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If you have any money left at the end of your fiscal year, you're doing better than a lot of others who are simply breaking even. When a business is profitable, the question of what to do with the funds comes into question. Many business owners may simply carry funds forward for use in the next fiscal year to maximize their resources or cover unexpected costs. In this article, we'll explore six options to consider if you have money to spend on your business.



Before we get into how profit could be used, let's get a better understanding of what we mean by "fiscal year-end".

What's a fiscal year-end?

A fiscal year covers the 12-month period over which a business owner uses for accounting purposes and tax preparation. It doesn't necessarily have to start on January 1 and end on December 31. For instance, a fiscal year that runs from May 5, 2021 to April 4, 2022

would be considered FY21.

Fiscal years are determined by several factors, including business activities, revenue cycle, and tax reporting requirements. It is mainly used for tax filing, budget allocation, and other accounting purposes.

In general terms, fiscal year-end is usually when businesses take a closer look at their financial performance and make changes for the upcoming year. It is also the time to adjust budgets or change strategies.

Some companies also use this time to release annual reports. These reports often include information on the company's financial health and any significant accomplishments or challenges from the past year.

Now, let's explore how you can use your fiscal year-end profit and reinvest them in your business.

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Where to use your remaining fiscal year-end funds

Many organizations are scrambling to use up their remaining funds. This can be an excellent opportunity to get some last-minute projects off the ground or invest in new equipment. But where should you put your fiscal year-end funds?

1. Purchase new equipment or furniture

When you're running a small business, it's important to keep up with the latest technology and trends. By purchasing new equipment, you can stay ahead of the competition and provide your customers with the best possible service. Additionally, new equipment can help boost efficiency and productivity in your business.

Also, you could use the funds to furnish your office. It might be time to replace your office tables and chairs with more ergonomic furniture.

2. Get the right people for the right job

Hiring the best people can be costly. You have to spend ads that target the most qualified people for the job. Not only that, you have to consider the time spent by your human resource personnel in scouting for the best talent.

When there's enough room to hire more people, you will need funds to pay for additional overhead expenses, salary, and benefits. You could use your spare fiscal year-end profits for this purpose.

3. Invest in your training

When employees are properly trained, they can do their jobs more efficiently and effectively. However, not many small business owners invest in their workers' training.

Investing in employee training is one of the smartest things you can do for your business. Not only will it boost morale and increase retention, but it will also make your employees more productive. And when your employees are more productive, your bottom line will benefit.

If you don't have any employees, consider investing in your own training by taking an online course or attending a conference to boost your skill set. Investments in learning are always a good idea.

4. Reward top talent

There are a few reasons why giving rewards can be an effective motivator for employees. First, it creates a sense of competition among workers. If people know that they could receive a reward for doing their best, they'll be more likely to put in the extra effort needed to finish a project.

On top of that, rewards can be a great way to show appreciation for employees who have done a great job. This can help boost morale and make people feel like they're valued team members.

5. Hire an accountant

Hiring a good accountant will help you keep track of your income and expenses, which can be helpful come tax time or if you ever need to apply for a loan. But aside from that, they can help you take advantage of all the deductions and tax breaks that you're entitled to. This can result in significant savings come tax time.

Accountants may also be able to suggest ways to improve your bottom line and help you set financial goals.

You don't necessarily have to hire an accountant if you don't have the budget to hire one in the next fiscal year. With the spare money you have now, you can work with accounting consultants or agencies to help you manage and re-strategize your finances before the new fiscal year starts.

6. Boost marketing efforts

Marketing can be a great way to differentiate your business from competitors. It can also help you build relationships with customers, and get your message across to the right market. If done well, marketing can lead to increased sales and profits.

Marketing doesn't have to be expensive, but it is important to consider how you will spend your marketing dollars wisely. You need to carefully plan where you're going to place your ads, how your website should look, and what tools you need to drive more leads and convert them into sales.

Remember that the most successful marketing campaigns are well-planned and use a mix of tactics tailored towards your business goals.

Whatever you decide to do with your fiscal year-end funds, make sure it's something that will benefit your business in the long run. With careful planning, you can use this money to help your business grow and succeed.



About the Author: Matthew Gillman is a business financing expert with more than a decade of experience in commercial lending. He is the founder and CEO of [SMB Compass](#), a specialty finance company providing education and financing options for business owners.