

101 QUESTIONS TO ASK YOUR ACCOUNTANT




Lee & Lee
Better Advice • Better Future

Working together to grow your business

Many business owners make the mistake of thinking that their accountant is only there to help them get through tax time.

In fact, your accountant can actually be an unexpected goldmine of great business advice, and may be able to spot things that would otherwise go unnoticed.

While it is true that they know your business as a set of numbers on a page, a good accountant can read a story in those numbers. They can see where your business has space to grow, and where you might be losing out unnecessarily.

Your accountant is the perfect person to

help bridge the gap between your current compliance responsibilities and the vision for the future of your business.

In addition to keeping your finances in order, your accountant can also be an educator, a trusted advisor and a source of inspiration for your business.

We have prepared this list of 101 questions to give you some ideas about which areas of your business might benefit from an expert opinion.

This is a starting point from which you can begin to engage in a productive dialogue, and see new opportunities for improvement within your business.

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Fundamentals **Laying the right foundations for tomorrow's success**

1. Should I consider using cash flow statements as a management tool?
2. Am I pricing my products/services correctly?
3. Which indicators of my company's financial performance should I be tracking weekly, monthly and annually?
4. How do my financial ratios and percentages compare with other businesses in my industry?
5. At what point does a business need to employ a finance manager?
6. Should I have my business professionally valued?
7. How can I identify and reduce disproportionately high operating costs?
8. How can I speed up the collection of receivables?
9. At what point should I cut off slow paying customers from additional credit purchases?
10. How should I determine my own remuneration?
11. How do my operating costs place me in terms of being able to withstand a crisis?
12. What are my obligations in regards to my super?



Finance **Finding financial flexibility with minimal risk**

13. How can I maximise my chances of approval for a business loan?
14. What kind of questions should I be prepared for bankers to ask me when they review my business's financials as part of the borrowing process?
15. What is the difference between debt and equity financing?
16. How can I determine my current borrowing capacity?
17. Would factoring be a suitable option for my business?
18. Should financing terms be linked to the useful life of the asset being financed?
19. When is a good time to refinance a commercial loan in order to trade down interest rates?
20. If my business is facing a cash crunch, how do I know if I should cut costs, borrow money or do both?
21. Are there effective ways of maintaining marginal-credit accounts as customers without accepting undue risk of non-payment?



Legal **Keeping your business out of legal trouble**

22. What is the most effective business structure for me?
23. Is there any benefit in me taking security over my own company?
24. Should I have a buy/sell agreement with my partners or shareholders?
25. What are the key considerations when signing a commercial lease?
26. Can I sell off part of my business without losing control?
27. What are my responsibilities in withholding and remitting employee taxes?
28. Do I need a credit policy?
29. When does an independent contractor become an employee and how do I avoid potential legal pitfalls in this area?
30. Can my business buy back shares from me?
31. What are my legal considerations with regard to my online activities? Should I be worried about privacy, security, false advertising and/or copyright infringement?
32. I have several businesses, can they be treated separately for workers' compensation purposes?
33. Have I properly addressed the potential need for non-disclosure agreements in my business?
34. How should I deal with loan accounts between my company and related parties?
35. How should I account for my business when writing a will?

Technology **The right strategy will remove barriers to efficiency**

36. What efficiency gains does cloud software offer for my business?
37. If I do invest in cloud software, should I choose a general accounting package or is it better to look for an industry-specific system?
38. Are there any security concerns associated with cloud accounting software that I need to be aware of?
39. How vulnerable is my computer data? Do I need to take special precautions to prevent tampering or loss due to accidents or viruses?
40. Should I consider outsourcing my social media requirements?
41. What should I take into consideration when purchasing business computers?
42. What portion of my marketing budget should I direct towards improving my online presence?
43. Would a virtual administrative assistant be a good option for my business?
44. Should I be considering a restructure in order to move more of my business online?
45. Have I adequately considered ways in which new competition may emerge online?

Business **Manage your finances and maximise your efficiency**

46. How do I calculate the real cost of producing my product/service line?
47. How do I determine my breakeven point?
48. What steps can I take to lower my breakeven point?
49. Should my business be on the accrual or cash basis of accounting?
50. How should I value inventory?
51. How long do I need to retain all of my financial records?
52. Are my point of sale record keeping methods sufficient to provide satisfactory proof in the event of an audit?
53. What parts of a home office set up can I claim as a legitimate business expense?
54. What strategies can I use to defer my income tax?
55. If I get a request for an audit what preparations do I need to make?
56. How do I determine the depreciation value of assets I intend to purchase this year?
57. Are there records that need to be kept if I intend to scrap obsolete or non-saleable inventory?
58. What are my recordkeeping responsibilities in relation to my employees?



Planning **Planning for the future - whatever your plans may be**

59. Should I have a board of directors?
60. How should I recruit board members?
61. What are the Capital Gains Tax (CGT) implications of different business exit strategies?
62. How often should I structure business meetings?
63. If I need additional premises, is it better to lease or acquire the space?
64. If it comes time to sell my business, should I sell the assets individually or try to find a buyer for the whole business?
65. What are the main tax considerations if I am considering selling my business?
66. When should I consider taking my company into voluntary liquidation?
67. If I own a non-trading company, can I easily wind it up?
68. Will my insurance be sufficient in the event that I, or another key person in the business, passes away or becomes unable to work?
69. Are there ways I can transfer assets at my death other than by a will?

We are here to help

Make use of us! This guide is merely a starting point, designed to help you identify areas that might have a significant impact on your personal and business planning.

We are always pleased to discuss matters with you and advise in any way we can.



Rewards **Making sure that you and your staff are happy**

- 70. How can I simplify my superannuation management obligations?
- 71. What is a salary sacrifice and how might it benefit me and my employees?
- 72. What type of salary sacrifices should I consider offering my employees?
- 73. How can I introduce an effective performance management system for my staff?
- 74. What types of salary packaging are available to my business?
- 75. What are the Fringe Benefit Tax (FBT) implications of salary sacrifices?
- 76. What benefits do novated leases have for me and my employees?
- 77. Should I consider non-monetary staff rewards?
- 78. Is it advisable for me to have a company car/cars and if so should I allow employees to use them for personal reasons?
- 79. Are there any benefits of contributing personally to a superannuation fund?



Strategy **Getting ready for future challenges**

- 80. Is my business plan sufficiently flexible and ambitious?
- 81. How often should I set aside time to reconsider my business plan?
- 82. Am I considering both increasing my market share and competing with my direct competitors?
- 83. How can I improve my supply chain?
- 84. What can I do to improve my cash flow?
- 85. Would there be any benefits for my business in developing strategic partnerships with other businesses?
- 86. Would I benefit from adopting a more aggressive and formalised referrals/rewards system?
- 87. Is my long term business plan aligned with the resources I have available to me?

Innovation

Funding your creativity

- 88. How should my current product profitability help guide my future product development?
- 89. Am I directing enough resources into innovation?
- 90. How do I work out who my most valuable customers are?
- 91. Am I focusing on my less profitable products when I should be directing my attention towards my biggest earners?
- 92. Am I always ensuring that I am aware of any technological advances that may impact my competitiveness?
- 93. How do I know if I am monitoring my competitors closely enough to be aware of any industry breakthroughs?
- 94. Should I be looking at innovative ways to eliminate waste as well as developing new products?

Family **Considerations specific to family businesses**

- 95. What kinds of trusts can I set up to benefit my family from my business?
- 96. What tax and financial advantages are available for different trust structures?
- 97. Is it advisable to have a certain number of non-family staff members?
- 98. How do I establish a succession plan that ensures continuity in the business when I retire?
- 99. What common legal pitfalls do I need to be aware of if I am running a family business?
- 100. What are the considerations if I want to transfer my business to a family member?
- 101. What are reasonable guidelines for hiring, managing and promoting family members?

