



# BUILDING WEALTH

## VIRTUAL CONFERENCE

DAY 1: FRIDAY OCT. 22<sup>ND</sup> 2021 | 9:00 AM-4:00 PM

### BUILDING BUSINESS *Wealth*

UNDERSTANDING MONEY FOR SMES

DAY 2: SUNDAY OCT. 24<sup>TH</sup> 2021 | 12:00-3:00 PM

### BUILDING GENERATIONAL *Wealth*

UNDERSTANDING HOW TO MAKE, KEEP AND GROW MONEY FOR FAMILIES,  
INDIVIDUALS AND THOSE INTERESTED IN GROWING WEALTH



# CONFERENCE BOOKLET

# Welcome!



## BUILDING WEALTH VIRTUAL CONFERENCE

BUILDING  
**BUSINESS**  
*Wealth*

FRIDAY, OCTOBER 22ND, 2021

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**GENERATIONAL**  
*Wealth*

SUNDAY, OCTOBER 24TH, 2021

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USE THIS BOOKLET AS YOUR GUIDE THROUGHOUT  
AND BEYOND THE CONFERENCE.



# **BUILDING WEALTH VIRTUAL CONFERENCE**

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# Welcome!



## A MESSAGE FROM OUR PRESIDENT, KEITH DUNCAN, PSOJ

The Private Sector Organisation of Jamaica's Access to Finance Facilitation Panel for SMEs (PSOJ AFFP) was established in 2019. The Objectives of the Project include: Facilitating increased SME Access to Affordable Finance and Business Training, leading to increased economic activity and greater financial inclusion; and to transform the overall business ecosystem for more sustainable SMEs with fit for purpose solutions.

The COVID-19 pandemic has cast a light on the vulnerability of our economy and the consequent effect on Micro, Small and Medium Enterprises (MSMEs). We have to date staged two successful virtual conferences "Crossing the Economic Chasm" In August 2019 and "Let's Go Digital" in March 2021. They have together had over 2000 participants who have benefitted from useful information which has helped to guide their business decisions. In addition, we have aired a weekly online business program CovidcastJa which has had over 4.5 million views, over 70 episodes and weekly educational memos which can be easily accessed from our online resource centre [smallbusinessportal.com](http://smallbusinessportal.com).

As we navigate these times we are obliged to look ahead. How do we build and grow sustainable profitable businesses? How do we equip the next generation with the tools and understanding to make, keep and grow money? For too long the discussion of money has been taboo and we foster generations who live in a mindset of lack.

It is time for this narrative to change, which must start with a) Raising the overall financial literacy b) Building a stronger and more resilient small business sector by ensuring they have the tools and knowledge needed to succeed c) Ensuring that we have a generation of Jamaicans ready and able to build and sustain wealth. We started this change to the narrative with our Let's Go Digital Conference with a goal of improving Digital Literacy, which is crucial in these times. In this third virtual conference, we are focused on improving Financial Literacy. Themed Building Wealth for MSMEs, families and individuals, it is the first of its kind to be staged in the Caribbean. The conference brings together some of our most engaging speakers and strategic minds to offer to you solutions for wealth creation and sustainability. The ideas will be transformative, as we create a platform of learning for the next generation and life changing insight.

Presentations will be in language which will be easy for you to understand, accompanied by a booklet with useful tips and life changing insight. Of significance is that day 2, is targeted to include youth, in an effort to ensure they are a part of the conversation. We cannot keep making the mistakes of the past, wishing we had known better how to treat with money. It is time to take responsibility for how the next generation understands money.

I wish to thank our speakers and sponsors who understand the importance of igniting this effort and have not hesitated to come on board. I wish to thank them for their investment in empowering our people.

The PSOJ is committed to providing accessible learning tools for the mindset shift necessary to create wealth for this great nation of Jamaica. When our people are able to understand what money is all about, they can make more responsible decisions in their business and personal life: creating jobs, investment opportunities and growth.





## TIME

## TOPIC AND SPEAKERS

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9:00AM - 9:10AM

### WELCOME - PSOJ

- **Speaker** - Keith Duncan, President, PSOJ

9:10AM - 9:25AM

### OPENING REMARKS

- **Speaker** - Senior Deputy Governor Wayne Robinson, BOJ

9:25AM - 10:10AM

### DEMYSTIFYING THE NUMBERS

- **Moderator** - Lisandra Rickards, CEO, Soul Career
- **Speakers** - Marc Gayle, CEO, TCP Tings & Financial Analyst; Julian Morrison, Assistant Manager, Private Equity, Proven

10:10AM - 10:25AM

### WHY SHOULD YOU UNDERSTAND THE NUMBERS?

- **Moderator** - Rochelle Cameron, Chief Project Executive, PSOJ AFFP
- **Speaker** - Tanya Allgrove, Assistant General Manager, SME Banking, NCB

10:25AM - 10:50AM

### BEST SOFTWARE TO TRACK FINANCIAL PERFORMANCE

- **Moderator** - Amashika Lorne, Project Manager, ENDS Program, PSOJ
- **Speakers** - Stacey Hines, President, JTDA; Sheldon Powe, CEO, Innovate10X

10:50AM - 11:00AM

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## BREAK

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11:00AM - 11:45AM

### TIPS FOR MANAGING SMALL BUSINESS FINANCES

- **Moderator** - Lauri-Ann Ainsworth, CEO, Branson Centre of Entrepreneurship - Caribbean
- **Speakers** - Shani Duncan-Falconer, Senior Corporate Manager Group SME Resource Center, JMMB; Gary Harris, CEO, Water Drops Water Store; Kavelle Hylton, CEO, Stem Builders Learning Hub



**TIME**

**TOPIC AND SPEAKERS**

**11:45AM - 12:30PM**

**LUNCH**

**12:30PM - 1:15PM**

**ACCESSING A LOAN**

- **Moderator** - Nevada Powe, Chief Project Architect, PSOJ
- **Speakers** - Yvett Anderson - District Vice President, Retail Banking, Scotiabank; Lisa Bell, Managing Director, EXIM Bank; Roxann Linton - CEO, First Heritage Co-operative Credit Union (FHC); Dr. Blossom O'Meally-Nelson, Management Consultant

**1:15PM - 2:00PM**

**ACCESSING EQUITY**

- **Moderator** - Lisandra Rickards, CEO, Soul Career
- **Speakers** - Mariame McIntosh Robinson, President & CEO, First Global Bank; Johann Heaven, CFA - President & CEO, Proven Wealth Ltd. Sandra Glasgow, Founding Member, First Angels Jamaica.; Danielle Terrelonge, CEO, DRT Communications;

**2:00PM - 2:30PM**

**FORMALIZING YOUR BUSINESS & UNDERSTANDING TAXES**

- **Moderator** - Justine Isaacs, Operations & Research, PSOJ AFFP
- **Speakers** - Ronald Young, Attorney-at-Law & Co-Principal, JANGAS; Shellie Leon, Deputy Chief Executive Officer & Director of Operations, Companies Office of Jamaica; Serika Sterling, Managing Director, Senior Accounting Services

**2:30PM - 3:00PM**

**"JOURNEY TO GREAT"**

- **Moderator** - Kerry-Ann Stimpson, Chief Marketing Officer, JMMB Group
- **Speakers** - Zachary Harding - Group CEO, SSL Ltd.; Khary Robinson, Founder & Executive Chairman, Norbrook Equity Partners

**3:00PM - 3:10PM**

**CLOSING REMARKS**

- **Speaker** - Keith Duncan, President, PSOJ

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For more information visit [jncb.com/sme](http://jncb.com/sme)

\*Conditions Apply.







# BUILDING GENERATIONAL Wealth

## DAY 2 AGENDA

OCTOBER 24, 2021

### TIME

### TOPIC AND SPEAKERS

12:00PM - 12:05PM

#### OPENING REMARKS

- **Speaker** - Imega Breese McNab, Executive Director, PSOJ

12:05PM - 12:25PM

#### THE SPIRITUAL LAWS OF MONEY

- **Speaker** - Nevada Powe, Chief Project Architect, PSOJ AFFP

12:25PM - 12:45PM

#### BUILDING GENERATIONAL WEALTH

- **Moderator** - Rochelle Cameron, Chief Project Executive, PSOJ AFFP
- **Speaker** - Kurt Boothe, CEO & Director, MDS Ltd.

12:45PM - 1:00PM

#### YOUR PERSONALITY AND MONEY

- **Speaker:** Lisandra Rickards, CEO, Soul Career

1:00PM - 1:20PM

#### WHAT YOU NEED TO TEACH KIDS ABOUT MONEY

- **Speakers** - Sancia Thompson, Manager, Wealth Management & Syndication, NCB Capital Markets  
Simone Terrelonge, Investment Advisor, NCB Capital Markets

1:20PM - 1:40PM

#### SMART BUDGETING

- **Speaker** - Michelle Sinclair Dooley, Manager, Group Financial Partnership Support & Financial Education, JMMB

1:40PM - 2:00PM

#### BUILDING INVESTMENT MOMENTUM

- **Speaker** - Kalilah Reynolds, CEO, Kalilah Reynolds Media Ltd.

2:00PM - 2:25PM

#### MAKING MONEY WHILE YOU SLEEP

- **Moderator** - Rochelle Cameron, Chief Project Executive, PSOJ AFFP
- **Speakers** - Tami & Wayne Mitchell, Entrepreneurs & Content Creators



# BUILDING GENERATIONAL *Wealth*

## DAY 2 AGENDA

OCTOBER 24, 2021

### TIME

### TOPIC AND SPEAKERS

2:25PM - 2:50PM

#### PROTECTING YOUR FAMILY: PERSONAL INSURANCE & YOUR ESTATE

- **Moderator:** Anika Jengelley, Member Relations Manager, PSOJ
- **Speaker:** Sanya Goffe, President, Pension Industry Association of Jamaica and Attorney-at-Law; Camille Facey, Attorney-at-Law & Managing Partner, FaceyLaw; Simon Johnson, Head of Alternative Investments and Structured Finance, Barita Investments Ltd.

2:50PM - 3:05PM

#### HOME IS WHERE THE HEART IS... TO RENT OR BUY?

- **Speaker:** Gillian Jackson, Senior Business Advisor, The Jamaica National Group

3:05PM - 3:10PM

#### CLOSING REMARKS

- **Speakers** - Keith Duncan, President, PSOJ

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# DEMYSTIFYING THE NUMBERS



UNDERSTANDING MONEY FOR SMES

# DEMYSTIFYING THE NUMBERS

## Disclaimer:

This is NOT a comprehensive tutorial in accounting. There are many nuances that will be ignored for the sake of simplicity. The goal is to provide a simple introduction to financial statements

## WHAT ARE FINANCIAL STATEMENTS?

**Financial statements are the blueprints that describe the financial affairs of a company.** They describe how money flows into and out of a business, and who owns that money. Ultimately, financial statements tell the story of whether a company can continue functioning or not. The three most relevant financial statements are:

1. The Income Statement
2. The Balance Sheet
3. The Statement of Cash Flows

## THE INCOME STATEMENT

An Income Statement (also known as a Statement of Earnings, Statement of Operations, or a Profit and Loss Statement) is a report that shows the flow of revenues (amounts earned from business activity) and expenses

(amounts paid during operations) over a given period, typically a quarter or year. **These expenses can be roughly broken down into 3 types:**

**Fixed** - These stay the same regardless of a company's earnings (e.g., Rent).

**Variable** – These change in relation to a company's revenue. Variable expenses are directly related to the production and sale of a company's product. Variable expenses can often be identified on an Income Statement as the Cost of Sales.

**Semi-Variable** – These change in relation to a company's revenue but are not directly related to it. (e.g., Salaried Employees, Operating Expenses, Interest & Accounting Expenses). These expenses are a combination of fixed and variable.





## DEMYSTIFYING THE NUMBERS

On an Income Statement, Cost of Sales are first subtracted from Revenues to give Gross Profit. Then, Operating Expenses are subtracted from Gross Profit to produce Operating Profit. Finally, Interest & Accounting Expenses and Taxes paid are subtracted from Operating Profit to produce Net Profit.

$$\begin{array}{r} \textcircled{1} \quad \text{REVENUE} \\ - \text{COST OF SALES} \\ \hline \text{GROSS PROFIT} \end{array}$$

$$\begin{array}{r} \textcircled{2} \quad \text{GROSS PROFIT} \\ - \text{OPERATING EXPENSES} \\ \hline \text{OPERATING PROFIT} \end{array}$$

$$\begin{array}{r} \textcircled{3} \\ \text{OPERATING PROFIT} - \text{INTEREST \& ACCOUNTING EXPENSES} - \text{TAXES} \\ = \text{NET PROFIT} \end{array}$$

## THE BALANCE SHEET

Also known as a **Statement of Financial Position**, the Balance Sheet is a status report that shows information about the company's assets, liabilities, and owner's/shareholder's equity at a given time. It is a snapshot of the company's financial position at a single point in time.

First on the Balance Sheet are the Assets. **Assets are resources owned that are expected to generate income in the future.** These are typically ordered from most liquid, that is, most easily converted to cash, to least liquid. In this order, assets include:



**CASH**



### ACCOUNTS RECEIVABLES

Money which has not yet been received for products that have already been sold.



### PLANT, PROPERTY, & EQUIPMENT (PP&E)

long-term fixed assets that are vital to business operations.

## DEMYSTIFYING THE NUMBERS

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Next up are Liabilities and Shareholders' Equity. Liabilities can be described simply as what a company owes. These are ordered in the same way as Assets. Liabilities include:

1. **Accounts Payable** – Money which has not yet been paid for products that have been received.
2. **Short Term Debt**
3. **Long Term Debt**

Shareholders' Equity includes the money put into business by its owners and retained earnings (Cash leftover from the previous period).

This statement is called The Balance Sheet for a reason – accounting principles dictate that Assets and Liabilities + Shareholders' Equity must be equal.

$$ASSETS = LIABILITIES + SHAREHOLDERS' EQUITY$$

## THE STATEMENT OF CASH FLOWS

A Statement of Cash Flows shows how much cash is generated and used during a given time period. The purpose of the statement of cash flow is to highlight the major activities that impact cash flows, and hence overall cash balance. There are two methods of calculating Cash Flows – **Direct and Indirect**. Most companies use the Indirect method, and hence this document will focus on that. With the Indirect Method, there are 3 sections:

1. **Cash from Operating Activities** – This begins with Net Profit and adds Accounting Expenses (Depreciation and Amortization) and Changes in Accounts Payable, while subtracting Changes in Accounts Receivable.
2. **Cash From Investment Activities** – This accounts for the sale of fixed assets and the purchase of fixed assets. Here, sales of fixed assets are added to the cash balance, while purchases of the same are subtracted from the cash balance.
3. **Cash From Finance Activities** – This accounts for cash from Liabilities and Equity. Cash from loans and cash from shareholders are added to the cash balance, while cash payments on loans and dividend payments are subtracted from the cash balance.

The final line of the Statement of Cash Flows displays the cash balance that the company has at the end of the given period.

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# ACCESSING A LOAN



UNDERSTANDING MONEY FOR SMES

# ACCESSING A LOAN

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More often than not, starting and growing a business requires outside funding. Business loans are a great source of this funding, but the process to apply for one is frequently tedious and confusing. Different banks may require different documentation, and the documentation may depend upon the size, reason for, and nature of the loan.

**Regardless, having these important documents on hand before going to a bank will likely smooth the application and approval processes:**

- ☐ Valid Photo Identification, Tax Registration Number (TRN) and Proof of Address for all Directors/Owners of the Business.
- ☐ Business Registration Documents.
- ☐ Documentation to support the loan purpose.
- ☐ Audited Financial Statements for the past year (more than a year if available)
- ☐ Cash Flow Projections for the next 12 months (some banks require projections more than 12 months)
- ☐ Bank Statements covering the last 12 months (business & personal)
- ☐ Detailed Business Plans
- ☐ Print out of existing loan/overdraft accounts over the last 12 months.
- ☐ Valid Tax Compliance Certificate (TCC).
- ☐ Valid Industry License/Registration (for example, Food handler's license for chefs).

## **Additional Items to consider:**

- Secured loans - If a business is seeking a secured loan, then **collateral** for the loan will be necessary.
- Some lenders request the **Resumes** of the owners/directors to assess their competence.
- The **interest rate** of the loan is usually dependent on the loan amount, repayment terms, and the type of loan.



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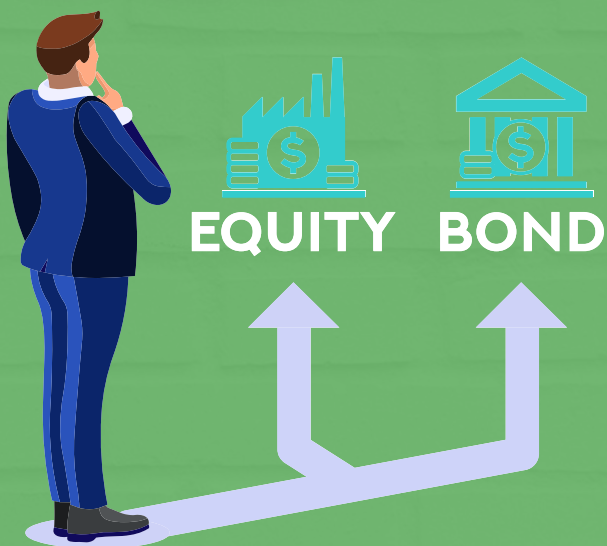


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# ACCESSING EQUITY



UNDERSTANDING MONEY FOR SMES

# ACCESSING EQUITY

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## WHAT IS EQUITY?

As mentioned before, business loans are a great source of outside funding for the growth and expansion of a business. **Equity represents an alternative to this approach: selling a stake or portion of your business in return for a cash investment (capital) instead of borrowing the cash.**

There is no obligation of repayment when a company uses equity financing. Instead, investors buy a portion of the company in order to make money through a share of the company's profits – known as dividends – or by eventually selling their portion of ownership. **A single unit of ownership is known as a share.**

This ownership aspect is crucial. Investors go through the ups and downs of the business with you and so take on more risks than lenders. Since investors are owners, many strive to assist the company in any way they can.

### Sources of Equity Capital

The most common sources of equity capital include:

#### Family and Friends

Usually invest when businesses are at a very early/start-up stage.

#### Angel Investment

High net-worth individuals who invest their own funds into start-up business with strong growth potential.

#### Venture Capitalists

Professional investors that invest pooled funds in companies with high growth potential. Venture capitalists usually assist companies with plans for growth acceleration and take a minority stake.

#### Private Equity

Like Venture Capitalists, Private Equity firms typically pool funds to invest in companies with the aim of getting a return on their investment. However, Private Equity firms usually invest in more mature businesses and take a large or majority stake.

#### Public Floats

Raising money by issuing an Initial Public Offer (IPO) of shares to public investors on a Stock Exchange (where public companies can be bought and sold).



### EQUITY PROS AND CONS

PROS	CONS
<ul style="list-style-type: none"><li>• Freedom from debt – no obligation to make loan or interest payments.</li><li>• Follow-up funding – investors are often willing to provide additional funding.</li><li>• Business experience, skills, and contacts – in addition to money, investors bring credibility and value to the business.</li></ul>	<ul style="list-style-type: none"><li>• Sharing profit – investors expect a piece of profits and as such reduce the profit available to the company founders.</li><li>• Losing control – control of the company no longer resides completely in the hands of its founders.</li><li>• Time consuming and costly – the process can involve meeting various corporate governance and other requirements that may become cumbersome, especially for a start-up business.</li></ul>

### THE JAMAICA STOCK EXCHANGE

If a Company wants to access Public Equity by issuing an IPO in Jamaica, it will have to meet the requirements of the Jamaica Stock Exchange before it can be listed (purchased and sold on the exchange). The Jamaica Stock Exchange facilitates the purchase and sale of equities in Jamaica and is one of the largest Stock Exchanges in the Caribbean.

#### **Here are some of the most important conditions for listing on the Jamaica Stock Exchange:**

- Company has no less than 25 participating shareholders holding 20% of fully paid shares.
- Company's fully paid subscribing shares is not less than J\$50 Million and not more than J\$500 Million.
- Documents:
  - Articles of Incorporation
  - Prospectus / Offer Document
  - Listing Agreements
  - Audited Financial Statements
- Necessary Governance:
  - Board of Directors
  - Audit Committee (Majority non-independent directors)
  - Remuneration Committee
  - Mentor





The process to get listed can be summarized as follows:

- ☐ Company is incorporated.
- ☐ Company appoints advisers: auditor, mentor, broker, attorney.
- ☐ Company confirms compliance with tax legislation and financial reporting requirements.
- ☐ Company drafts prospectus (can be based on business plan) with advisers.
- ☐ Company submits prospectus and other shelf documents to JSE for review at least 21 days before admission.
- ☐ Company registers prospectus with Companies Office of Jamaica and FSC.
- ☐ Company launches initial public offer with its brokers.



# FORMALISING YOUR BUSINESS OR COMPANY



UNDERSTANDING MONEY FOR SMES

# FORMALISING YOUR BUSINESS

## WHAT YOU NEED TO REGISTER YOUR BUSINESS NAME OR COMPANY

**What is a Business?** - A business is an enterprise where the owners undertake all the risk associated with the entity. Types of businesses include:

- **Sole Proprietor** - A business with one owner (proprietor). The owner must be a person.
- **Partnership** - A business with more than one owner (proprietor). The owners may be persons or companies or a mix of both.
- **Corporate Sole Proprietor** - A business with one owner (proprietor). The owner must be a company.

## CHECKLIST FOR REGISTERING A BUSINESS. WHAT DO YOU NEED?

- ☐ Create an account on Companies Office of Jamaica (COJ) website - <https://www.orcjamaica.com>
- ☐ Reserve business name - (online in COJ portal) <https://www.orcjamaica.com>
  - It is free to reserve a business name for 30 days.
  - This name should be unique and not too similar (whether in sound or appearance) to a name already registered.
- ☐ Complete the Business Registration Form (BRF) - [BRF-Form](#)
- ☐ Cost of BRF and application JA\$2,500 for Sole Proprietorships owned by an Individual and Partnerships of 2 - 5 persons. JA\$3,000 for Corporate Sole Proprietorships. JA\$5,000 for Partnerships with 6 or more persons. (JA\$3,000 more for same day processing or JA\$1,500 more for next day processing fees are optional)
- ☐ Your Valid ID - (Driver's License/ Passport/ Voter's ID)
- ☐ Your personal Tax Reference Number (TRN)
- ☐ Your Proof of Address - (Correspondence from a Bank or Government body/ Utility bill OR signed declaration by a Justice of the Peace verifying the location of residential address)
- ☐ Your Certification of Profession - Certification is required to show that you are certified or qualified to conduct business within your respective field. It is required if a word in the business name makes reference to a particular profession/ occupation or if the nature of the business implies a profession. Full Certification list found on page 12 and 13 of the [BRF-Form](#).  
Example: Registering a Pharmacy or use of the word "Pharmacy" in the business name would require a Pharmaceutical Certificate.

# FORMALISING YOUR BUSINESS

## WHAT YOU NEED TO REGISTER YOUR BUSINESS NAME OR COMPANY

**What is a Company?** - A company is a form of enterprise, which, once incorporated, is a separate legal person from its subscribers/members/shareholders. Generally, a company allows for the limitation of risk undertaken by the persons forming the company. Companies can be registered as one of three things:

- **Company Limited by Share Capital** - A company owned by its shareholders.
- **Company Limited by Guarantee** - A company without any shareholders that is owned by members called guarantors.
- **Overseas Company** - A company incorporated outside of Jamaica.

## CHECKLIST FOR REGISTERING A COMPANY. WHAT DO YOU NEED?

- ☐ Create an account on Companies Office of Jamaica (COJ) website - <https://www.orcjamaica.com>
- ☐ Reserve company name. This name should be unique and not too similar (whether in sound or appearance) to a name already registered. - (online in COJ portal) <https://www.orcjamaica.com>
- ☐ Cost - JA\$3,500 to reserve name for 90 days. 1-day and 2-day reservations are offered free of cost.
- ☐ Complete the Business Registration Form (BRF) - [BRF-Form](#)
- ☐ Complete the Articles of Incorporation form depending on your type of company.
  - Companies Limited by Share Capital: (If you have shareholders; Most Common)
    - Uses Form 1A: <https://www.orcjamaica.com-FORM1A>
  - Companies Limited by Guarantee:
    - Uses Form 1B (if without share capital): <https://www.orcjamaica.com-FORM1B> and Form 1C (if with share capital): <https://www.orcjamaica.com-FORM1C>
  - Overseas Companies:
    - Only apply if you wish to establish a place of business. If you do not intend to do so, you do not need to apply with COJ.
    - Uses Form 31: <https://www.orcjamaica.com-FORM31>
- ☐ Cost - JA\$24,000 for local companies and JA\$25,000 for Overseas Companies. An additional JA\$500 is charged if the documents are stamped at the Companies Office.
- ☐ Get your company seal, separately, at any preferred local Stamp or Stationery store. A Company seal or stamp is required to conduct operations.

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# DAY ONE SUMMARY TIPS



UNDERSTANDING MONEY FOR SMES



# DAY 1: SUMMARY TIPS

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## DEMYSTIFYING THE NUMBERS

- Financial Statements describe the financial affairs of a company – they tell the story of whether a company can continue functioning or not.
- The three most relevant financial statements are The Income Statement, The Balance Sheet, and The Statement of Cash Flows.
- An Income Statement (also known as a Profit and Loss Statement) is a report that shows the flow of revenues (amounts earned from business activity) and expenses (amounts paid during operations) over a given period.
- The Balance Sheet is a status report that shows information about the company's assets, liabilities, and owner's/shareholder's equity at a given time.
- The Statement of Cash Flows shows how much cash is generated and used during a given time period.

## ACCESSING A LOAN

- Business loans are a great source of this funding, but the process to apply for one is frequently tedious and confusing.
- Having these important documents on hand before going to a bank will likely smoothen the application and approval processes:
  - a. Valid Photo Identification, Tax Registration Number (TRN) and Proof of Address for all Directors/Owners of the Business.
  - b. Business Registration Documents.
  - c. Documentation to support the loan purpose.
  - d. Audited Financial Statements for the past year (further back than a year if available)
  - e. Cash Flow Projections for the next 12 months (some banks require projections further than 12 months)
  - f. Bank Statements covering the last 12 months (business & personal)
  - g. Detailed Business Plans
  - h. Print out of existing loan/overdraft accounts over the last 12 months.
  - i. Valid Tax Compliance Certificate (TCC).
  - j. Valid Industry License/Registration (for example, Food handler's license for chefs).

# DAY 1: SUMMARY TIPS

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## ACCESSING EQUITY

- Equity refers to selling a stake or portion of your business in return for a cash investment (capital) instead of borrowing cash.
- There is no obligation of repayment, but investors can receive a share of the company's profits (dividends) or by selling their portion of ownership.
- A unit of ownership is called a **share**.
- Sources of Equity Capital:
  - Family and Friends
  - Angel Investment
  - Venture Capitalists
  - Private Equity
  - Public Floats (IPOs)
- To access Public Equity in Jamaica, companies will have to list on the Jamaica Stock Exchange.

## FORMALIZING YOUR BUSINESS OR COMPANY

- A business name is an enterprise where the owners undertake all the risk associated with the entity.
- Types of businesses include:
  - **Sole Proprietor** - A business with one owner (proprietor). The owner must be a person.
  - **Partnership** - A business with more than one owner (proprietor). The owners may be persons or companies or a mix of both.
  - **Corporate Sole Proprietor** - A business with one owner (proprietor). The owner must be a company.
- A company is a form of enterprise, which, once incorporated, is a separate legal person from its subscribers/ members/shareholders. Generally, a company allows for the limitation of risk undertaken by the persons forming the company.
- Companies can be registered as one of three things:
  - **Company Limited by Share Capital** - A company owned by its shareholders.
  - **Company Limited by Guarantee** - A company without any shareholders that is owned by members called guarantors.
  - **Overseas Company** - A company incorporated outside of Jamaica.

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# THE TWELVE SPIRITUAL LAWS OF MONEY



UNDERSTANDING HOW TO MAKE, KEEP AND  
GROW MONEY

# 12 SPIRITUAL LAWS OF MONEY

---

1

## **Money is narrative fiction.**

The value of Money exists on the faith only of the people who use it. Once you understand that salaries, pricing, and value are determined by people's belief, you begin to create the first big shift in your relationship with money. Very few people feel that they have enough money; "rich enough" is a combination of "what you have" and "what you desire."

2

## **Those with an extended financial horizon beyond the now will build wealth over time.**

Clear objectives have a better chance of success. Who do you wish to be financially in 5 – 10 years? Have a specific target in mind.

3

## **Money comes to those least interested in the things that money can buy.**

Dream of a future of Assets Invested, not as a Consumer. Let your lifestyle lag your income, and not the other way around. The money paradox is the less things you want, the wealthier you will be.

4

## **You cannot work your way into wealth, you can only save or invest your way into it.**

Time Value of Money means the earlier and higher amount you save or invest will create more wealth in your future. Save before you spend. 15 – 30% of whatever you receive, or your after-tax income, should be a gift to your future self. Compound interest is interest earned on interest. If you save today and earn interest by the end of this year, next year your interest earned will be both on the initial savings as well as the interest earned in the first year, then second year, then the third year and so on. It is, therefore, compounding. Start early with a higher savings amounts and your financial future will be bright. Understand inflation & risk to dictate your balanced investment portfolio.

5

## **Financial Independence and Financial Integrity are leading sources of mental strength and peace of mind.**

Make it a priority to build walking fund so you can leave parents, spouses or jobs with your dignity intact. Be in integrity with respect to your word and monies owed. Money will flow to those who have financial integrity.





# 12 SPIRITUAL LAWS OF MONEY

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6

**The wealth of a community begins with understanding the difference between good debt and bad debt.**

Good debt is where you borrow to invest in an appreciating asset like a growing business. Bad debt is where you borrow to buy consumer items. It is better to save towards a vacation, than to borrow for a vacation. With base revenue contracting due to COVID-19, MSMEs have considered financing operations through credit card debt. Small payments in the near term but very expensive over the long term. It is best to seek cheaper sources of financing or close-up shop. Think in terms of 2-3 years' financial horizon, not just in terms of incremental one- and two-month payments.

7

**Respect Money and it will respect you. Know your own strengths and weaknesses when it comes to money and things.**

Know your money inflows and outflows. Respect and understand your financial state. Determine weekly or daily the planned maximum you have to spend and take that only. It is easier to earn money than to hold on to it.

8

**Socialize across the financial spectrum. Other people's financial lives can give you an unrealistic perspective about the ways of living.**

Following the rich and famous on social media is destroying your own relationship with money. It is teaching you to see and to feel lack. Open your awareness to those who have achieved happiness with less money than you have, and you can see that you are more than enough. Poverty, disease & homelessness is the norm of human history, not the exception. If you have a steady supply of food, clothing, shelter with electricity and running water and a computer, appreciate them! Globally we are in the midst of the Money Mirage – social media, with its propensity to show images of people wealthier than you, is designed to make you feel financially distraught.

9

**Get a handle on your (and your kids') money shame. There is power in being able to utter the words "I can't afford that".**

Do not let other people's opinion about your money situation destroy your relationship with money.



# 12 SPIRITUAL LAWS OF MONEY

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10

**Give, do not lend, money to family and friends.**

Even if you agree to lend, simply be prepared to never get it back. This way you will only lend that which you are prepared to lose. Do not lose friends and family over money

11

**Create the emergency financial plan before the crisis happens.**

This will prepare you for a financial crisis like sudden job loss. Do a rapid leap backwards to minimize the bleed – cut costs until you can see your way clearly. If you have savings, blow through no more than 35% of your savings before you aggressively cut your lifestyle. Fill your life with your simple, inexpensive pleasures.

12

**Cultivate a true interest in money matters. Make the time to make a plan.**

Read up on savings and investing! Keep track of your money flows. Speak to experts to optimize your financial future.

## THE MONEY PARADOX

*WANTS < WEALTH*

*The less things you want, the wealthier  
you will be.*



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# YOUR PERSONALITY AND MONEY



UNDERSTANDING HOW TO MAKE, KEEP AND  
GROW MONEY

# YOUR PERSONALITY AND MONEY

---

Our personalities far-reaching effects on many aspects of our lives. They impact how well we work with others, the careers that we find interesting, and even the shows we watch.

Understanding your personality type can also help you uncover strengths and challenges when it comes to **managing money**. Everyone handles their finances differently, but understanding the areas in your relationship with money that may require more focus and attention can help you formulate the best money management strategy **for you**.

## The Myers-Briggs Type Indicator

The Myers-Briggs Type Indicator is an instrument that helps to identify people's personality preferences by completing a **questionnaire or "Personality Test"** at **[www.16personalities.com](http://www.16personalities.com)**. We use this framework because it is **free** and accessible to the largest number of people. It identifies people as one out of 16 personality types with four pairs of components for each category:



### CATEGORY 1: EXTRAVERSION (E) OR INTROVERSION (I)

This describes how an individual is energized. In simple terms, people preferring extraversion are more likely to feel "recharged" after spending time doing social activities, while those who prefer introversion (I) will get energy from alone time.

### CATEGORY 2: SENSING (S) OR INTUITION (N)

Individuals with a preference for Sensing (S) will prefer to consume information in a specific, organized, and sequential way. Those who are inclined to Intuition (N) will prefer "big picture", general information around a subject so that they can decipher it for themselves.



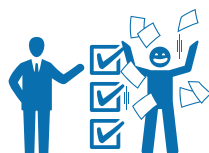
### CATEGORY 3: THINKING (T) OR FEELING (F)



This describes how people assess and make decisions about the information they absorb. A Thinker (T) is more likely to make analytical decisions using the information they have on hand, whereas a Feeler (F) may take more time to consider their emotions and how their decisions affect others.

### CATEGORY 4: JUDGING (J) OR PERCEIVING (P)

This describes how people organize their world. Those with Judging (J) preferences are task oriented, structured, and like things to be in neat compartments. Their Perceiving (P) counterparts are more likely to want to keep their options open and are more free-spirited.



# YOUR PERSONALITY AND MONEY

## The Myers-Briggs Type Indicator and Money

Each component of the Myers-Briggs personality type carries implications for a person's relationship with money.

<b>Extraversion (E)</b>	<b>Introversion (I)</b>
<ul style="list-style-type: none"><li>• More likely to discuss their ideas with others and receive feedback.</li><li>• Bouncing ideas off others is crucial in their decision-making process, so if they feel that they cannot discuss money with others, it may be difficult for them to make decisions.</li></ul>	<ul style="list-style-type: none"><li>• More likely to internalize their decision making, leading to overanalysis and delayed decisions on spending.</li><li>• Tend to undertake a lot of research before moving forward with big decisions.</li><li>• May benefit from consulting a trusted outside resource about money to eliminate the anxiety of decision making.</li></ul>
<b>Sensing (S)</b>	<b>Intuition (N)</b>
<ul style="list-style-type: none"><li>• More likely to take decisive action quickly, but focus more on the present rather than the big picture.</li></ul>	<ul style="list-style-type: none"><li>• More likely to struggle with putting long-term financial plans into action to achieve future goals.</li><li>• Might know what their goals are, but feel overwhelmed with the possibilities of how to achieve them.</li><li>• Might benefit from regularly writing down their goals and then road-mapping potential ways to achieve them.</li></ul>
<b>Thinking (T)</b>	<b>Feeling (F)</b>
<ul style="list-style-type: none"><li>• Most likely exhibit an objective approach to money management.</li><li>• Could overanalyze and over critique their financial management options, and so to overcome this they can attempt to construct a timeline of goals with an outline of pros and cons to narrow their thinking.</li></ul>	<ul style="list-style-type: none"><li>• More likely to be guided by their emotions when making decisions, also taking into consideration how they may affect others.</li><li>• This may lead them to make financial decisions that are too impulsive, but this risk can be mitigated through consultation with a financial advisor who can serve as an objective partner in money decisions.</li></ul>
<b>Judging (J)</b>	<b>Perceiving (P)</b>
<ul style="list-style-type: none"><li>• Typically prioritize the use of their money on "responsible" things first, and consider spending after their security is assured.</li><li>• Likely to have a neat, organized list that reflects their conservative approach to money.</li><li>• Tend to immediately save money,</li></ul>	<ul style="list-style-type: none"><li>• Usually focus on fulfilling their sense of enjoyment and value before considering savings and investment.</li><li>• Likely to not have a list at all.</li><li>• Tend to focus on spending.</li></ul>





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# SMART BUDGETING



UNDERSTANDING HOW TO MAKE, KEEP AND  
GROW MONEY

# SMART BUDGETING

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Budgeting is a crucial component of building wealth, as it helps you assess your current financial situation and prepare for the future. Creating a budget does not have to be elaborate or complex, after all, a budget is simply just a record of all the money that comes to you and all the money that leaves you over a given period.

Creating a budget for your household is a great first step towards long-term financial wellness and harmony. Having a mutually approved plan for finances money will go a long way in keeping communication lines clear and preventing financial matters from becoming a burden.

**These simple seven (7) steps provide an easy-to-follow guide to creating a budget for your household:**

## 1.) Set SMART Goals

Goals should be Specific, Measurable, Achievable, Realistic, and Time-based – SMART.

- Divide financial goals into short-, medium-, and long-term categories.
- Short-term goals should include things like creating an emergency fund and paying off credit card debt (one to two years).
- Medium-term goals should include saving for a down payment for a house or saving for a new car (up to 10 years).
- Long-term goals must include saving for retirement and will be realized over the term of your working life.



## 2.) Determine Your Net Income

Take account of your net monthly income – exactly how much money is brought in per month after all taxes and deductions.

## 3.) Determine Your Necessary Expenses

These are mandatory expenses that occur every month – mortgage payments, rent, car payments, food, utilities, etc.. Such expenses should be subtracted from your net income to understand what is possible after you've met all your necessary obligations.

## SMART BUDGETING

### 4.) Account for “One-Off” Expenses

Include in your expenses those “One-Off” costs that usually come around once a year: car insurance, school fee payments, etc.. This will help to give your budget a more fulsome and prepared approach to these “unexpected” costs and you will be able to save towards them over the course of the year.

### 5.) Calculate Your Savings

Use your financial goals from step 1 to determine how much you need to save each month to reach them in a reasonable amount of time.

### 6.) Calculate your Discretionary Spending

This is money that can be spent on things that the household wants but does not need. Open dialogue is necessary to determine how this money is divided amongst the wants of the household: whether on vacations, clothes, cable/tv/internet, etc..

List all potential discretionary items, and identify them as joint or individual spending, and identify how much to dedicate to each expense. Discretionary spending is likely to change month to month, so continuous communication here is necessary.

### 7.) Select Your Budgeting Tool

There are many budgeting applications that make creating and maintaining a budget easy. Select one that appeals to your household and ensure that the necessary people have access to it.



### TIPS FOR STICKING TO YOUR BUDGET



**Use your budget to identify the areas that you tend to spend more on and adjust your spending accordingly.**

If your budget does not have any opportunity for enjoyment in your life, you will not stick to it. For areas of your budget that represent a significant “splurge”, try to reduce that expenditure but do not seek to eliminate it altogether. The key is determining that area and a reasonable amount to spend on it.



**In addition to a weekly or monthly budget, create a yearly budget.**

An annual budget captures all the one-off expenses that may come up. Sometimes, monthly surpluses in your budget are suddenly taken up by expenses like car insurance or school fees. Creating a budget for the year will help to account and prepare for those “unexpected” expenses.



**Look for ways to increase your streams of income.**

If your expenses cannot be reduced any further, the only way to become more financially secure is to earn more. Identifying creative ways to increase your earning potential and diversify your income streams is one of the most important steps of building wealth.



**Identify areas of weakness in your budget. Assess your means and be intentional about living within them.**

Perhaps you do not need to be spending as much on food and can opt to plan your meals instead of buying fast-food. Maybe you can downgrade the phone or television package that you are on. Credit card spending habits are a huge source of excess for a lot of people – be responsible here and payoff your balance in full, avoid ATM withdrawals, and know your billing cycle. Identifying the things that you can cut back on to remain within your means is crucial.



**Set realistic goals and be wise in achieving them. Setting regular, tangible goals helps to keep you progressing towards financial freedom.**

Furthermore, understanding how exactly you will achieve these goals is important: for example, saving towards a particular sum of money is fine, but consider that you may achieve your goal more easily if you decided to invest that money responsibly.



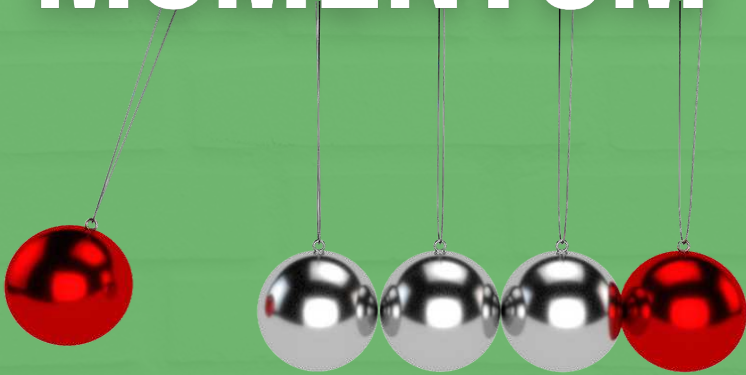
**Save what you can: “Every Mickle Make A Muckle”**

The idea of saving on a tight income may feel pointless at first, but putting away even a small sum of money each month will add up. The best strategy is to just start where you are able – over time, you will begin to recognize the fruits of your labour.



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# BUILDING INVESTMENT MOMENTUM



UNDERSTANDING HOW TO MAKE, KEEP AND  
GROW MONEY

# BUILDING INVESTMENT MOMENTUM

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## PRINCIPLES OF GOOD INVESTING

Investing is the purchase of assets with the goal of getting a profitable return. There are considerable benefits to be gained when investing, but many people often do not know how or where to start. **Rather than being paralyzed into non-action, just get started!**

The key is to invest to build wealth and gain financial independence. **Investing is a process**, and as such an investment should not be made blindly as if it is a gamble.

When creating your **investment strategy**, there are a few important questions that you must first ask yourself:



**What are my investment goals?**



**How long do I have to accomplish them?**



**How much risk am I willing to take on to accomplish my goals?**



**How often and how much will I add to my investments?**

## UNDERSTANDING THE TYPES OF INVESTMENT OPTIONS

There are several different types of investment options that one can choose to invest in. It is important to understand how each investment works, as all investments involve some degree of risk. Therefore, all options are to be carefully analyzed in order to decide which asset class is the right choice for your portfolio.

### STOCKS

- Stocks represent a **share in a company**; when you purchase shares in a company you become a part owner of a company. One share entitles you to one vote at shareholder meetings.
- When a company makes a profit and it decides to pay a portion of this to its shareholders, this is referred to as a **dividend payment**, which is one way a profit can be made through the purchase of stocks.
- The principles of buying and selling stocks are to **purchase shares at a lower price and sell at a higher price at a later date**. If a stock is bought at a low cost that increases in value overtime, your shares increase in value as well.
- If you sell the shares after they have increased in value this is called a **capital gain (profit)**. But be warned, stocks can also decrease in value overtime. You can both gain and lose money overtime. **This is the risk and reward possibility of investing in stocks.**



### BONDS

- A bond is an investment where your funds are loaned to either a corporate entity or the government. The entity borrows the funds for a specified time, at a fixed interest rate. The profit made from bonds is the fixed interest rate.
- Bonds are very attractive to persons with a **low-risk tolerance** as they are relatively safe. Bonds that are purchased from a stable government or corporate entity are practically guaranteed, but because there is very little risk associated with bonds the returns are usually low.

### MUTUAL FUNDS

- Mutual Funds are a structured pool of assets in which the investors share the results of a specific portfolio. This is a way of investing money alongside other investors in order to benefit from the inherent advantages of working as part of a group. This type of investment is actively managed by an investment manager who makes the decisions for the portfolio.

### THINGS TO CONSIDER WHEN INVESTING



#### Inflation

Inflation is a crucial economic factor to consider when planning and managing investments. When inflation increases, the prices of goods and services rise as well. If your investment is not rising at a higher rate than inflation, then you are not really making any return on your investment, making it pointless.



#### Currency Depreciation

This is the fall in value of a currency in terms of its exchange rate versus other countries. If a currency depreciates, it takes more of that currency to purchase another currency. Depreciation can eat into the return on your investments, so it may be a good idea to invest in instruments that are denominated in another, stronger currency.



#### Compound Interest

This is interest calculated on the initial principal and also on the accumulated interest. Each time you earn interest on your principal, it is added to the original amount, which then becomes the principal for the next cycle. This allows exponential growth for your interest.



#### Diversification

As the saying goes *"never put all your eggs in one basket"*, this is most certainly applicable to investing. Diversification is key when building your investment portfolio. A mix of asset types ensures that your entire portfolio does not suffer the impact of a decline in any one security.

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# PROTECTING YOUR FAMILY



UNDERSTANDING HOW TO MAKE, KEEP AND  
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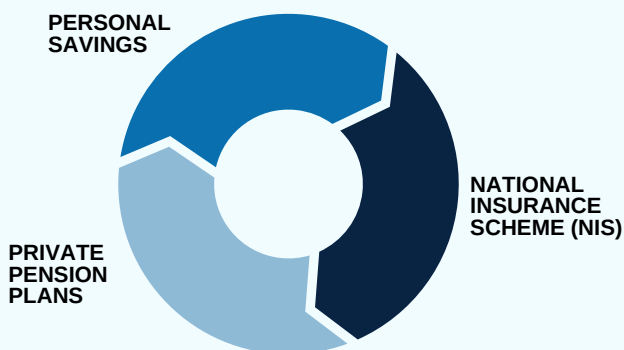
# PROTECTING YOUR FAMILY

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## PENSIONS AND RETIREMENT

- A pension is a sum of money towards which money is contributed during an employee's employment years, and from which payments are drawn to support that person's retirement from work.
- A pension is an important tool that helps people to maintain their lifestyle and remain financially stable after retirement.
- Ideally, individuals need the equivalent of up to **70% to 80%** of their pre-retirement salary to enjoy a retirement lifestyle that is comparable to their pre-retirement lifestyle.

### THE THREE PILLARS OF RETIREMENT SAVINGS



## NATIONAL INSURANCE SCHEME (NIS)

This is a compulsory contributory funded social security scheme that covers employed persons, self-employed persons, and voluntary contributors.

Employed persons contribute 3% of their gross salary, matched by the employer's contribution of 3%. Self-employed persons pay 6% of their statutory income, which includes income from all sources less expenses incurred in generating that income.

Contributions paid to the NIS are invested by the National Insurance Fund in real estate, money and equity markets. NIS benefits are paid from these funds.

Eligible persons can claim a host of benefits, including employment injury benefit, maternity allowance for domestic workers, retirement pensions and a widow/widower's benefit.



### PRIVATE PENSION PLANS

#### Funds vs. Schemes

An approved superannuation (pension) fund is established by an employer and typically all employees and the employer will make contributions to the plan.

Alternatively, an approved retirement scheme is a pension arrangement available for persons who are either self-employed or not part of an approved superannuation fund. There are two main types of schemes:

- **Defined Benefit** – employers guarantee specific retirement benefits for participant, based on factors such as salary or years of service.
- **Defined Contribution** - member benefits are determined by contributions made by the employer and the employee.

#### Some benefits of a Pension plan include:

- **Pension contributions are made before your income is taxed** – the amount of contribution is deducted from your salary before income tax is assessed so more of your money can earn investment returns.
- **Pay less income tax** – income tax is assessed on a smaller amount of your salary.
- **Withholding tax** – returns from saving in a pension plan are not subject to withholding tax as compared with other investments.
- **Passing on your benefit** – When you enroll in a pension arrangement, you are asked to identify specific persons, called beneficiaries, who will be entitled to your pension in the event of your death. Your beneficiaries are paid without a Will having to be probated.

### PERSONAL SAVINGS

Financial advisors can help you select an investment and savings portfolio and strategy that best suits you. Your portfolio should depend on your individual preferences, goals and risk appetite/profile.

Saving for your retirement years is important as:

- **Life expectancy is increasing** – adequate preparation is necessary to live an independent life as people live longer and lead more active lifestyles.
- **Savings can be used to supplement lost income**
- **Savings can help to prepare for and handle unexpected circumstances and expenses.**

# PROTECTING YOUR FAMILY

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## THE IMPORTANCE OF A WILL

### What is a will?

- A will is a legal document that sets forth your wishes regarding the distribution of your assets and the care of any minor children.
- It outlines how your assets – like property or money – are to be distributed after your death, as well as who will manage the property or money until its final distribution.

### Important Terms

- Testator – A person who has made a will.
- Executor – Trusted individuals who will be asked see to lead out in honouring the wishes found in your will.
- Guardians – Persons selected to be responsible for minor children in your absence.
- Beneficiaries – Individuals and organizations that are important to you and to whom you want to leave an asset or gift.

### Who needs a will?

You should write a will if:



**You are at least 18 years old.**



**You have children, whether biologically or by adoption.**



**You own property, real estate, business interests and other major assets.**



**You have a job, especially one that contributes to a pension scheme or in which you are permanently appointed.**



**You have money in the bank in the form of savings or investments.**

- If you rely on your business to provide for your family and you are no longer there to ensure that your family is looked after, **a will becomes the legal document that protects your family members and ensures they are looked after and can acquire any assets or money from the business.**
- Someone who has passed without a will is referred to as **“Intestate”**.
- Family members may not have a comprehensive list of the assets and interests of their loved one, and the government has to step in to apply its rules of intestacy to distribute the assets that are known or have been found.

## THE IMPORTANCE OF A WILL

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### CHECKLIST FOR THE PREPARATION OF A WILL

- ☐ Create a list of all your assets (land, bank account info, insurance policies, share certificates, and other proofs of ownership of assets).
- ☐ Decide your beneficiaries and what they will receive. Include their relationship to you so that they are easily identified.
- ☐ Record names, addresses, and occupations of two trusted persons to be executors.
- ☐ Record the name, address, and occupation of appointed legal guardian of minor children.
- ☐ List debts and liabilities to date.
- ☐ A will may be typed or handwritten, but it must be in writing.



#### Things to note

1. The testator must sign first in the presence of the witnesses.
2. Then, each witness signs in the presence of the testator.
3. The section of signing (signing clauses) must not be on a separate page from the body of the will.
4. The will must be dated
5. Initial each page (by all the persons who signed)
6. It is highly recommended that you make a copy of your will and include a list of all necessary documentation and their locations. This copy should be in a sealed envelope and indication to the location of the original should be included.
7. Ensure the original will is in a sealed envelope and stored safely.

# PROTECTING YOUR FAMILY

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## INSURANCE

Daily life is full of uncertainties and risks – especially during a pandemic. Individuals, families, businesses, properties, and assets are all exposed to various types and levels of risk, including loss of life, health, assets, property, etc.. Unexpected events occur everyday and have the potential to derail life-plans for yourself and your family.



Insurance serves as a financial safety net for these unexpected circumstances. It helps you and your loved ones recover after something bad happens – a fire, theft, car accident – anything is possible. Insurance is an essential financial tool that allows you to live life with fewer worries, knowing that you'll receive necessary financial assistance after an unfortunate or disastrous incident.

### **How does insurance work?**

Insurance is essentially a rainy-day fund shared by many people ( called policyholders) and managed by an insurance carrier. The insurance company utilizes money collected (called premiums) from its policyholders and other investments to pay for its operations and to fulfill its promise to policyholders when they file a claim (when something goes wrong, and the policyholder reports it).

Typically, employed individuals receive some types of insurance (mainly health and life) from their employers. Self-employed and contracted individuals however have to contact Insurance brokers to work out a plan for themselves.

## INSURANCE

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### Types of Insurance

There are several types of insurance plans. Some of the commonly preferred ones include:



#### **Life Insurance**

This safeguards your family in case of death during while under the policy. It helps secure your family financially with a lump sum amount that is paid out in the event of the policyholder's death within the policy period.



#### **Health Insurance**

This is purchased to cover medical expenses for various health issues, including hospitalization, treatments, and more. These come in handy when there is a medical emergency.



#### **Home Insurance**

These plans cover any damage to the home on account of accident, mishaps, and natural calamities.



#### **Automobile Insurance**

These plans cover modes of transportation and offer protection against natural disasters, damages to third parties (people in an accident with policyholder's vehicle) and damage to the policyholder's vehicle. Every vehicle on the road is required by law to have this.



#### **Child Plans**

These policies are typically savings instruments that help to generate lump sum funds whenever children reach a certain age.



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BUILDING  
GENERATIONAL  
*Wealth*

# DAY TWO SUMMARY TIPS



UNDERSTANDING HOW TO MAKE, KEEP AND  
GROW MONEY

# DAY 2: SUMMARY TIPS

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## THE 12 SPIRITUAL LAWS OF MONEY

1. Money is narrative fiction.
2. Those with an extended financial horizon beyond the now will build wealth over time.
3. Money comes to those least interested in the things that money can buy.
4. You cannot work your way into wealth, you can only save or invest your way into it.
5. Financial Independence and Financial Integrity are leading sources of mental strength and peace of mind.
6. The wealth of a community begins with understanding the difference between good debt and bad debt.
7. Respect Money and it will respect you. Know your own strengths and weaknesses when it comes to money and things.
8. Socialize across the financial spectrum. Other people's financial lives can give you an unrealistic perspective about the ways of living.
9. Get a handle on your (and your kids') money shame. There is power in being able to utter the words "I can't afford that" .
10. Give, do not lend, money to family and friends.
11. Create the emergency financial plan before the crisis happens.
12. Cultivate a true interest in money matters. Make the time to make a plan.

# DAY 2: SUMMARY TIPS

## YOUR PERSONALITY AND MONEY

- Understanding your personality type can also help you uncover strengths and challenges when it comes to managing money.
- **The Myers-Briggs Type Indicator** is an instrument that helps to identify people's personality preferences by completing a questionnaire or "Personality Test".
- **There are four pairs of components:** Extraversion (E) or Introversion (I), Sensing (S) or Intuition (N), Thinking (T) or Feeling (F), and Judging (J) or Perceiving (P).
- Bouncing ideas off others is crucial in an extrovert's decision-making process. Those who prefer introversion are more likely to overanalyze and delay decisions on spending.
- Intuitive types are more likely than Sensing types to struggle with putting long-term plans into action to achieve future goals. Intuits might know what their goals are, but feel overwhelmed with the possibilities of how to achieve them.
- Individuals with a Thinking preference will most likely exhibit an objective approach to money management. Those with Feeling preferences are more likely to be guided by their own emotions when making decisions.
- Judgers and Perceivers tend to have the largest difference in approach to money: Judgers tend to immediately save money, whereas Perceivers focus on spending.

## SMART BUDGETING

### Steps to Creating a Budget:

1. Set SMART Goals – Goals should be Specific, Measurable, Achievable, Realistic, and Time-based – SMART. Divide financial goals into short-, medium-, and long-term categories.
2. Determine Your Net Income
3. Determine Your Necessary Expenses
4. Account for "One-Off" Expenses
5. Calculate Your Savings
6. Calculate your Discretionary Spending
7. Select Your Budgeting Tool

# DAY 2: SUMMARY TIPS

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## STICKING TO YOUR BUDGET

1. Use your budget to identify the areas that you tend to spend more on and adjust your spending accordingly.
2. In addition to a weekly or monthly budget, create a yearly budget.
3. Look for ways to increase your streams of income.
4. Identify areas of weakness in your budget.
5. Set realistic goals and be wise in achieving them.
6. Save what you can: "Every Mickle Make A Muckle"

## PENSIONS AND RETIREMENT

- **The National Insurance Scheme (NIS)** is a compulsory contributory funded social security scheme that covers employed persons, self-employed persons, and voluntary contributors.
- Employed persons contribute 3% of their gross salary, matched by the employer's contribution of 3%. Self-employed persons pay 6% of their statutory income, which includes income from all sources less expenses incurred in generating that income.
- **Private Pension Plans can be divided into two types:**
  - Funds – which are established by an employer and typically all employees and the employer will make contributions to the plan.
  - Schemes – which are pension arrangements available for persons who are either self-employed or not part of an approved superannuation fund.
- **Benefits of a Pension Plan include:**
  - Pension contributions are made before your income is taxed.
  - Pay less income tax as income tax is assessed on a smaller amount of salary.
  - Returns from saving in a pension plan are not subject to withholding tax as compared to other investments.
  - Passing on your benefit to loved ones

# DAY 2: SUMMARY TIPS

## THE IMPORTANCE OF A WILL

### Checklist for the preparation of a Will:

- Create a list of all your assets (land, bank account info, insurance policies, share certificates, and other proofs of ownership of assets).
- Decide your beneficiaries and what they will receive. Include their relationship to you so that they are easily identified.
- Record names, addresses, and occupations of two trusted persons to be executors.
- Record the name, address, and occupation of appointed legal guardian of minor children.
- List debts and liabilities to date.
- A will may be typed or handwritten, but it must be in writing.

### Things to note:

- The testator must sign first in the presence of the witnesses.
- Then, each witness signs in the presence of the testator.
- The section of signing (signing clauses) must not be on a separate page from the body of the will.
- The will must be dated
- Initial each page (by all the persons who signed)
- It is highly recommended that you make a copy of your will and include a list of all necessary documentation and their locations. This copy should be in a sealed envelope and indication to the location of the original should be included.
- Ensure the original will is in a sealed envelope and stored safely.

## INSURANCE

### Types of Insurance:

- Life Insurance – This safeguards your family in case of death during while under the policy.
- Health Insurance – This is purchased to cover medical expenses for various health issues, including hospitalization, treatments, and more.
- Home Insurance – These plans cover any damage to the home on account of accident, mishaps, and natural calamities.
- Automobile Insurance – These plans cover modes of transportation and offer protection against natural disasters, damages to third parties (people in an accident with policyholder's vehicle) and damage to the policyholder's vehicle.
- Child Plans – These policies are typically savings instruments that help to generate lump sum funds whenever children reach a certain age.

Thank You!



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