

Top 15 Best Practices Every Business Owner Should Know

1. Select the proper entity especially if your business is going to own real estate.
2. Establish proper banking relationships. Not for what you need today but for what you will need in the future.
3. Lease agreements need to be reviewed by an attorney. Watch out for personal guarantees.
4. Segregation of duties - You cannot have your bookkeeper / controller receiving the unopened bank statements, preparing the checks, making the deposits and reconciling the bank statements.
5. Pay your payroll taxes. Utilize a reputable payroll company because if they don't submit the payroll taxes you are still personally liable.
6. Ensure you are registered in all the states that you are doing business. A NEXUS study can evaluate which states you need to file. No two states operate the same.
7. Track, collect and remit the proper Sales and Use tax. Not all sales are taxable and not all sales are tax exempt. It is very complicated and Sales tax is different from Use Tax.
8. Ensure key employees have a non-compete agreement.
9. Need life insurance on owners and key members of management.
10. Retirement plans - there are so many options depending on what you want to put away vs. what you need to contribute for your employees. Best to know this upfront before picking a plan.
11. International bank accounts need to be reported. Significant fines and penalties will be assessed if not properly reported.
12. Don't forget to issue your 1099's. IRS is assessing penalties for non-filers.
13. Watch those shareholder agreements including the provisions for buy-in's and buy-out's. Always need to protect the company first.
14. Personal benefits and personal use of auto are hot topics for the IRS. Be mindful of documentation.
15. Watch your growth. Cash flow is the key to the foundation of your business.