



4 TAX STRATEGIES FOR SMALL BUSINESS



1. TAKE ADVANTAGE OF TAX CREDITS

2. COLLECT ALL YOUR RECEIPTS FOR BUSINESS-RELATED ACTIVITIES



3. CONTRIBUTE TO RRSP & TFSA

Contributing to RRSP and TFSA plans can help your business to maximize its tax savings. For RRSP, depending on what you make in a year, your contributions can fluctuate, and you can carry forward larger contributions for years in which you expect to make more. TFSAs save you tax by allowing you to earn interest on investments tax-free.

4. INCORPORATE YOUR BUSINESS

Depending on the industry and province they operate in, a small business can incorporate their company as a tax-saving strategy. Besides the lower corporate tax rates, they also benefit by limiting their liability (a corporation is considered a separate entity from the owner). Both of these advantages make incorporating your business a compelling strategy.

HOW TO GET PAID FASTER

"Until you value yourself, you won't value your time. Until you value your time, you will not do anything with it." ~ M. Scott Peck

For this InfoPays, we list tips for getting paid faster:

1. Keep track of your time.

Stay organized and document your hours accurately to ensure that your efforts are fairly compensated. In the end, time is money.

2. Bill early.

After wrapping up a project, try to send out your bills immediately. Avoid moving on to the next task without notifying your client or customer of payment due.

3. Use simple terminology.

NET 30/60/90 has been a relatively common invoice jargon; however, experience shows that this terminology may, in the end, be confusing your clients. Please keep it simple by stating the days your invoices become due, and you are sure to see those payments arrive faster.

4. Charge an up-front fee or request partial payment.

A retainer fee provides a guarantee and gives your cash flow a boost. During the planning stages, enthusiasm is the driving sentiment, and sponsors tend to be more flexible about payment terms – if you are asking for a partial payment, this is the perfect time to do it.

5. Set up payment reminders.

Establish a simple system to keep track of overdue accounts and release payment notifications. It is better to detect potential delinquency sooner rather than later.

6. Make the payment process simple and easy.

If you make bill paying complicated or nonintuitive, you are guaranteed to lose your client's attention. Try to provide your clients convenient options for submitting payments, ideally electronic payment methods.

7. Ensure accurate billing.

Ensure that your bills reflect all the correct information, especially the current balance and the appropriate receiving party. Customers are more

likely only to accept payments of bills that are free of errors and discrepancies.

8. Be professional and courteous.

Being courteous is not just the right thing to do – it is a powerful tactic that can help you get paid faster. A simple "please pay your invoice within" or "thank you for your business" can increase payment success over time.



**Guarantee your
liquidity within
8 business hours**

Created by the IPS Business Owner Success School (BOSS) 