

# Foundations for Success

structuring your business



# Setting Up Your Business



structure and tax

*“The hardest thing in the world to understand is the income tax.”  
- Albert Einstein*

## ◆ Your EcoForce Business and Taxation

**There are often significant taxation advantages for those creating an income from their own business.** Taxation forms a fundamental part of most economies that are used to provide services that often are taken for granted. Few people like paying tax, however tax is an obligation for anyone earning an income and are a part of life. Most taxation structures around the world favour those in business with the ability to claim additional tax deductions, compared to those in a job as a wage and salary earner. As taxation rules are often complex, as an EcoForce Global Advocate, we encourage you to seek tailored professional financial advice on any tax benefits specific to you from running a Home Business in your Country, State, Province, Territory, etc.

## ★ Disclaimer

**Our content is intended to, and must be used, for informational purposes only.** As everyone’s financial situation is unique; therefore, we strongly advise you seek independent tailored advice from a qualified competent professional who can advise what is best for your personal situation. You should seek independent financial advice from a certified experienced professional in connection with, or independently research and verify, any information that you find in this Module and wish to rely upon, whether for the purpose of taxation, or making an investment decision, or otherwise. We are not an investment advisor, and this is not a place for the giving or receiving of financial advice, advice concerning investment decisions, tax, or legal advice.

**We are an educational Program for learning, providing information related to running a Home Business.** We do not provide personalised recommendations or views to the financial needs of a specific individual. Any arrangements between you and any third party contacted by you are at your sole risk. Accordingly, we will not be liable, whether in contract, tort (including negligence) or otherwise, in respect of any damage, expense or other loss you may suffer arising out of such information or any reliance you may place upon such information.

*“More important than the how we achieve financial freedom, is the why.  
Find your reasons why you want to be free and wealthy.” – Robert Kiyosaki*

**Nothing will be more beneficial to you than to meet with a professional who will advise you personally on what will be the best structure and systems for you to operate with to support your financial growth and management.** Should you already have your own Financial Advisor, advise them of your decision to be in a Home Business with EcoForce Global, and discuss wealth creation strategies with them as your income grows. You may even encourage them to purchase a tree and come on board with you.

◆ **Working closely with your Financial Advisor and your Accountant will provide the tailored advice on how best to structure your business to take advantage of all the tax savings from the EcoForce Global Advocate Rewards Program**

As every Advocate is different with financial obligations and stages in life, the information contained in this Module is to be used as a guide as it is generic. Laws and rules change regularly, and will vary depending on the taxation laws of the country you operate in.

**Many people commence a Home-Based Business not knowing what they need to do to take advantage of the significant tax savings available to them.** For many it is in the 'too hard' basket, and they wait until tax time to ask their Accountant. The reality is, few Accountants provide much in the way of financial advice, unless they are a qualified Financial Advisor. Too often, business owners find out too late what they could have claimed on tax. As each year passes, significant savings that could have been made are lost. Let that not be you.

**At EcoForce Global, we have provided you with a few suggestions to point you in the right direction.** You will find it easier than maybe you first thought. Working with your Accountant and Financial Advisor will require a few disciplines and habits to be created, however, once you have these in place and simple systems to track relevant details for your Home Business, then you are well on the way to building a successful EcoForce Global organisation. The EcoForce Opportunity allows you to create more wealth than often what was possible as an employee in a job, so being wise with your income makes sense as you make more dollars.

*Creating a better reality.*

◆ **The Value and Importance of Great Advice**

We all know the value of going to an expert when it comes to requiring a professional to perform their profession. We do not go to the plumber if we need a dentist, nor do we go to the doctor if we need lawyer, so why is it when it comes to finances, we often just ask anyone what they think? Unless they are skilled in financial management, we will just get their opinion, and opinions can often provide the wrong advice. Wrong advice is the most expensive advice.

*"If you are financially responsible, your children have a much better chance to grow up financially responsible." – Suze Orman*

**We encourage you to find a great Financial Planner.** In fact, if you are truly serious about creating a career income from the EcoForce Global Advocate Rewards Program, it is a must. Many people think they need to have a large portfolio before they seek out a financial planner's advice, however this is not true. Many financial planners often say to their clients that they wished they met them PRIOR to their client's creating wealth, as they would have assisted them in so many practical ways that further down the track may be difficult or expensive to alter.

*"Good advice is rarer than rubies." – Salman Rushdie*

**However, we want to caution you at this point, as this is the reason this Module has not been placed at the beginning of your EcoMastery Success Program.** It does not matter how much financial advice you receive or invest in if you are not **taking action** to create an income to apply the advice given. Some people spend a lot of money getting the right advice, yet if this is money they do not have, going into debt is not a behaviour of someone who is financially savvy.

**Once you are generating an income from the Advocate Rewards Program, the next step is to seek out the right support for you.** Choose carefully. Ideally this person or company, already have a great knowledge of the taxation rules surrounding a Home-Based Business. You want someone you can trust who will give you the right financial advice to start putting into place habits and processes that will support the financial stability of your business as you work to create an income to become financially free. Afterall, this is one of the many benefits of the EcoForce Global Opportunity available to any EcoForce Advocate who take the necessary actions to create the income possible. Getting the right financial advice and support will become more evident as your income grows.

*“More important than making money  
is figuring out what you want to do with that money.” – Patrick Schulte*

#### ◆ **Choosing YOUR Financial Advisor and Accountant**

**Your financial goals are as just as unique as you are.** When choosing *your* financial advisor and *your* Accountant for that matter, you want someone who will take the time to listen to you. Someone who will take notes and gather all the information from you they can about your financial position, to get a complete picture of where you are now, what your goals are into the future, and will assist you with a tailored roadmap and planning for future wealth creation and management into your retirement.

*It is paramount you find someone who earnestly takes an interest in you,  
so, keep searching until you find them.*

**Choose them as you would if selecting an employee for Your Company.** Be prepared to ask great questions and request testimonials from their current clients. Ideally request to speak with their clients personally. If they are doing a great job, they will have no hesitation in allowing you to speak with their clients. Also, choose someone who is walking the talk. Finding a financial advisor who is getting somewhere financially is a good start.

**Find someone who is up to date with what tax advantages there are for a Sole Trader, and ideally someone in a Home Business.** Like any other business model, there are specific tax advantages to someone in a Home-Based Business. The taxation system is very complex, so find a professional who is familiar working with Sole Traders or those in a Home Business to advise you with your tax. As you are placing trust in their advice with YOUR wealth, be prepared to ‘shop around’ until you find one that impresses you, comes with good recommendations, has integrity, and has a good reputation.

*‘Having a clear idea of where you are and where you want to go financially  
is an important first step.’*

## ◆ Foundations for Success

### ✓ Sole Trader

**A sole trader is the simplest business structure.** The structure is inexpensive to set up because there are very few legal and tax formalities. As an EcoForce Advocate you operate your business as a sole trader; you trade on your own and control and manage the business/organisation. You are legally responsible for all aspects of the business.

### ✓ Tax File Number (TFN)

In Australia, as an Advocate with EcoForce Global, you would come under the title of a Sole Trader. You will use your personal **Tax File Number** (TFN) when you lodge your income tax return with the Australian Taxation Office (ATO).

### ✓ Australian Business Number (ABN)

If you carry on an enterprise in Australia as a Sole Trader, you can apply for an **Australian Business Number** (ABN) for your EcoForce business and use this number for all your business dealings. It is free to apply for an ABN direct from the ATO – be careful of websites that will charge you to create such on your behalf.

### ✓ Goods and Services Tax (GST)

You can register for the **Goods and Services Tax** (GST) if you carry on an enterprise. Once your income exceeds a certain amount, you must be registered for GST when your EcoForce Advocate's income has a GST turnover (gross income from all businesses minus GST).

### ✓ Registering Your Business Name

If your business name is your first name and surname, there is no need to register. However, if you would like your business to have a name (for example, Charles of the Jungle) then you will need to register this name with ASIC. There is an annual fee, or you may choose to register your business for three years. Ensure this is paid at the anniversary when due.

### ✓ Who pays Income Tax?

Your EcoForce Global Advocate income is treated as your individual income, and you are solely responsible for any relevant taxes. This means that, after claiming a deduction for all allowable expenses, you include all your EcoForce Global Advocate income with any other income and report this on your individual tax return.

Advocates who are Australian residents do not pay tax until they earn a certain amount, this is the **tax-free threshold**. When an Advocate's income exceeds the tax-free threshold, they generally pay quarterly; PAYG (Pay As You Go) tax instalments towards the amount of tax they would expect to pay at the end of the year. As a Sole Trader, you pay the same tax as individual taxpayers, at personal income tax rates.

## ✓ Super

**As an Advocate generating an income from the EcoForce Global Advocate Rewards Program, you are classified as a Sole Trader, and you are responsible for your own super arrangements.** You may also be able to claim a deduction for any personal super contributions you make. Before you can claim a deduction, you must notify the fund of your intention to claim the amount as a deduction and wait until the fund confirms that you can claim the amount as a deduction. Once you receive this confirmation, you can claim the super as a personal deduction on your tax return. **Please talk to your Accountant for more information relevant to you.**

Should you have a significant amount of super saved, you may consider talking with Your Financial Advisor about a **Self-Managed Super Fund (SMSF)**. There are many tax benefits to assist with wealth creation including property that they can advise you on through an SMSF. However, this will depend on your personal financial position, so seek the right advice here.

*“We don’t have to be smarter than the rest;  
we have to be more disciplined than the rest.” – Warren Buffett*

## ✓ Keeping Good Records

As a savvy EcoForce Global Advocate, ensure you keep good business records. This will assist to manage your organisation, meet your tax obligations, and make sound business decisions as you grow your EcoForce Global organisation. They will save you time, energy, and money.

*Great habits lead to great results – bad habits lead to bad results*

Specifically, good records will help you:

- ✓ *work out your costs and profitability to monitor your business*
- ✓ *show your financial position to banks and other lenders*
- ✓ *to use your Accountant's time for business and financial planning, not for sorting out your receipts and invoices*
- ✓ *complete and lodge activity statements and tax returns*
- ✓ *make super contributions by the quarterly cut-off dates*
- ✓ *manage your cash flow so you can pay your tax on time.*

## ✓ Accounting Software

*“Accounting is the language of business.” – Warren Buffet*

Both MYOB and XERO accounting software systems are in ‘the cloud’ and enable you to keep track of your income and expenses and can even link to your business bank account to keep track of purchases and invoice payments. Monthly fees often start very low.

*Life is like accounting ... everything must balance.*

*Business ownership is the hallmark of wealth.*

### ✓ **Home-Based Business Tax Deductions**

For most EcoForce Advocates, they will operate their EcoForce business at or from home. The ATO allows additional deductions for some specific expenses relating to the area used for business purposes. The expenses specific to running a Home-Based Business include occupancy expenses, running expenses and motor vehicle expenses.

**Occupancy expenses** can include:

- ✓ *rent;*
- ✓ *mortgage interest;*
- ✓ *council rates;*
- ✓ *house insurance premiums.*

**Running expenses** cover the increased costs of using facilities within your home because of your business activities such as:

- ✓ *utility expenses;*
- ✓ *business phone costs;*
- ✓ *Post / Mailbox rental (keeps your home address private);*
- ✓ *the decline in value (depreciation) of plant, equipment, furniture, and furnishings*
- ✓ *cleaning costs*

Alternatively, you can claim a deduction for your EcoForce Home Business area at a fixed rate per hour based on actual use or an established pattern of use instead of recording actual occupancy and running expenses. Talk to your Accountant for what is relevant to you.

**Homeowners:** Be aware that you may have to pay Capital Gains Tax (CGT) when you sell your home if you have used any part of it for business purposes, but you do not have to pay CGT for any periods you did not use your home for your business. It is important to keep records for CGT purposes since you may have to pay CGT even if you do not claim deductions for your home business, owned your home outright before you started using it for your business, or have not yet made a profit. Again, talk to your Accountant for what is relevant to you.

### ✓ **Motor Vehicle Expenses**

Travelling between your home and your workplace are normally deemed to be private expenses and are therefore not deductible. However, if you are operating a Home-Based Business as an EcoForce Global Advocate, you can claim motor vehicle expenses for trips between your home and other places if the travel is for business purposes. Such as attending events, training, meeting with other Advocates, and meeting with Prospects to share the EcoForce Opportunity. For example, you can also claim the cost of travelling to see a client, delivering documents, purchasing equipment or supplies, doing your banking, or driving to your tax advisor. You can choose the method to calculate motor vehicle expenses that best suits your circumstances. However, simply keep a **Vehicle Logbook** in your car to record details of the trip and kilometres for business related uses. Again, seek advice from your Accountant for your personal financial circumstances.

✓ **Useful Websites:**

[www.asic.gov.au](http://www.asic.gov.au)

Register your Business Name

[www.ato.gov.au](http://www.ato.gov.au)

Australian Tax Office website

[www.abr.gov.au](http://www.abr.gov.au)

Apply for TFN, ABN, GST registrations

[www.myob.com.au](http://www.myob.com.au)

MYOB Accounting Software

[www.xero.com.au](http://www.xero.com.au)

XERO Accounting Software

*“Where you are does not define who you are,  
because who you are is not always where you are.”*

◆ **The 6 Ps of a Successful Outcome:**

***Proper Prior Preparation Prevents Poor Performance***

**Always start anything with the end in mind.** This assists with looking toward the vision, not the limitations of the present. As an EcoForce Global Advocate, you are now in *Your Own Business!* An essential component to run a great business, is having a structured office that is ordered, practical and kept that way!

*“Wealth is the ability to fully experience life.”  
- Henry David Thoreau*

Embrace the habit of always finishing each day by leaving your office tidy - everything in its place. Psychologically, when you return the next day, it is a fresh start. You will commence your day running and feel ready for success. So do not waste creative hours searching for things you mislaid the day before. An ordered desk is an ordered mind - an ordered office is an ordered business.

◆ **Preparing for Your Success - a simple Check List to set up Your Office**

- ✓ **Choose a room or space in your home to set aside for an office.** (There are many tax advantages for having a defined space to operate your EcoForce business from home.)
- ✓ **Remove all un-necessary clutter** from the room (yes, we mean - all)
- ✓ **Give it a *really good* clean** - ideally remove everything from the room before doing so, and only return those things relevant to your business. (Maybe paint the room.)
- ✓ **Create a sanctuary.** Protect and maintain it as such. Only have things in your office that inspire you and create a space that makes you feel good. This may include photos of family and friends, motivational quotes. It is important this is not cluttered, rather



be careful of what you display. If you have many items, rotate them every month so you have a fresh look to greet you each month. (However, avoid getting in the habit of making this a time waster.) Always ask yourself; “*What actions am I doing today to take me toward my goals?*”

- ✓ **As you create your office space; permit yourself to think about becoming an amazing successful EcoForce Advocate, and the Team of successful Advocates you would love to have in your EcoForce organisation.** Now look at Your Office. Is this the space that you would like to bring them back to for them to learn about this extraordinary Opportunity? Does your office space speak of wealth and abundance, life, vibrancy, and creativity? If not, remove those things that hinder that experience, and only include things that promote the atmosphere you want to create. This is more important than most people give credit to. Environments can either support us or rob us of our energy. People pay big dollars to travel to amazing environments to feel great. Create the perfect environment that works for you, just as you will take the required actions to create the income you desire from the EcoForce Advocate Rewards Program.
- ✓ **Have a desk and computer.** Ensure the desk is clear of anything else except things you may use regularly eg. Pens, calculator, notepad, etc.
- ✓ Ensure you have a **comfortable chair**.
- ✓ **Ideally have a plant and ensure lighting is great, not too bright**
- ✓ You will need a **basic filing cabinet** or something similar that is neat, organised and structured to keep track of your paperwork. Organise your filing cabinet in such a way it is simple to keep record of items for your business. Keep things together in one file for each item. Mark them clearly for the financial year. Your financial advisor and Accountant will assist you with what records to keep and some basic bookkeeping. Expandable files are fine if you are on a budget.
- ✓ **Contact your mobile/cell phone provider and discuss the best business plan for you** (also chat with your Accountant as they can advise what you can claim and the easiest way to manage this.) You may choose to have a separate phone for business from your personal phone. (This also allows you to have a life outside ‘business hours.’)
- ✓ **Business Cards.** If using, keep them simple and professional in appearance with minimal writing. Ensure your card has your name, contact number, your personal EcoForce website and email address. Address is not necessary, nor ideal if you are operating from home - also saves reprinting should you move. A post box is a tax-deductible alternative.
- ✓ **A Goal Board with Dates and Timelines of when you are to achieve certain Milestones you have set to achieve.** Refer to the Module; ‘*Your Goals and Dreams*’
- ✓ **A Dream Board** with visuals to keep you focused
- ✓ **Create a budget – every month.** Track all your expenses and stick to your budget
- ✓ **Create an Emergency Fund** – a separate account with at least \$2,000 to cover any unexpected expenses, which you include in your next month’s budget to repay such.
- ✓ **Aim to replace any credit cards with debit cards** (they use your own money and come with the same protection as a credit card). Pay off any debt (apart from a mortgage) as quickly as possible. For some Advocates, this may take some time. Having a budget will allow you to manage your expenses. Refer to the Module on ‘*Wealth Mastery*’.
- ✓ **A Diary for appointments, follow ups** - many phones provide this function (make sure you back this up regularly)
- ✓ **EcoForce Global resources** for sharing the opportunity

- ✓ **Invites** for inviting guest to events
- ✓ **Self-Adhesive Labels** for any brochures, invites etc., you may hand out
- ✓ **Motivational and Thank You Cards** and a supply of vehicle logbooks to send to those who register with you.
- ✓ **You are now set to rock and roll.**

**When setting up your office initially, if you do not have the funds to invest in all the items you ideally want for your office, be practical, creative, and prioritise.** This can be a great motivation to get cracking on building your EcoForce organisation to create the income you need to complete your office. We strongly encourage you not to go into debt to get started as this is not wise nor is it necessary; the borrower is always slave to the lender. You do not have to spend a lot of money to get started in EcoForce Global, nor do not want your Team to feel they need to do so. Your ideal office may be something on Your Dream Board - something to work toward once you have achieved a certain income from the Advocate Rewards Program. Keep your focus on what you need to achieve and work on that, so you can enjoy the things you desire to have. It is all about the journey.

#### ◆ **Useful Tips to on What to Claim come Tax Time**

**As an EcoForce Advocate, you are considered a Sole Trader in business.** There is much that you can claim when it comes to tax time. We encourage you check out the ATO website; you will find them surprisingly most helpful. Also, if you get the advice from them, you know it is current and legitimate. There are so many activities that you do in your daily activities as an EcoForce Advocate that are legitimate tax deductions. We encourage you to familiarise yourself as much as you can, your Accountant will help you with this. Come tax time, you do not want to be paying unnecessary tax from income that you have worked hard to earn.

◆ **Following are a few useful tips to help you get things in place to assist you to get started and point you in the right direction. Speak to your Accountant for what is relevant to you.**

1. ✓ **Get in the habit of asking for and keeping receipts for everything.** Over time you will soon learn what you can and cannot claim with your Accountant. One of the most affordable bookkeeping software is MYOB (which is also tax deductible). If you have a business bank account set up, you can link the MYOB payment to this as evidence come tax time that you are using this for your business. Alternatively, set up an excel spreadsheet for each month of the year. Get in the habit of tracking all your expenses - if not daily, do this at the latest weekly. Record all your expenses in the spreadsheet and GST component, breaking it down into categories. For example, 'Stationary', 'Postage', 'Resources', etc. Although you will not be registering for GST initially, it is a good habit to get into in preparation for such. Keep the receipts/tax invoices for each month organised and together, and store in a dark location as some receipts are light sensitive and fade over time. You need to keep all receipts for 7 years and produce if requested by the ATO. Some people photocopy or photograph their receipts, yet there are apps now that make this simpler and easier to achieve. Others use a business debit card for all business-related expenses and use the statements as additional proof of expenditure.

2.  **Turn Your Car into a tax deduction for EcoForce business.** Invest in a Vehicle Logbook. (Again, keep the receipt as this is an expense for your business that you can claim on). You only need to use this for 3 months (12 weeks) to demonstrate how much you use this for your business. This is then averaged out over the year by your Accountant. (We suggest ensuring you maximise your business activities during this 3-month period.) This will last you for up to 3 years unless your situation changes. If you are using your vehicle for up to 5,000km per year for business related uses, no logbook is necessary. You will automatically have a set deduction come tax time. However, over 5,000km you will require a logbook as proof of usage.
3.  **Phone Tax Deductions.** Keep physical evidence of your phone bills for 3 months. During this 12-week period, highlight calls that are business related. Your Accountant will average this for the 12-month period to ascertain what deduction to apply. Alternatively, invest in a phone solely for business usage.
4.  **Giving.** In life, it is more important to give than to receive. EcoForce Global exists to give back to the planet, and to you. Giving to your favourite charity is also a tax deduction if gifts are over \$2, and you have proof. If this comes out of your business bank account regularly, your statement is sufficient evidence.
5.  **Events.** Once you have registered as an EcoForce Global Advocate and purchased trees, you are officially in business. Every related event, seminar, and course that you invest in is tax deductible. Any event or course that is relevant and improves your profession also falls into this category, as well as accredited courses.

*“You do not rise to the level of your goals. You fall to the level of your systems.”  
– James Clear*

#### ◆ Checklist of Claims as an EcoForce Global Advocate

**This checklist is a guide only.** The results may vary depending on individual circumstances. Broadly, a deduction may only be claimed if:

- the expense has been incurred in earning the person’s assessable income, or incurred in carrying on a business for the purpose of earning assessable income, and*
- it is not private (domestic) or capital expenditure, and*
- it is not capital in nature, and*
- a specific provision of the ITAA97 or Income Tax Assessment Act 1936 (ITAA36) does not preclude the expense from deduction (Australia), and*
- the person holds the relevant written evidence where required.*

**NOTE:** How much of the expense is allowed as a tax deduction will depend on the extent the expenses which are incurred in earning the person’s assessable income. Your Accountant will guide you with this, depending on your personal circumstances.

*“The word accounting comes from the word accountability.  
If you are going to be rich, you need to be accountable for your money.”  
– Robert Kiyosaki*



## ◆ KEY SUCCESS POINTS

### *your personal review*

1. When it comes to paying tax in Australia, in essence, **what is the benefit** of being in business for yourself?
  
2. **What** are the 6 P's?
  
3.
  - a) **Why** should I take deliberate steps to find the right Accountant and financial advisor for myself?
  - b) When looking for an Accountant, ideally what **specific experience** am I looking for that the Accountant can offer me?
  - c) When looking for a financial advisor, **why** should I ask to speak to some of their existing clients?
  
4. **Explain briefly** what the following terms are, and how they relate to me in my EcoForce Global business.
  - a) Sole Trader
  - b) TFN
  - c) ABN
  - d) GST
  
5. **At what point** am I required by Australian Law to register for GST?
  
6. **What** is a SMSF?
  
7. When setting up an office from home to operate my EcoForce Global business from, **what are 10 points** I should consider?
  
8. When using a Vehicle Logbook, **how long** do I need to record trips to satisfy my Accountant and the taxation office?

9. What **considerations** do I need to be aware of when claiming the following things on tax?
- a) Mobile Phone
  - b) Home Office
  - c) Donations to charity
  - d) Events
10. **What 5 things** are you are going to do within the next 7 days from reading this Module?