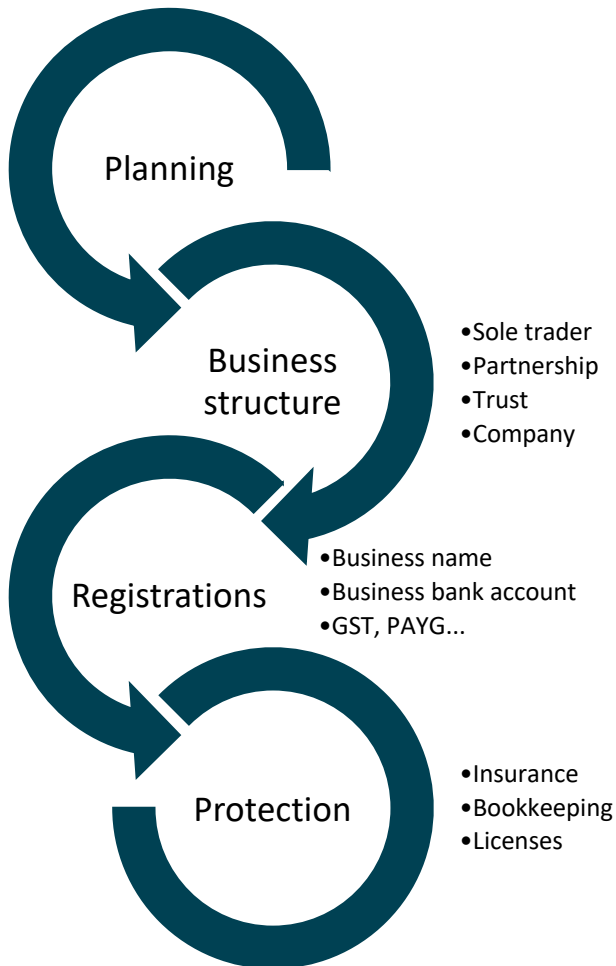


## New Business Checklist



### 1. Planning

Before you start, and then annually, it is important to determine where you are headed and why. Undoubtedly, this will change so reviewing goals and plans will be crucial.

### 2. Budgets

Start with some simple calculations and then consider adding more detail:

Expected sales

Less: Expected costs

Less: Income Tax

Is this enough?

### 3. Structure

Consider the risk associated within your business and whether insurance alone is enough to protect yourself.

### 4. Business name

Register this with ASIC to ensure that it cannot be used elsewhere in Australia: Cost \$95.

### 5. Registrations

ABN is essential.

GST is required when annual turnover is over \$75,000. Business Activity Statements will need to be lodged. If turnover is under the threshold, there may still be advantages in registering for GST to claim back GST on expenses.

PAYG withholding tax registration will be required if you have employees.

### 6. Business bank account

Even for small businesses, it may be a good idea to keep business transactions separate from personal transactions. Your bank will need your tax file number, ABN and business name registration details. Ensure the right bank account details are on all relevant stationery.

### 7. Insurance

There are many different types! Consider public liability, professional indemnity, workers compensation, income protection, life... A local insurance broker is a great place to start.

### 8. Bookkeeping

Speak to your accountant about your accounting software – some systems better suit some industries and we can often access better prices.

### 9. Licensing

Are there specific licenses for your industry? Or to operate where you are? Industry bodies and local councils can be a good starting point.

## Business structure summary

Structure	Summary	Pros	Cons
Sole Trader	One-person entity	<ol style="list-style-type: none"> <li>1. Simple and low-cost establishment</li> <li>2. Single business owner</li> <li>3. No conflict between business operators</li> </ol>	<ol style="list-style-type: none"> <li>1. Unlimited liability</li> <li>2. Cannot 'share' income with others for tax benefits</li> <li>3. Cannot bring in partners for extra support or expertise</li> </ol>
Partnership	Two – twenty person entity/structure	<ol style="list-style-type: none"> <li>1. Can have multiple partners to bring in more skills</li> <li>2. Share profits and tax liabilities</li> <li>3. Share cost of on-goings between partners</li> </ol>	<ol style="list-style-type: none"> <li>1. Unlimited liability</li> <li>2. All liable for other partners actions</li> <li>3. Potential conflict between business owners</li> </ol>
Trust	Separate legal entity established with the trustee nominated as controller	<ol style="list-style-type: none"> <li>1. Ability to distribute profit to other family members, potential tax savings</li> <li>2. Can provide asset protection</li> <li>3. Potentially limited liability (If trust has a corporate trustee)</li> </ol>	<ol style="list-style-type: none"> <li>1. Costs are higher to establish</li> <li>2. Losses are trapped in the trust and are only offset when the trust has profits available</li> <li>3. Limits flexible ownership changes</li> </ol>
Company	Separate legal entity with shares purchased by shareholders	<ol style="list-style-type: none"> <li>1. Limited liability - high level asset protection</li> <li>2. Separate legal entity</li> <li>3. 25% or 30% tax rate</li> <li>4. Ability to attract outsourced capital investment</li> </ol>	<ol style="list-style-type: none"> <li>1. Costs are higher to establish</li> <li>2. Annual charges apply</li> <li>3. More regulations and more complex</li> <li>4. Restrictions to access of profits</li> </ol>

## New Business Checklist

Task	Responsibility	Completed
Business plan		
Cash flow budget		
Business name registration Business name:		
Business Structure (please tick): Sole Trader <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Company <input type="checkbox"/> Corporate trustee <input type="checkbox"/>		
Registrations (please tick): TFN <input type="checkbox"/> ABN <input type="checkbox"/> GST <input type="checkbox"/> PAYG <input type="checkbox"/> Fuel tax credits <input type="checkbox"/>		
Business bank account		
Insurance: Business insurance <input type="checkbox"/> Public liability <input type="checkbox"/> Professional indemnity <input type="checkbox"/> Workers compensation <input type="checkbox"/> Income protection <input type="checkbox"/> Other:		
Accounting software: Software:		
Licensing requirements:  _____ _____ _____ _____		