**Checklist for closing a business**

**CHECKLIST**

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# Checklist for closing a business

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| --- |
| Prepare to close |
| **Set an end date** for when you’ll stop selling products and services: | [ ]  |
| **Set a second end date** (at least 30 days later) for when you’ll have completed all the actions:  | [ ]  |
| **Check your business premises lease**Check, for example:* expiry dates and notice periods
* fees involved if you break lease
* bank guarantee or security for the bond
* if you have to return the premises to how it looked when you started your tenancy.

Note: Leases can be complex and may have strict conditions and penalties if you need to break them early. Your solicitor can help with this process. | [ ]  |
| **Check your vehicle leases**Check, for example:* expiry dates and notice periods
* if you can afford the repayments after you close your business
* if you need to negotiate with the lessor/financier to sell the vehicle or refinance and reduce monthly repayments.
 | [ ]  |
| **Equipment leases**Check, for example:* expiry dates and notice periods
* if you need to pay out the remaining term of the contract
* the arrangements to return the equipment – do you, for example need to have it serviced or professionally cleaned?
 | [ ]  |
| **List your assets**Prepare a list of your current business assets and remaining stock to get a [professional valuation](https://www.ato.gov.au/law/view/document?docid=SGM/market_val&anchor=2.1&anchor=2.1#2.1). | [ ]  |
| **Communicate a simple, factual message** to inform people of:* your business closure date
* who to contact if they have questions
* reason for closure, if relevant.

Consider informing:* employees
* customers
* suppliers
* insurance companies
* banks
* consultants and advisers
* creditors
* contractors
* utility providers
* procurement departments (for any remaining contracts your business holds).
 | [ ]  |
| **Collect any** [**outstanding payments**](https://www.business.qld.gov.au/running-business/finance/essentials/cash-flow-payments) from customers. | [ ]  |
| **Notify the** [**Australian Taxation Office**](https://www.ato.gov.au/) that you are closing your business. | [ ]  |
| Close down operations |
| **Cancel utilities and other overheads** (You can request payment arrangements for final bills)* Water
* Gas
* Electricity
* Phone
* Internet and website hosting
* EFTPOS terminal and online payment gateways
* Online software or membership subscriptions
* Waste collection
* Cleaning services
* Insurance policies, including WorkCover
* Any other services
 | [ ]  |
| **Stop operations*** Stop all production/manufacturing
* End all marketing campaigns
* Delete your website or upload a business closure notice onto the site
* Stop selling products/services
* End staff [employment](https://www.business.qld.gov.au/running-business/employing/dismissal-redundancy)
 | [ ]  |
| **Sell or transfer your business assets** You could hold a closing down sale or advertise online to sell the stock, equipment, furniture and fixtures and fittings you no longer need. Consider:* if you want to keep some of the assets yourself
* if you will sell the assets before closing the business to pay debts
* what your business constitution states regarding offloading assets – some organisations must donate their assets to a charity
* if there will be a premises security bond owing to the business on exit
* if the business is still owed money.

**Note:** if your assets are encumbered (under a finance agreement), you must use the proceeds of the sale to pay out the remaining finance and early termination fees.  | [ ]  |
| **Take care of your liabilities**Pay out your business debts or make realistically affordable payment arrangements. Consider:* cancelling or transferring supplier arrangements
* the remaining term on loans or finance arrangements
* if you will you be transferring some liabilities to yourself personally (e.g. vehicle)
* if you have debt with the ATO that you must continue to pay even after closing the business
* if you can you consolidate the debts to reduce monthly repayments
* if you need financial advice to negotiate debt arrears.
 | [ ]  |
| [**Calculate and arrange final payments**](https://www.ato.gov.au/Business/Engaging-a-worker/In-detail/Taxation-of-termination-payments/) **to employees**Also issue:* payment summaries
* separation certificates.
 | [ ]  |
| **Prepare final business financial statements and lodge tax returns** | [ ]  |
| **Cancel remaining terms** of government contracts or project works involving other parties and process any outstanding acquittals  | [ ]  |
| **Close your business's bank accounts** | [ ]  |
| [**Cancel your Australian Business Number (ABN)**](https://www.abr.gov.au/business-super-funds-charities/updating-or-cancelling-your-abn/cancel-your-abn) | [ ]  |
| **Cancel industry-specific licenses** (e.g., food, liquor) | [ ]  |
| **Cancel registrations** (e.g., vehicle, industry memberships) | [ ]  |
| Manage your records |
| [**Securely store your business records**](https://www.business.qld.gov.au/running-business/finance/essentials/record-keeping)It’s recommended to keep all hard copies and electronic copies (e.g., on cloud-based storage) of business records for a minimum of 7 years after your business closes.  | [ ]  |
| **Destroy personal records**You must destroy customers’ personal records, unless you’re legally required to retain them:* shred, pulp or destroy the paper on which the personal information is recorded and place the files in a security garbage bin
* securely delete any electronic record or file from computer systems to ensure it cannot be retrieved.
 | [ ]  |