



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Chartered Accountants Checklist for Small Businesses Impacted by Cyclone Debbie and Flooding

Many small businesses don't have a business continuity plan for when natural disasters strike. So here are some practical issues small business operators should consider.

1. Are you OK?

- Running a business is stressful enough without Mother Nature's interference.
- Reach out to family, friends, advisers and local support groups.

2. Engage with your workers – You'll be heartened by their support

- Be upfront about the impact of the disaster on your business.
- Check employment and contractor agreements. Can unutilised employees agree to reduced hours, bring forward annual leave plans or take unpaid leave if the business is temporarily closed or in re-start mode? Legal advice may be needed.
- Fringe Benefits Tax concessions may apply for emergency benefits to employees.
- Challenge your workforce with diverse tasks to get the business up and running.

3. Secure business records, obtaining replacement records if necessary

- Get your business technology up and running again as quickly as you can.

4. Insurance

- Check current policies for coverage.
- Collate details of losses (photographic evidence helps).
- Engage with your insurers.
- Seek a 2nd opinion on proposed payouts.

5. Government emergency grants and community support funds

- Check your entitlements (business and personal).

6. Trading stock, equipment and buildings

- For insurance, government assistance and tax deduction purposes, keep records of damaged, lost or destroyed trading stock (even if sold for reduced prices), equipment and business buildings.
- Replacement equipment costing less than \$20,000 attracts a 100% tax write-off (only for eligible small businesses - current concession expires 30 June 2017).

7. Repairs, clean-up costs, temporary storage costs etc

- For insurance, government assistance and tax deduction purposes, keep records.
- Tax deductions apply to repairs, *not* improvements (there's a difference).

8. Do you operate from leased business premises?

- Engage with your landlord on possible rent relief and the timeframe for any necessary repairs to be done.

9. Your suppliers

- Review purchase agreements to determine rights and obligations of both parties.
- Speak to them. Will they accept delayed payment terms?
- How quickly can they re-supply what's needed to re-start business operations?

10. Your customers

- Review sale agreements to determine rights and obligations of both parties.
- Develop and implement a communication strategy that conveys your re-start plans and how you'll help them as they too recover from the disaster.
- Can customers bring forward payment of any amounts owed to your business?
- Enlist customer support as you re-start business (e.g. sales campaigns).

11. Revise business cash flow and business forecasts for the current financial year and subsequent years

- Be realistic and conservative in your estimates.
- Specialist business turn-around advice may be a good investment.

12. Tax

- Engage with the ATO and State & Territory tax authorities.
- Work with your accountant to see if any favourable tax adjustments can be made in your next BAS and tax return. Lodgment extensions are available.
- Seek deferred tax payment plans if necessary.
- In serious hardship cases, tax debt waiver may be available.

13. Finance

- Quantify any additional financing needed to re-start business operations and explore financing options.
- Engage with existing financiers and discuss your business recovery plans.
- Seek a temporary break on interest repayments if necessary.

14. Learn from this

- What went well in responding to the disaster? What could have been done better?
- For the longer term, should a business continuity plan be prepared?

DISCLAIMER

Chartered Accountants Australia and New Zealand (CA ANZ) has created and maintains this publication as a service to its members and the community. The contents relate to Australia. This publication is not legal or professional advice and should not be taken as a substitute for legal or other professional advice. Readers should not act or rely on any statement, view or opinion expressed in this publication. Readers should make and rely on their own inquiries in making any decisions or giving any advice. No warranty is given as to the correctness of the information contained in this publication, or of its suitability for use by you. To the fullest extent permitted by law, CA ANZ is not liable for any statement or opinion, or for any error or omission contained in this publication and disclaims all warranties with regard to the information contained in it, including, without limitation, all implied warranties of merchantability and fitness for a particular purpose. CA ANZ is not liable for any direct, indirect, special or consequential losses or damages of any kind, or loss of profit, loss or corruption of data, business interruption or indirect costs, arising out of or in connection with the use of this publication or the information contained in it, whether such loss or damage arises in contract, negligence, tort, under statute, or otherwise.