

10 MONEY TIPS FOR SMALL BUSINESS OWNERS





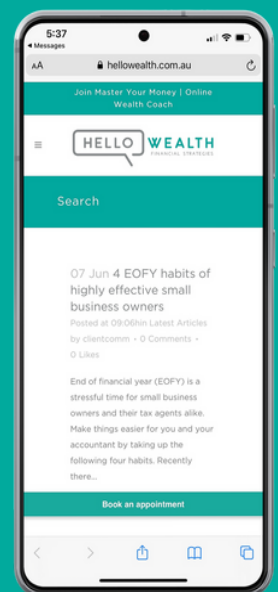
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Many small businesses operate on paper-thin margins, so every money-saving decision can be worth its weight in gold. From managing the business finances to paying yourself and super, this guide will delve into 10 easy-to-digest money tips for small business owners in Australia.

Looking to learn more?

Visit our small business blog. View it [here](#).





ABOUT HELLO WEALTH

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Hello Wealth is a financial planning firm based on Sydney's Northern Beaches and Melbourne's Inner City. We deliver fresh, sophisticated financial planning, incorporating the latest tech, service choice and strategic interim meetings and offer competitive pricing.

Our mission is to enable our clients to achieve the financial freedom and lifestyle they dream of. We achieve this by tailoring your personalised circumstances into holistic, high-quality financial strategies to actualise your unique, long-term goals.

MONEY TIPS

01. HAVE A BUDGET

Part of having a realistic business plan is having a budget.

There are a lot of other parts of running your small business that will be fun; when it comes to budgeting though, don't ignore it. Get yourself a measurable, and realistic business cash flow budget, then map out your projected revenue for the next quarters and years. These will create the foundation for your business goals.

02. MANAGING CASH FLOW

Having a positive cash flow means that more money is coming into the business than what is going out.

5 tips for managing cash flow:

- Keep your books accurate and up to date. Your cash flow is only as good as your accounting and reporting;
- Don't be too lenient with your customers;
- Keep your accounting simple;
- Keep your business and your personal finances separate;
- Build a cash reserve

03. INCREASING CASH FLOW

In small businesses, money and work can come in highs and lows. For the low times, it's handy to have a list of actionable cash flow injection strategies to boost your bottom line quickly.

This type of cash injection would be specific to your business, however, could include:

- Having a flash sale;
- Creating a bundle offer;
- Creating a special offer for existing clients;
- Offering incentives to current clients for referrals;
- Creating incentives that encourage customers to pay early;
- Offering a one-to-many event or training

MONEY TIPS

04. PUT MONEY BACK INTO THE BUSINESS

There are two main things you want to do if you are running or growing a small business. The first one is to pay yourself. The second one is to have more money to put back into the business to keep it going. Think about investing in automating your business systems, using marketing to grow your business, and onboarding more staff to grow your team.

05. QUIT MIXING BUSINESS AND PERSONAL AFFAIRS

If you're operating as a sole trader, keeping a separate bank account for all business transactions will prevent confusion and make business bookkeeping easier. By setting up the correct bank accounts now you will save yourself time when it comes to reconciling accounts come tax time.

06. AUTOMATE, AUTOMATE, AUTOMATE

As a small business owner, time is money. One of the biggest challenges associated with running a business is relying on memory to get things done, which is why so many small business owners are turning to automation.

The key is to analyse the way your business operates and identify the areas that need to be automated.

Think about automating some of your everyday processes including:

- The generation of recurring invoices;
- Invoice reminders;
- Setting up bank rules for reconciliation;
- Invoice uploading

Automation comes down to working smarter, not harder.

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07. KEEP YOUR RECORDS

To prepare an accurate tax return and support the claims you make; you need to keep careful records throughout the year.

You should record all information relating to receipts and correspondence around payments you have received (income), receipts and correspondence around anything you have spent on the business (expenses), any assets you have acquired or disposed of (such as equipment), gifts or donations, GST and payroll information (if relevant).

Some tips:

- Use an accounting system (try looking into Xero, QuickBooks, or MYOB) or;
- Create a folder in your email inbox for the relevant FY tax return

08. GET HELP WITH YOUR BOOKKEEPING

Good record keeping will ensure that the EOFY tax process each year is quick and easy. Unfortunately, if you've kept poor records and need extensive help from a tax professional, things can get pretty costly, pretty quickly.

The recurrent tax mistakes small business owners tend to make when it comes to recording information are generally down to a lack of understanding. We recommend working with a bookkeeper or BAS agent to take the stress out of EOFY.

They have the knowledge and skills to assist you to stay compliant in a complicated tax world and will always prove to be the best investment in your business.

Find a professional Bookkeeper or BAS Agent [here](#)

We also recommend:

- Kristy the Bookkeeper and;
- Lyndall Poole

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09. SUPER AS A 'SELF-EMPLOYED' ENTITY

If you are self-employed and a sole trader you don't have to pay yourself super however when you retire you might be glad you did. You can make regular or lump sum payments can usually claim a tax deduction on contributions and may be able to save tax. Self-employed people who operate their business under a company structure are legally required to pay themselves the 11% super guarantee.

Some of the reasons to pay yourself super:

- You save for retirement;
- You may be able to claim concessional (taxed) contributions provide a 15% tax deduction come tax time;
- Personal contributions and 'salary sacrifice' can also save up to 30% in tax at year-end;
- Non-concessional [tax-free] contributions avoid 15% in tax, boosting your net retirement funds

Employers contribute at least 11% of an employee's earnings to super. This is scheduled to progressively increase to 12% on 1 July 2025. There are limits to how much you can contribute each financial year:

- Concessional contributions: From 1 July 2022, the concessional contribution cap is \$27,500;
- Non-concessional contributions: From 1 July 2022, the non-concessional contributions cap is \$110,000;
- If you're on a low income, you may be eligible for government super contributions, see super contributions.

Try our [Super Calculator](#) here

10. TAX DEDUCTIONS FOR SUPER CONTRIBUTIONS

You can claim a tax deduction for contributions you make from your pre-tax income (known as concessional contributions). This is seen as a benefit as you reduce how much tax you pay on your income. To claim a tax deduction, you need to send a 'Notice of Intent to Claim' form to your super fund before the end of the financial year. Contact your fund to find out how much time you need to allow for processing. Always confirm the details of any super contributions with your accountant, tax agent, or tax practitioners board registered Financial Adviser.

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