

Starting a Business?

FREQUENTLY ASKED QUESTIONS

BUSINESS ADVISORY CENTRE

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WHAT ARE THE STEPS TO STARTING MY OWN BUSINESS?

Visit the Business Advisory Centre

The Business Advisory Centre provides assistance and information on business related topics. There is a resource library containing books (all resource books are to be used in the office) to help you source suppliers, customers and potential competitors. A computer workstation with free Internet access is also available for business use.

It is recommended that you make an appointment to meet with the Business Consultant. The Business Consultant can answer specific questions about starting your business and assist you with the different aspects of starting or expanding a business (business plan preparation, marketing, financing, bookkeeping, etc.) at no charge.

Check with Your Municipality

It is important to ensure that your business venture is within the by-laws of your municipality. Usually you will need to speak with the Planning & Engineering or the City/Town Clerk's office. You will want to ask questions such as:

- Is the property properly zoned for the business you will undertake?
- Does the building have any restrictions to its use?
- What are the sign by-laws?
- Are there any parking restrictions or requirements?
- Is a permit or license required from the Municipality for the type of business you intend to open?

Make sure to enquire whether there is a home-based business by-law that will affect you.

Municipality Contact Information

City of Peterborough	742-7777
County of Peterborough	743-0380
Asphodel-Norwood	639-5343
North Kawartha Township	656-4445
Cavan Monaghan	932-2929
Douro-Dummer	652-8392
Galway-Cavendish-Harvey	738-3800
Havelock-Belmont-Methuen	778-2308
Lakefield-Smith-Ennismore	292-9507
Otonabee-South Monaghan	295-6852
First Nations Reserves	
Curve Lake	657-8045
Hiawatha First Nation	295-4421

Prepare a Business Plan

What is a business plan? It is the statement in words and numbers of what you want to do and what you need to get there. It is your overall strategic plan. It is also a summary of your mission, mandate, market and methods. It is your basic reference document that will tell your customers, suppliers, bankers and partners about your plan, your track record, your tactics and your targets. There are several business plan templates available at The Centre for your reference.

Running a business without a business plan is like piloting a plane without a navigator. You won't know where you are going, or how to get there. Without it, you can plan to fail. If you are seeking financial assistance, a thorough business plan is a must! Most of the larger financial institutions have their own business plan templates that will discuss the exact information that they require. The Business Consultant can also review a rough draft of your business plan and make suggestions and comments.

Register your Business Name

Unless you plan to operate your business under your personal name (i.e. Jane Doe), you are required by law to either register or incorporate your business. Keep in mind, that only under circumstances where you are using your personal name do you not have to register your business. Anything else such as "Jane Doe's Consulting" or "Jane's" must be registered. Remember: You will need to take a copy of your registration or incorporation with you to open a business bank account.

A business name registration is valid for five years. It is up to the business owner to renew the registration within two months of the five-year anniversary date. If it has lapsed for more than two months, it is then considered a new registration. There is a \$2,500 fine for not registering a business name in the Province of Ontario.

Methods of Registration

There are three basic forms of business registration:

- Sole Proprietorship (1 owner)
- Partnership (2 or more owners)
- Incorporation (a new legal entity)

The most common, simplest and inexpensive form of registration is Sole Proprietorship or Partnership.

There are three ways to register a Sole Proprietorship or Partnership:

- 1) **Service Ontario workstation** – The quickest and easiest way to register! You can register your business yourself at a computer workstation at Service Ontario locations (and receive assistance from help if needed). For Peterborough County, registration is available at:

Peterborough Service Ontario Centre
Main Floor, MNR Building
300 Water Street
Peterborough, ON K9M 8M5
Phone: 705-755-4427

Cost: \$60.00

Name Search (optional): \$8.00 per name

Receipt of Master Business License: Immediate

Payment Options: Visa, MasterCard, Cash or Cheque (at information desk)

- 2) **Internet** – You may also register your business online from a personal computer.

Cost: \$60.00

Name Search (optional): \$8.00 per name

Receipt of Business License: Immediate

Payment Options: Visa, MasterCard

To register online, go to: www.mgs.gov.on.ca

- Under Service Ontario, click on "Services for Business"
- Click on "Register, Renew or Search a Business in Ontario"

NOTE: The Ontario Business Gateway website is an important resource for small business owners in Ontario. You are encouraged to become familiar with the information available to you on this government site.

- 3) **Mail – Not recommended** (more expensive & time consuming)

Cost: \$80.00

Name Search: \$12.00 per name (Indicate on a piece of paper the name(s) that you wish to have searched). **NOTE:** Separate cheques are required for the name search(es) and the registration.

Receipt of Business License: Six to eight weeks

Your registration form can be mailed to:

Ontario Business Connects
P.O. Box 1028, STN B
Toronto, ON M5T 3H3
Phone: 800-361-3223
Fax: 416-314-4852

Incorporating a Business

The process of incorporating a business establishes your business as a distinct legal entity. As such, incorporation can offer a number of advantages to your business. Some examples include the transferability of business ownership, limited liability and possible tax advantages.

Perhaps the biggest disadvantage to incorporation is the cost. While you can do it yourself, it is highly recommended that you have your lawyer or accountant draw up the Articles of Incorporation.

Incorporation through a lawyer can cost anywhere from a few hundred, to over one thousand dollars, depending on the complexity of your business and whether you incorporate provincially or federally.

For more information on provincial incorporation, visit the following website:
www.ontario.ca/en/business/index.htm

For more information on federal incorporation, visit the following website:
www.corporationscanada.ic.gc.ca

Harmonized Sales Tax

The HST, which combines the existing 8 per cent PST and the 5 per cent federal GST into a single 13 per cent sales tax, came into effect July 1, 2010. It is applied on most purchases of taxable supplies of goods and services in Ontario.

Businesses in Ontario that were registered for GST, are now required to collect and report the HST according to their previous GST filing frequency.

Most persons and organizations engaged in commercial activities in Canada who have worldwide, taxable sales of more than \$30,000 over any four or fewer consecutive calendar quarters must register for and collect the Harmonized Sales Tax (HST).

Business Number (BN)?

The Business Number is a similar concept to the Social Insurance Number (SIN) that individuals have. You can register for your Business Number and/or find out more information by visiting www.businessregistration.gc.ca or by calling 1-800-959-5525.

The BN is issued by the Canada Revenue Agency (CRA) and is used to unify all accounts a business may have with the federal government. The BN is used to operate corporate income tax, import/export accounts, payroll deductions, GST/HST and other government accounts.

For more information about the HST and/or to obtain your Business Number, contact:
Business Inquiries, Canada Revenue Agency
5th Floor, 185 King Street
Peterborough, ON K9L 8M3
Phone: 800-959-5525
Fax: 705-876-6422
Hours: 8:15 a.m. to 4:30 p.m.
Website: www.cra-arc.gc.ca

Three reasons to register:

1. Unless you are a HST registrant you cannot claim HST input tax credits (HST paid on business expenditures). If you are a HST registrant and your input tax credits exceed HST collected on sales, you may claim a refund of the excess from Canada Revenue Agency.
2. Not being registered for GST/HST tells everyone that you are running a truly small business. (Your sales are below \$30,000 per year) If your customers are other businesses, they expect to pay HST.
3. Companies that are required to register for HST must remit the HST tax to Canada Revenue Agency - even if it has not been collected from the customer. By registering for HST upon starting your business, you will eliminate the possibility of inadvertently surpassing the \$30,000 threshold and being exposed to penalties and interest charges for noncompliance

Importing/Exporting Information

International Trade Branch
Phone: 1-877- 468-7233
Website: www.ontarioexports.com

Canada Border Services Agency
Phone: 1-866-461-9999
Website: www.cbsa-asfc.gc.ca

Foreign Affairs and International Trade Canada
Phone: 613-996-3711
Website: www.international.gc.ca

Will you be hiring employees?

Summer Students

Human Resources and Social Development Canada's Canada Summer Jobs Program is a wage subsidy program that enables employers to create career-related summer jobs for secondary and post-secondary students from 15 to 30 years of age (inclusive). Contact Service Canada at **1 800 622-6232** for more information.

Canada Revenue Agency

Register with the CRA office in Peterborough. If you already have a BN, this will be a quick call to give them your BN and to open a payroll deductions account. Be sure to ask for your "New Employers Kit".

Workplace Safety and Insurance Board (WSIB)

The WSIB covers most industries in Ontario. Employers must pay into the accident fund through assessments on their payrolls. Employers are required to contact The Board within 10 days of hiring an employee. (This includes family members that are employed in the business).

Workplace Safety & Insurance Board
200 Front Street West
Toronto, ON M5V 3J1
Phone: 800-387-0080
Website: wsib.on.ca

Employer Health Tax

There are exemptions under the Employer Health Tax based on your total annual remuneration to employees. For more information, visit:

www.rev.gov.on.ca/english/taxes/eh/

Occupational Health and Safety Act

No matter what type of business you are starting or whether you will be employing one employee or several, there are some important rules and regulations to know under the Occupational Health and Safety Act. For more information or to obtain a copy of the Act, contact:

Ontario Ministry of Labour – Peterborough Office
300 Water Street North
3rd Floor, South Tower
Peterborough ON K9J 8M5
Tel: 705-755-4700 or 1-800-461-1425
Fax: 705-755-4724

Employment Standards Act

Before you hire an employee, it is important to know what their rights are, the minimum standards of pay, vacation and statutory holidays, etc. To obtain your copy of "A Guide to the Employment Standards Act" contact The Ontario Ministry of Labour – Peterborough Office. You can also download it from the Employment Standards Branch website: www.labour.gov.on.ca/english/es/index.html

Operating a food or health related business?

Check with the local health unit and the Ministry of Health for applicable regulations

Peterborough County-City Health Unit
10 Hospital Drive
Peterborough, ON K9J 8M1
Phone: 705-743-1000
Fax: 705-743-2897

Ministry of Health, Communications and Information Branch
9th Floor, Hepburn Block
80 Grosvenor Street
Toronto, ON M7A 1S2
Phone: 866-532-3161

Business Insurance

All businesses require some form of business insurance. Some of the types of insurance you may need to consider include:

- General liability
- Errors and omissions (professional liability insurance)
- Inventory and assets
- Vehicle
- Bonding

If you are running a home-based business be sure to call your insurer and let them know what you are planning to do. In most cases, there will be some change to your current premiums. An Insurance Broker can help you assess the types of insurance you will require. A list of brokers can be found in the yellow pages, or contact:

The Insurance Bureau of Canada
Suite 1800, 151 Yonge Street
Toronto, ON M5C 2W7
Phone: 800-387-2880
Website: www.ibc.ca

Other Professional Services

As an entrepreneur, you will be required to wear many different hats. Part of being a good entrepreneur is understanding what you are able to do yourself, and when to call in a professional. Yes, they will charge you for their services, but more often than not, they will save you money in excess of their fees. It is a good idea to find someone you are comfortable with and who knows your industry to assist you.

An Accountant

An accountant can help you with the financial aspects of your business. It is a good idea to seek an accountant's advice so that you will know from the start what records to keep and how to do so properly. An accountant can also assist you in deciding what form of business to choose and how to optimize your income tax planning.

A Lawyer

In business, you will likely experience a lot of dealings involving contracts. Some of them will be written, some of them will be verbal or implied. Your lawyer can help you understand your rights under a contract and advise you on the proper course of action. It is a good idea to have a lawyer review any documentation before you sign it, including a lease. A lawyer can also advise you regarding the legal liabilities related to the ownership of your business. Most incorporations are also done through a lawyer. A partnership agreement should also be drawn up between you and your business partner(s) using the services of a lawyer.

A Marketing Consultant

Depending on your business, you may wish to contract a marketing consultant or advertising agency to help you determine and design your advertising strategy. Having an advertising strategy is not just for big businesses. A well-designed advertising strategy with a clear and consistent message, together with a well-researched marketing plan will give you "the most bang" for your advertising dollar.

Free Service

The Business Advisory Centre is pleased to provide you with one free half-hour accounting appointment, one free half-hour legal appointment and one free half-hour financial appointment to discuss any business-related issues you may have. Call the Business Advisory Centre to schedule your appointment.

Conclusion

If you have further questions, please do not hesitate to contact or make an appointment with the Business Consultant.

The Centre also presents excellent, informative seminars and events throughout the year. Check our website for up-to-date listings.

Helpful Internet Sites

Municipal Sites

- Business Advisory Centre www.gpaedc.on.ca/bac.html
- G.P.A.E.D.C. www.gpaedc.on.ca
- City of Peterborough www.city.peterborough.on.ca
- County of Peterborough www.county.peterborough.on.ca
- Peterborough Public Library www.peterborough.library.on.ca
- Regional Business Database www.epeterborough.com

Provincial Government Sites

- Government of Ontario www.gov.on.ca
- Ministry of Economic Development & Trade www.ontariocanada.com
- Youth Opportunities Ontario www.youthjobs.gov.on.ca
- Canada-Ontario Business Service Centre www.cobsc.org
- Ministry of Government Services www.mgs.gov.on.ca
- Workplace Safety and Insurance Board www.wsib.on.ca
- ServiceOntario www.serviceontario.ca

Federal Government Sites

- Industry Canada's Strategis www.strategis.ic.gc.ca
- Statistics Canada www.statcan.ca
- Canada Revenue Agency www.cra-arc.gc.ca
- Canadian Intellectual Property Office www.cipo.gc.ca
- Government of Canada www.canada.gc.ca
- Service Canada www.servicecanada.ca
- Human Resources & Social Development Canada www.hrsdc.gc.ca

Financing

- Sources of Financing www.canadabusiness.ca/eng/82/

Databases/Directories

- Thomas Register www.thomasnet.com
- Thomas Food Industry Register www.tfir.com
- Canadian Trade Index www.ctidirectory.com
- Fraser's Canadian Trade Directory www.frasers.com
- Canada Yellow Pages www.yellowpages.ca
- Canada Post www.canadapost.ca
- On-Line Directory Assistance www.canada411.com
- Reverser Phone Directory www.reversephonedirectory.com

Marketing

- Guerilla Marketing www.gmarketing.com
- Web Marketing Today www.wilsonweb.com
- Government of BC – Marketing Guide www.smallbusinessbc.ca/pdf/marketingPlan.pdf