

Business Continuity and Tax Planning

In the coming weeks and months many businesses will be entering survival mode. In addition to this, many individuals may be out of employment, either through redundancy or being temporarily stood down. The [recent government announcements](#) will provide some relief to those whose cashflow has been significantly impacted by the changing economic environment.

We have been in contact with many businesses in the past fortnight concerned about how their business will endure during the coming months. The key questions unsurprisingly are regarding accessing government assistance and cashflow. So, in case you missed it, **for details on the government stimulus package and a number of useful links we have updated our [website](#), [facebook](#) page and [LinkedIn](#).**

Business Continuity Plan

For those that want to know how they will be impacted, we feel that it would be of benefit to many businesses to have a plan which addresses the following key areas:

1. Cash Flow
2. Protection of your Assets – including personal assets like your family home.
3. Banks and Funding
4. Management Team planning
5. Your Employees
6. Customers & Suppliers

The business continuity plan would involve:

- Initial discussion and fact-find, during which we would discuss all the elements above.
- Preparation of a tailored business continuity plan.
- A subsequent meeting to review the plan and action items.

If you feel that this may be of value to your business, please contact us as soon as possible.

Tax Planning

During this part of the financial year we are preparing forecasts and tax plans for a number of clients. Now, more than ever, tax planning is critical to know your PAYG obligations and credits, to determine access to grants and to be able to 'stress-test' your forecast profitability in the downturn. Some factors to consider and **action between 31 March to 30 June 2020** as part of your planning for the 2020 financial year could include:

- Pay employee superannuation obligations
 - *earlier rather than later to ensure sufficient cash is available*
- March BAS lodgement
 - *critical if anticipating receipt of the tax free payments for eligible employers, refer to our blog for further information on this.*
- Instant asset write-off purchases
 - *the latest stimulus package is generous in terms of immediate deductions*
- Trust Distribution Resolutions
 - *these need to be prepared prior to 30 June to be able to distribute tax-effectively*
- Superannuation deductions
 - *Pay prior to 30 June*
- Review inventory

- *do you have enough to get you through the coming months, or will you need to invest?*
- Fringe Benefit Tax return
 - *Many businesses provide vehicles, meals and entertainment to their clients as incentives and remuneration. This will often be appreciated by employees and clients more than the equivalent cash, but as it is a 'benefit', it can result in fringe benefits tax.*

If you would like to discuss tax planning for your business, or for yourself, please contact us as soon as possible – the end of financial year is fast approaching!

We are here to discuss your tax and cashflow planning strategies, so please contact Shannon or Jessica on 08 6118 6111, or email hello@prescottsolutions.com.au