Top business tips for a happier new financial year

Take action now to head off the headaches and gain the rewards

With winters onset, Australian business owners and managers are staying in and gearing up for what can be an arduous task getting on top of their paperwork for end of financial year (EOFY).EOFY is not nearly as much fun as having a night out, but arming yourself with knowledge to meet compliance obligations can put you on the path to prosperity. Were about to hit one of the most compliance-heavy periods in some years, and organising your EOFY business financials early can hold a greater benefit over the long term. Now is an opportunity for business owners to reflect on the success of their growth strategy, review the current financial year and proactively approach the next. MYOB CEO Tim Reed says, Being slugged with a tax bill is a stress that business owners can do without. Those who take action now to review their systems, processes and software are ready to hit the ground running at 1 July. This can put a business strides ahead of its competition. For example, a business that pays building and construction contractors should start capturing those contractor payments as of next month. Otherwise theyll be playing serious catch up when the first report is due next year.When viewed as an opportunity to give your finances, operations and strategy a tune-up, the end of a financial year can be a launch pad to a happy and prosperous new year. If a healthy bottom line and a positive pace of growth are at the top of your wish-list, simple steps today can make a big difference to tomorrow.MYOBs top 10 tips for a happier new financial year:1. Get professional help to know your business betterDon't wait to get to know your business better. If cash flow, taxation and forecasting arent your areas of expertise, contact an accountant with experience in your industry to help. They can immediately identify potential EOFY issues, such as incorrect transaction dates, foreign exchange rates or inventory anomalies, and these aspects can be monitored throughout the year.2. Compare the current financial year against the previous yearCompare your 2011 tax year against previous years to pinpoint the positive and negative trends. When were your peak periods? How well did each of your products/services perform? Talk to a professional who can help identify which ones deliver the healthiest returns, re-evaluate your margins and loan terms, help you with managing cash flow, inventory and staying on top of debtors, and on the like. They can even perform business benchmarking activities, comparing your performance against similar businesses.*3. Familiarise yourself with key compliance changes for the new financial yearDid you know the flood levy will no longer apply after 1 July and tax-free thresholds are changing? Are your systems prepared for the introduction of the carbon tax? If you operate a business in the building and construction sector, are your systems prepared for the annual reporting of contractor payments in 2013? Check out http://myob.com.au/2012 for everything you need to know about EOFY compliance changes.4. Ensure your BAS and superannuation guarantee charge statements are lodged and paid by July 28 Be sure to pay your super guarantee contributions for the fourth quarter of 2012 by 28 July 2012. If you or your clients miss this deadline, you must submit a Superannuation Guarantee charge statement to the ATO.5. Take advantage of deductions, write-offs and rebates before June 30Take action to scrap worthless stock, plant and equipment before June 30 by reviewing your asset register (which keeps track of your company equipment including items purchased, sold or disposed of). Consider holding off buying business assets until the new financial year, because the instant asset write-off increases from $1,000 to $6,500 from 1 July 2012. Conversely, there are several government initiatives valid only until the end of the financial year that allow business owners to write-off purchases for business. Maximise these in the current financial year by purchasing any such assets before the end of June. Contact your accountant to discuss what is available to you based on your business. 6. Write off bad debts before June 30If any debts have been outstanding for more than 12 months and/or are considered non-recoverable, you may be able to claim a GST credit and write them off as an expense. Be sure to look into this now.7. Back up your data to ensure compliance with record-keeping requirementsAn ATO requirement is for businesses to keep detailed business records for a minimum of five years. Make sure you have a secure data back-up system. If you dont use accounting software currently, consider starting the new year on a product like MYOB LiveAccounts that automatically does the back up for you.8. Get on top of your books and diarise dates to review themFrom now on, lock in time to update your data entry and records at least once a week. Compile as much information as you can in preparation for updating your financial records. This includes accounts payable, receivables, payroll and inventory. Identifying errors is much easier over a short time period than after 12 months time has passed, so perhaps review your books every two months rather than every quarter. Mistakes can be picked up sooner, potentially saving you money in the long term. 9. Keep your business house in orderYour transition to a happier financial year will be more seamless if your financials are well organised and compliant. Up to date accounting software, such as MYOB LiveAccounts or AccountRight 2011, acts like a virtual assistant by automating many aspects of this. It also gives you a comprehensive snapshot of your business thats available at a glance at any time. With ordered paperwork, you can avoid last-minute hiccups and nasty surprises. 10. Invest time working on, your business rather than in, your businessTake the time to formulate a refreshed business strategy for FY2012/2013. It should contain everything from a SWOT analysis to competitor intelligence, a marketing plan and specific, measurable goals. These targets may be financial, such as increasing lead conversion by X%, reaching a revenue target at a specific time and halving operational costs. Or, they may be operational, such as expanding your product line, moving into another geographic region and upskilling staff. Consider involving team members in building the strategy to help improve their buy-in.For MYOB product information, research results, business tips, discussions, customer service and more visit http://myob.com.au, http://myob.com.au/blog and www.twitter.com/MYOBteam.*http://www.ato.gov.au/businesses/pathway.aspx?sid=42&pc=001/003/102For further information or to arrange an

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