

Checklist for Starting a New Business

Phase	Description
Getting Started	<p>Hobby or business?</p> <ul style="list-style-type: none"> You will need to consider whether you are running a business or simply conducting a hobby If you are intending to generate a profit and have formal processes and systems in place it is more likely that you will be running a business <p>Legal Structure</p> <ul style="list-style-type: none"> Businesses can be operated as a sole trader, partnership, company or trust. Each have unique legal obligations and different tax implications We can advise you of the most suitable legal structure for your business <p>Tax File Number</p> <ul style="list-style-type: none"> You don't need a Tax File Number if you intend on operating as a sole trader. You can use your own Tax File Number Partnerships, companies and trusts all need to have a Tax File Number <p>Australian Business Number</p> <ul style="list-style-type: none"> We advise all businesses to apply for an Australian Business Number (ABN). You are not required to have an ABN, but it may help you to register for GST and other business tax obligations. Keep in mind that other businesses can withhold 46.5% of payments made to your businesses
Keeping Records	<p>Systems</p> <ul style="list-style-type: none"> Regardless of the size of your business, keeping good records is essential. This does not necessarily mean purchasing the latest accounting software like MYOB or QuickBooks. You may choose to use a simple cashbook to record income and expenses or get a little more sophisticated with Excel or other spreadsheets. <p>Source Documents</p> <ul style="list-style-type: none"> It is important to keep all bank statements, invoices and receipts you issue to clients / customers. The Australian Taxation Office requires you to keep certain details for up to five years or longer. <p>As you grow</p> <ul style="list-style-type: none"> As your business starts to grow you may like to consider an accounting software package such as MYOB or even outsource the record keeping to a bookkeeper
GST	<p>Do I need to register for GST?</p> <ul style="list-style-type: none"> You are not required to register for GST if your business has a turnover of \$75,000 or less. GST registration is mandatory if your business has a turnover of more than \$75,000 <p>ABN and GST</p> <ul style="list-style-type: none"> Having an ABN does not mean you have registered for GST. GST is a separate registration.
Your Employees	<p>PAYG</p> <ul style="list-style-type: none"> If your business has employees you must register for PAYG. PAYG is the tax you must withhold on salary and wages you pay to employees. The ATO publishes the amount of tax you need to withhold from your employee wages, depending on whether you pay on a weekly, fortnightly or monthly basis Your business must generate a PAYG Payment Summaries for each employee at the end of each financial / tax year

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	<p>Superannuation</p> <ul style="list-style-type: none"> ▪ Your business is also required to withhold super on employees' <i>ordinary time earnings</i>' at a rate of 9%. This is called the superannuation guarantee ▪ Your business must remit this to the employees' superannuation fund at least every quarter, by the cut-off dates (28 October, 28 January, 28 April and 28 July)
<p>Other Considerations</p>	<p>Business Plan</p> <ul style="list-style-type: none"> ▪ A business plan is important document for start-up businesses and is essential to <ul style="list-style-type: none"> ▪ establish whether the plans are viable ▪ help management focus on the development of the business ▪ provide a framework to assist in developing the business ▪ support the raising of capital or to get new investors ▪ communicate with key stakeholders ▪ There are many business plan templates available on the Internet, however a good business plan should include the following: <ul style="list-style-type: none"> ▪ A description o the business ▪ The product or service ▪ An analysis of the market ▪ Business strategy and how this is going to be implemented ▪ Management team ▪ Financial analysis ▪ It is most commonly required by banks and other financial institutions who you may be approaching for finance ▪ It is invaluable in helping you plan a successful business and may even help you avoid failure! <p>Sales & Marketing</p> <ul style="list-style-type: none"> ▪ Marketing is important for reaching your target market. There are numerous ways to do this and it will largely depend on the nature of the product or service you are selling. ▪ It may be worth contracting a design firm to design a logo and do some branding work and a web site. ▪ Also consider registering a domain name which you will need for your web site and email <p>Information Technology</p> <p>IT systems including computer hardware, software, and telecommunications infrastructure are critical to helping your business achieve its objectives</p> <ul style="list-style-type: none"> ▪ Consider 1300 and 1800 numbers to help drive sales ▪ As your business grows you may need to consider systems for sales, EFTPOS, payroll, invoicing, and accounting! <p>Business Processes</p> <ul style="list-style-type: none"> ▪ It's important to document the key business processes, for example, the sales process, the payments process etc. ▪ Documenting your business processes helps to: <ul style="list-style-type: none"> ▪ Formalise the business processes ▪ Improve service levels to clients / customers ▪ Seek further efficiencies by improving the processes ▪ Help new employees become quickly acquainted with the processes ▪ Reduces error!

If you have any further queries please contact Perris Knightsbridge Chartered Accountants

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