



8 Ideas for your Business



1. Ensure Your Business Is Properly Capitalized

The right kind of financing at the right time can be decision making. In addition to traditional banks and credit there might be other reasons for financing like

- Debt refinancing
- Acquisition of a competitor
- Replace old equipment

Identifying alternative sources of financing Sources of funds that can assist you may include:

- Leasing or Asset-based lending
- Factoring of receivables
- Private equity or Venture capital

Some of these sources of financing involve more time, costs and coordination, but can be very beneficial alternatives.

2. Plan for Capital Losses

In the case of a corporation, if net loss is more than the capital gain for a given year then it may make sense to carry capital losses forward to apply against future gains.

If you have more than one corporation, you can also utilize strategies for Corporate Group losses.

3. Watch Your Cash Flow

Monitor receivables and payment behavior closely. The constriction in cash flow can be an indicator of difficulty. It may be because of formerly prompt payers are now stretching receivables (either change in payment terms or they are struggling). You can count on

- Documented policies for your receivables staff for additional actions required.
- It is difficult to collect money Have a complete credit application of your customer on file.
- Review any applicable industry legislation which will allow you to access legal protection if needed.

4. Review Your Estate Plan

Under an estate freeze, the current value of the assets is frozen in a corporation for your benefit while allowing future growth accrues to others, such as your children. It can make sense as it will lock the tax that will become payable when you dispose of your assets In particular, if the value of the corporation has declined since the freeze, it may be possible to re-freeze your preferred shares at a lower value, thereby reducing the amount that will be taxed in your hands on death or on a sale.



5. Review Your GST and PST Status

It is more important to ensure you are not overpaying GST and PST. In addition, you may be charging tax in situations where it is not required. This can be beneficial if it means your customers will have more money to spend on your products or services.

6. Ensure Research and Development (R&D) Costs Are Identified and Claimed

We mostly associate R&D with work done in a laboratory by skilled scientists. However, even with the daily business activities, The Canadian government's Scientific Research & Experimental Development (SR&ED) rules offer generous tax incentives of which you can take advantage.

7. Review Your Corporation's Tax

Consider income splitting strategies to ensure you pay as little tax as possible on

distributions from your corporation. For example, it may be possible to pay dividends to adult family members with little or no tax.

A corporation can pay income tax installments based on an estimate if you believe its corporate income tax for the current year will be lower.

8. Plan Ahead

Every business should look at their tax situation to ensure the tax planning practices you have used in the past are still relevant, and help you determine if specific tax planning ideas can minimize or defer taxes. However, Seeking expert advice will give you full understanding. What may be optimal for income tax purposes may not be optimal if there is a risk of creditors holding owners or directors responsible for corporate obligations.