

## The costs and pitfalls of do-it-yourself business structures

**While you think you'll save a few dollars going online to set up a company or trust yourself, the DIY approach is a false economy.**

Like most accounting firms, we use specialist providers for business structures to ensure we understand the contents and workings of the documents being produced.

Problems can arise when a business operator walks into our office with a DIY company and/or trust. At this point, we need to conduct a lengthy review of its new structure and the complex legal documents, which ultimately results in additional costs to the client.

Along with these costs comes the risk that the company or trust they've set up may not operate in the way it needs to. Automated online providers located through web searches are just that – automated! There is no human involvement in the ordering process if something isn't correct.

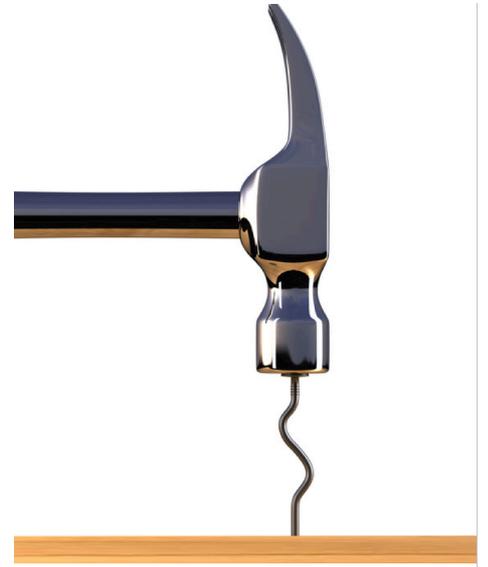
The responsibility for accuracy rests squarely with you – even the regulator, ASIC, is not liable for issues if you get it wrong. And there are no simple fixes.

### This is where we come into play.

While there is an added initial cost involved in using Collins Hume to create your company or trust, it's vital to ensure that everything is set up properly and is compliant from the get-go.

Here are some of the DIY risks you might face by not consulting a specialist:

- **High costs to fix issues:** The DIY approach runs the real risk of your structure being incorrectly established, with a rectification bill that may run into thousands of dollars.
- **Tax penalties and other consequences:** There could be significant tax, legal and commercial implications if your company and/or trust is not correctly established.
- **Non-compliance:** Many online providers supply deficient documents, and ASIC itself supplies no documents at all.



- **Reviews and amendments cost money:** It takes time to review and amend documents we haven't seen before, meaning extra costs to you.
- **Your personal assets could be at risk:** An important aspect of specialised business structuring is asset protection. Get it wrong and your personal assets, including your house, could be at risk if something was to go wrong.

The bottom line is that the certainty you gain by using Collins Hume to establish your business structure(s) far outweighs the few dollars you think you're saving by attempting to DIY.

Finally, many risks apply to doing it yourself with business names. Can you really use the name you've registered, for example? Find out more about what's involved and your potential exposure by calling us in Ballina or Byron Bay on 02

6686 3000 before you take action.