



Your Business Health Check

#COVID19

Effective: 31st March 2020

Your Business Health Check during #COVID19

Are you finding it hard to know how you can proactively manage your business during the Coronavirus COVID19 pandemic?

I've put together this checklist of 12 important activities to help guide you.

1. Understand your current financial position

It's essential to make informed decisions about your business based on your current financial position. Pending restrictions imposed by government, your ability to trade through this period, pay outstanding debts, keep employees or meet existing leasing or loan repayments will be determined by your financial position.

- i. Create an Income and Expenditure spreadsheet for say the next 6 and 12-months, listing all of your income sources and do it monthly for the period.
- ii. Consider the 'worst-case scenario' of what business will look like if you have zero income for the period. Then again with say 20% of your normal revenue and say 50% revenue and so on. – It's important to use this spreadsheet to model your business for the COVID19 shutdown and see the effect of changes to your income and can ascertain how much additional (top-up) funds are needed for you to stay afloat.

- iii. Review all of your expenses and consider reductions right across the board.
- iv. Discuss what the model looks like and the broader implications with your inner circle of business partner(s), your life partner, investors, your bank, accountant, solicitor and financial planner.
- v. Get trusted advice and professional opinion before you act.

Cash flow is critical, especially if your existing income and trade has been significantly disrupted by COVID19.

2. Check your eligibility for government assistance

The Australian Government has announced several stimulus packages to help business owners manage the disruptions to their business. For sole traders, this includes access to the job seeker allowance, which now includes a coronavirus supplement payment and an increase in the income test for partners to provide greater access to support. Check with your local state government as there are several state-based assistance packages on offer.



3. Contact your bank

New and ever changing 'loan deferral arrangement for small business owners' is now in place. Contact your bank or financial lender to discuss this arrangement. We also recommend talking to your bank's hardship team if you would like to discuss the options available if you need relief from any personal mortgages or loans.

Visit the Australian Banking Association website for a [list of hardship contacts](#) for each bank.

4. Communicate with your stakeholders

- It's important to communicate to all your stakeholders about what is happening with your business during the COVID19 pandemic.
- If you have staff, they need to understand what your plans and the likely impact on them. Be as calm and clear in what you are telling them as possible. It can be an emotional time for both parties (business owner and your staff) so please be open, honest and respectful.
- Follow up all your debtors (people who owe you money) to try and get any overdue payments in. You may need to consider negotiating, based on what they are able to pay in the current circumstances. Also communicate with your creditors (people you own money to) to see what payments you may be able to defer. Everyone is

doing it tough, so just to explain your circumstances and see how you can both help each other.

- Review your trading terms to ensure that you obtain upfront payments (where possible) or a deposit for any new orders.
- Keep your customers updated about your services, for example if your business is affected by restrictions, ensure you communicate as early as possible what this means for them. Everyone understands and everyone is under similar pressure so be kind to one another.

5. Seek advice on deferring tax payments

The Australian Taxation Office (ATO) can [grant you a deferral of certain tax obligations](#) if your business is impacted by COVID19. Call the ATO on 1800 806 218 or speak to your tax professional to discuss your options. Deferring payments may impact on your eligibility for other stimulus package options, so seek professional advice.

6. See if your business can still operate

As the government has announced expanded restrictions to business activity, social distancing, isolation and also travel, check the latest restrictions to see if your business can keep operating or if there are any changes you need to make to fit in with these mandatory requirements.



7. Understand your options in relation to employees

Familiarize yourself with your obligations as an employer. Information is available through [FairWork](#) (for businesses under the national industrial relations system) or your applicable state government (for sole traders and partnerships). This information also covers issues such as when you might be able to stand down employees, redundancy information and changing work hours.

On 30 March, a \$1,500 per fortnight Job Keeper Payment was announced by the Federal Government to support employers in keeping their employees and managed through the ATO. Here's the [link to the ATO](#) be sure you register.

8. Check your licensing requirements

If you are running your business from home or have changed the way your business operates, you may need approval from your local government authority to carry out certain types of business operations. However, you may not need approvals for certain changes. For example:

- ✓ If your restaurant is now offering takeaway instead of dining in food, using your commercial kitchen to prepare the food, no other approvals are necessary.
- ✓ If your hairdressing salon is now offering mobile services to your customers' homes, you do not

require an additional approval. However, check with your insurance broker that you are covered in this situation.

- ✓ If you are now running your business remotely from home, you do not need any approvals if your operations meet the definition of a home office under the Planning and Development (Local Planning Schemes) Regulations 2015, including that no clients or customers visit you at home, no staff work there with you and you don't display business signage.

It's advisable to check with your local government authority for specific advice on any change of use.

9. Commercial leasing – talk to your landlord (or call your local state authorities for help)

I encourage you to call your landlord to discuss what arrangements can be put in place regarding your tenancy (lease or rent), particularly if your business can no longer operate.

On 29 March, the Australian Government announced a moratorium on evictions over the next six months for commercial and residential tenancies in financial distress who are unable to meet your commitments due to the impact of coronavirus. Commercial tenants, landlords and financial institutions are encouraged to sit down together to find a way through this period to



Ensure that businesses can survive and be there on the other side.

Please Note: *Every State Government is currently working on a number of measures to provide assistance to small business landlord and tenants. Please check-in with them for further information on these measures once details are announced.*

10. Consider whether you can draw on your superannuation

If you are a sole trader whose hours of work or income has fallen by 20 per cent or more as a result of the pandemic, the Federal Government is allowing you to access your superannuation. This is capped at \$10,000 this financial year and a further \$10,000 next financial year. The withdrawals will be tax free.

11. Build your networks

This is an important time to reach out to your networks for support and advice. Being able to keep some control over your situation is good for your positive mental health. Keep communicating with your support networks and speak with other small businesses to share ideas and innovative practices. A good starting point for online networking is the Facebook group: [Let's kick this bug in the nuts!](#) which I created with [Andrew Griffiths](#).

We now more in excess of 500 members and it's

growing each day. We provide a weekly FREE webinar (Wednesdays at 7pm Melb/Syd time) and a space for small business owners to network, share information and seek help from your fellow business owners. [Click here to register for our FREE webinar](#). Share with your friends, it's free and everyone's welcome, regardless of whether you're an actual business owner or not.

Remember, we're all in this together. We're a united community and shared knowledge is critical.

12. Keep informed of changes (seems to be on a daily basis, but that will slow)

Given the peak volumes of calls to many government departments, being proactive in seeking out trusted sources of information are an important way that you can keep up with the latest developments on coronavirus information for small business owners. Be patient please, most services are being overwhelmed right now and everyone is doing their best under extreme pressure.



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Discuss the broader implications of your businesses health with your inner circle of business partner(s), your

life partner, investors, your bank, accountant, solicitor and financial planner prior to implementation of any of the above listed information which has been provided as a guide only.

Please understand that Tick Those Boxes Australia is providing this white paper without any prior knowledge of your specific financial circumstances or your business operations and/or structure.

Consequently, you must seek trusted advice and professional guidance before you act. Tick Those Boxes Australia and/or Darren Finkelstein are not licensed financial advisors, and nor do we understand your specific circumstances.





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