



# STARTING A BUSINESS:

## Keeping your personal and business finances separate

When you create a new business, it can be tempting to use your own personal bank account for start-up expenses and cash flow. However, there are a number of reasons to keep your personal finances separate from your business finances.

To begin with, it's important to work out whether you're required to have a business account for tax purposes.



### Do you need a business bank account?

- Are you part of a partnership, company or trust?  
**YES** – You must have a business bank account for tax reasons.
- Are you a sole trader?  
**NO** – You don't have to have a business bank account, but may still choose to for the below reasons.

#### QUICK TIP:

You can find out which category you fall into by doing a search at <https://abr.business.gov.au/>

### Advantages of a business bank account

- It can give you a clearer picture of cashflow.
- Things don't get messy, like they do when you're using your personal money for business costs and then having to 'repay' yourself.
- It streamlines tax time because you can easily see the business costs you've spent on.
- It may make it quicker to sort through your finances, pay bills/invoices and other costs.

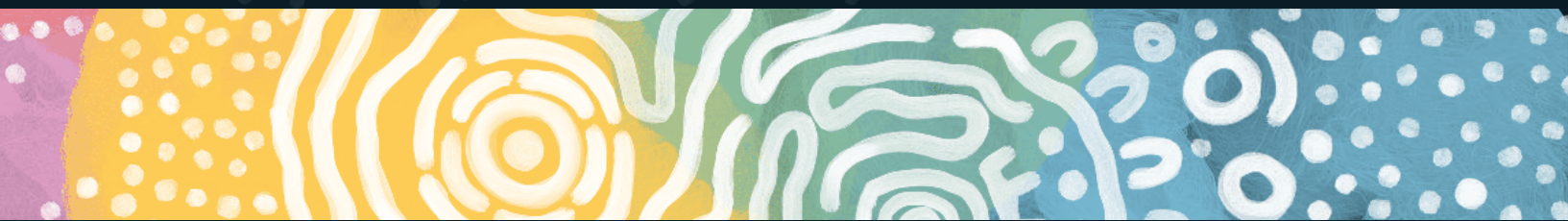




## Brandi's tips for success

1. Have a separate account for your business expenses.
2. Make sure you don't use any of your business money for personal use.
3. Create an emergency fund to cover your business if things go wrong, such as a product being damaged. Brandi likes to have at least \$1000 in an emergency fund to cover these events.

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# How to set up a business bank account

1. Choose a bank or financial institution. Make sure you check the fees and services match your expectations.
2. Provide your chosen bank with your identification documents, including your Australian Business Number (ABN) and your business address.
3. Tell the bank who will be allowed to use the account (i.e. other staff or employees). These people will need to identify themselves with the right documents, too.

## Other resources

- **Set up your business bank account** – Available at <https://business.gov.au/finance/set-up-your-finances/set-up-your-business-bank-account>
- **Business toolkit for Indigenous women** – Available at [dss.gov.au/our-responsibilities/women/publications-articles/economic-independence/business-toolkit-for-indigenous-women-publication](https://dss.gov.au/our-responsibilities/women/publications-articles/economic-independence/business-toolkit-for-indigenous-women-publication)
- **Tips for Indigenous business** – Available at <https://www.niaa.gov.au/resource-centre/indigenous-affairs/tips-indigenous-business>
- **TomorrowMoney women's hub** – Available at [tomorrowmoney.co/women](https://tomorrowmoney.co/women)