



GREEN MOUNTAIN FINANCIAL SERVICES INC.

Corporate surplus | A practical take-away checklist

Corporate Cash: Invest or Keep?

A healthy bank balance does not mean all cash is available to invest. Review obligations and reserves, then prepare for a coordinated conversation with your advisor and accountant.

Business: _____

Review date: _____

- ☐ **Identify operating cash requirements.**
Forecast payroll, suppliers, debt payments, tax instalments and seasonal needs. Allow for delayed customer payments and unexpected expenses.
- ☐ **Separate planned spending from longer-term surplus.**
List equipment, expansion and other commitments. Establish a suitable reserve before identifying money available for longer-term goals.
- ☐ **Choose a purpose and time horizon.**
Is the money for future business needs, owner retirement or another goal? Record when it may be needed and who must approve its use.
- ☐ **Review risk and access to funds.**
Consider possible losses, fees, redemption restrictions and the effect on operations if cash is needed unexpectedly.
- ☐ **Coordinate the tax review with your accountant.**
Ask how investment income, associated corporations and shareholder withdrawals affect your situation, including applicable federal and provincial tax rules.
- ☐ **Document the decision and review schedule.**
Record the amount available, ownership, approvals, objectives and review dates. Compare actual cash flow with the forecast as circumstances change.

Give each portion of cash a purpose

Operations

Day-to-day payments and the reserve your business needs.

Planned commitments

Known taxes, projects, purchases and other upcoming payments.

Longer-term surplus

Money remaining after obligations, reserves and contingencies are reviewed.

Amount available / purpose / approvals / next review

Bring: Financial statements, cash-flow forecast, tax instalment details, debt terms and planned business or shareholder needs.

Read the guide

Watch the video

Book a Clarity Call

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General education, not individualized investment, tax or legal advice. Review business needs, risk, approvals and applicable tax rules with appropriate professionals. Investment losses are possible; projections are not guarantees.

Further reading: CRA - T2 Corporation Income Tax Guide, small business deduction. Reviewed October 2026.