

SMALL BUSINESS DIVIDEND CHECKLIST

1. Determine the amount of dividends paid by reviewing the shareholder loan account.	
2. Determine if any additional amounts of dividends are to be paid.	
3. Ensure that retained earnings are sufficient to pay dividends. If not, ensure that there are no debts owing that might supersede payment of dividends.	
4. Declare dividends by creating minutes for the corporation.	
5. Clear out shareholder loan, or pay amount of dividends, or add to amounts declared but not paid to shareholder loan balance.	
6. Prepare T5 for shareholders either: <ol style="list-style-type: none"> Manually by completing the T5 form available at CRA. Online by using Webforms available at website. Using CRA approved tax software. 	
7. Ensure dividend amounts are accurately entered and calculated in Boxes 10, 11, and 12 on the T5 slip.	
8. If completing T5 slips manually using PDFs, complete T5 summary.	
9. Mail in T5 slips and summary to CRA. If using Webforms, simply submit T5 slips electronically.	
10. Give dividend recipient copies of T5 slips to shareholders for reporting on their personal tax returns.	
11. Record journal entry to reflect dividends paid in accounting system.	

For more information:

- ❖ Access our [“Small Business and Your Dividends”](#) guide for more details on everything Canadian Small Business Owners Need to Know about Dividends and How to Pay Themselves
- ❖ Enter code “SPECIAL” to get a 15% savings off the guide
- ❖ If you have specific questions about your situation, check out my [consultation services](#).