



Financial Red Flags for Micro Biz Money

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Well-crafted copy to help you “get the word out and get your Word’s Worth!”

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At Hoyes, Michalos & Assoc., Inc., [trustees in bankruptcy](#), we meet with people who are experiencing financial problems in their small businesses and/or personal lives.

We discuss the situation in detail, looking at various options to set up a helpful plan.

Call 310-PLAN or, in the London area, 519-435-1500 for a free initial consultation.

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Don’t let reality checks get overdrawn. Consider these red flags before the only solution is to close the business.

Flag #1 “I don’t have enough to pay GST/PST owing, so I won’t do the returns so they won’t know I owe them”.

Monies collected for these items are trust funds and our government keeps track of whether businesses file returns. If you don’t file, they’ll assess any amount to be paid and, if you don’t pay, they have the ability to: register liens against business/personal assets, seize business/personal bank accounts, and notify your accounts receivable to pay any balances owing directly to them instead of remitting to you.

Flag #2 “I have to fund the business with personal assets and credit.”

Your financial institution won’t extend any more credit and/or there’s no more room on your operating line. You may even be refinancing the mortgage on your home to get more funds to carry the business just another few months when you know things will start to turn around.

Flag #3 “The balance on my credit card and/or my business operating line is growing.”

Instead of the amount owed to creditors diminishing as income is generated, it’s increasing, demanding more of your business revenue to cover interest charges. Suppliers are starting to deliver only if paid “COD”. You’re getting worried about how you’ll keep the business going if you don’t have the product.

Flag #4 “My sales are different than projected in my business plan.”

In fact, you haven’t really followed the plan since you got financing from the bank. That’s the only reason a small business owner does a plan at all – to get financing, right? Everyone knows it costs more to start than projected, and takes longer than expected to get revenue up to where you can make some money.

Flag #5 “My bank account is used for both business and personal funds.”

You haven’t had time to open a new bank account for the business. Or you used personal funds to help the business at the start and it really won’t matter if they’re mixed together for now. The bookkeeper will look after it when it’s time to file taxes. And then I can take the funds back from the tax refund.

Luckily, there are answers in such scenarios – to help you back from cash woes to cash flow – just [ask Norma](#). ❖