

# Planning Checklist for Business Owners

## Steps to Take During the Downturn

Your business is likely the largest item on your balance sheet. Use this checklist to manage this important asset during the economic slowdown brought on by the coronavirus pandemic.

### Personal Planning

- » Review accounts for potential tax-loss harvesting opportunities
- » Review or create Health Care Power of Attorney (HCPOA)
- » Review all estate planning documents and beneficiary designations
- » Add or review digital asset access language to estate planning documents
- » Consider Roth IRA conversions
- » Utilize dollar cost averaging (DCA) strategies
- » Consider financial gifts to family members
- » Review charitable giving strategy
- » Suspend 2020 Required Minimum Distributions (RMDs)

### Coronavirus Relief Package

- » Review criteria and quantify potential benefits of CARES Act loans
  - Paycheck Protection Program
  - Economic Injury Disaster Loan
- » Quantify potential benefits of Employee Retention Credit
- » Determine best option between PPP loan and ERC
- » If applicable, apply for CARES Act loan(s)
- » Review cash flow implications of FICA tax deferral (Can't use if get PPP forgiveness)

### Business Liquidity

- » Assess overall liquidity
- » Determine if your business should have an emergency fund, and if so, how much
- » Determine if your business should have a line of credit; if so, establish with your bank
- » Review debt for refinancing opportunities
- » Review entity structure for personal protection from creditors

### Business Tax Planning

- » Outsource tax planning and preparation to a qualified professional
- » Review best tax setup and new laws like CARES Act with professional
- » Complete 1099A planning
- » Review NOL and recapture provisions for new credits

### Business Insurance Planning

- » Keep up health insurance
- » Review property and liability insurance
- » Call insurance company regarding rebate or discounts for unused property or assets
- » Be proactive: Check to see if you have the right amount and type of coverage

## Business Continuity Planning

- » Review written business continuity plan and update as necessary
- » Review succession planning agreements and documentation
- » Review personal legal documentation as they relate to business continuity (wills, trusts, POAs)
- » Add or review digital asset access language to business continuity and succession documents
- » Review business assets for potential improper ownership
- » Obtain updated business valuation; agreements should align with current value
- » Consider additional life insurance to fund continuity/succession agreements

## Business Finances

- » Review 2019 financials and profit margin
- » Determine how much of a decrease in revenue that your profit margin can absorb before cuts are necessary
- » Revise 2020 budget and projections
- » Create an action plan to increase revenue
- » Review expenditures for quick and painless savings