



# MANAGEMENT AND LETTING BUSINESSES

## THE MANAGER'S ROLE

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# 1.0 OVERVIEW

SUCCESSFUL PEOPLE IN BUSINESS DO NOT KNOW EVERYTHING, BUT RATHER KNOW WHEN TO LISTEN TO A TRUSTED ADVISOR.

Trusted to advise you in taxation and business matters, the value of McAdam Siemon Business Advisors – is a business partner specialising in the industry of Management Rights who provide solutions and implement strategies from business beginnings to retirement.

...and now, some guidance on the next step.



## 2.0 YOU ARE NOW READY TO BE THE NEW MANAGER

Once you have received confirmation that the management and letting agreements are in order, and are satisfied regarding the profitability of the business, there are several issues requiring consideration prior to settlement which you need to consider.

### 2.1 Key issues pending settlement include:

#### ***Licence - Approval***

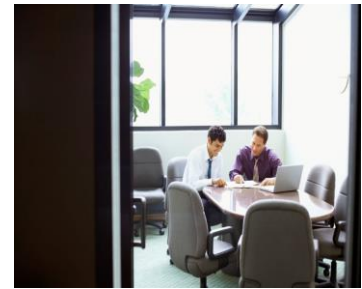
By now you should have received notification that your licence has been approved. Delays can occur during this part of the process, touch base with Office of Fair Trading if you need be to check the progress of your application.

#### ***Appoint Auditor***

The appointment of an auditor is a condition to hold a licence.

#### ***Bank accounts & Merchant facilities***

Contact your bank to open your POA statutory trust account and your General bank account. You must notify the Office of Fair Trading within 14 days of opening a POA statutory trust account. Organise with your bank the ability to accept credit cards via a merchant facility.



### **Insurances**

Appropriate insurance cover should be put in place, your bank may discuss your insurance requirements in the event that you require a business loan. Financial Planners or Insurance Brokers can also assist you putting in place adequate insurance. Areas of insurance include: General Business Insurance; Home & Contents; Professional Indemnity; Public & Product Liability; Income Protection; Life Protection; Temporary & Permanent Disablement (TPD) cover; Trauma cover and Workcover if employing staff.

### **Computer Hardware & Software**

Assess the suitability of the computers used in the business, an upgrade may be required. Software required to account for your income will need to be purchased. Please discuss with your Accountant. The booking software will be acquired by you as part of the sale and will require a transfer of the software licence at settlement.

### **Employment contracts & Sub-Contractor agreements**

If employing staff, it is advisable to consider employment contracts and duties. If engaging sub-contractors it is advisable to collect contact details and list of duties performed.

### **Industry Memberships**

There are several industry bodies who act as a spokesperson for your industry. These bodies interact with all level of government on behalf of all industry stakeholders and provide regular forums and newsletters that may prove useful to your business. ARAMA & REIQ are two industry bodies

### **Contact details**

Ready a list of all suppliers that will require your new contact details, banks, insurance company, utility providers.

### **Departure letter**

Prepare a departure letter with the Vendor to be sent out with owner statements to announce the change of management. Be sure to provide correct trust bank account details and a nominated bank for which this is to take place.

### **Helpful Websites**

- [www.ato.gov.au](http://www.ato.gov.au) Australian Taxation Office
- [www.business.gov.au](http://www.business.gov.au) Australian Government  
Principal Business  
Resource
- [www.asic.gov.au](http://www.asic.gov.au) Australian Securities and  
Investment Commission
- [www.business.qld.gov.au](http://www.business.qld.gov.au) Qld Government Business  
Industry Portal
- [www.fairtrading.qld.gov.au](http://www.fairtrading.qld.gov.au) Qld Government Office of  
Fair Trading
- [www.worcoverqld.com.au](http://www.worcoverqld.com.au) Qld Workcover
- [www.aramaqld.com.au](http://www.aramaqld.com.au) Australian Resident  
Accommodation Managers  
Assoc. Qld
- [www.institute.reiq.com](http://www.institute.reiq.com) Real Estate Institute Qld

### **Tax and Business Advisor**

With the verification of the Management Rights now completed, it is time to turn your attention to engaging your tax and business advisor for your ongoing taxation and business needs. Contact your Accountant to discuss the services available to you.

# 3.0 TAX AND BUSINESS ADVISOR – MCADAM SIEMON ACCOUNTANTS

For more than 24 years McAdam Siemon Business Advisors has been a trusted management rights advisor in Queensland, NSW & Victoria. Our experienced staff will aid and add value to your business through the industry cycle, from purchase to management and eventual sale.

## 3.1 SERVICES

Our firm advocates quoting up-front for all services provided. A written proposal, clearly outlines the selected services that you require, the scope of work, the role and responsibilities of us as your advisor and you the client.

Services we offer include:

- Business Valuations / Business Verifications
- Management Rights / Trust Account Audits
- Business Advisory Service
- Taxation and Planning
- Succession and Estate Planning
- Strategic Financial Analysis and Planning
- SMSF Fund Administration

During the year, it may transpire that you may require additional services to those you had originally planned, that's OK, just let us know and we will quote up front.



### 3.2 SERVICE DELIVERY

Our approach to servicing your annual taxation needs is based on a Work Flow Management System. Our delivery standard is to complete your annual taxation needs within 6 weeks. To promote this standard we organise in advance an agreed month in which we take delivery of your documents thus avoiding congestion and disappointment.

When collating client information, we will provide a number of checklists that act as a prompt to ensure we receive the required information.

Business life can be unpredictable and you may have the occasion to require our assistance sooner than you had planned, we understand our role as trusted business advisor and stand ready should the need arise.

### 3.3 TAX PLANNING

Whether you have been in business for some time and seeking tax strategies for the end of the financial year or are simply new to business and would like to know what the ATO requires of a business owner, our experience staff will guide you.

### 3.4 FIXED PRICE AGREEMENT – PROVIDING CERTAINTY

Certainty in business is paramount, particularly with cashflow and so it is that our model of quoting upfront lends itself to certainty. Once our written proposal or Fixed Price Agreement is accepted by you we can arrange for a direct debit payment to be made monthly or quarterly.



# 4.0 SETTLEMENT AND THE DAYS LEADING UP TO SETTLEMENT

When you receive advice that the contract is unconditional and settlement is imminent, there are several practical issues that will require your attention at settlement.

## 4.1 Key issues at settlement include:

### ***Trust Account***

Booking deposits held in trust are to be transferred across to your trust bank account. Obtain a copy of the breakdown of all deposits held in trust for your files.

### ***Cash Float***

Establish your cash float on the day of settlement.

### ***Monthly Salary***

Ensure that Body Corporate is aware of the handover date to ensure you receive the correct salary.

### ***Licensee details***

Ensure that prominently displayed licence details are changed to correctly reflect the details of the licence of the new manager.

### ***Booking/Trust software licence***

Transfer licence of the booking/trust software, so that it is registered to your business.

### ***Stock on Hand***

Complete stock take on day of settlement and agree with Vendor. It may well be that the purchase of the business required this value as part of the negotiated purchase price.

### ***Employment contracts***

Ensure that all employed staff have signed employment contracts and are therefore covered by appropriate insurance from day 1.

### ***Business name***

Contact ASIC to have business name transferred at settlement.





### ***Utilities change-over***

Arranged meter readings should take place at settlement. Accounts should be transferred across to your business so that all future bills will arrive at your postal address, to avoid any mix-up that may lead to the accidental non-payment of the essential services.

### ***Email address, Internet & Website***

Transfer accounts and update details.

### ***Creditors & Sub-contractors including linen supplies***

Establish credit arrangements with all major suppliers to be in place ready for immediate trade.

### ***Work-in-Progress***

Ensure that you have all necessary details regarding any work in progress issues concerning unit owners that need to be followed through to completion.

### ***Unit Owner details for payment***

Check and update owner details regarding bank account, preferred payment method, preferred contact method and appropriate address (email or postal).

### ***Equipment***

Complete registration transfer documents, you should check existence of all equipment that was agreed in the contract is present and accounted for.

### ***Brochures, Business Cards etc***

Check stock levels, check details for correctness and make any orders as necessary



## 5.0 SUMMARY

McAdam Siemon Business Advisors Pty Ltd is a specialist in the Management Rights industry and stands ready to be your trusted tax and business advisor. Call our office today to discuss engaging our firm and tap into our specialist knowledge.



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