

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
Peterborough County	
Asphodel-Norwood	639-5343
North Kawartha Township (Burleigh-Anstruther-Chandos)	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/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.

Determine whether or not you need a Vendor Permit (PST)

In general, if you are selling a product, you must charge Provincial Sales Tax and if you are selling a service, you do not. **There are a lot of grey areas through, so it is important for you to determine whether your product or service is taxable.**

For further information, you can contact:

Ministry of Revenue Tax Office
33 King Street West
Oshawa, ON L1H 8H5
Phone: 866-668-8297
Fax: 905-433-6777

You can register for your Vendor Permit at the computer during the business name registration process. You can also apply over the phone. There is no charge to get a Vendor Permit. PST is an 8% tax.

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:
gov.on.ca

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

Determine whether you should register for the Goods and Services Tax (GST)

If your gross revenue (total sales before deducting expenses) will total more than \$30,000 in any twelve-month period, then you must register for the GST. Most goods and services are taxed at a rate of 5%. However, some of the goods and services (such as basic groceries, prescription drugs, etc.) are taxable at 0% - these are called zero-rated goods and services. If you think your good or service may be zero-rated, it is a good idea to verify with the Canadian Revenue Agency.

If your gross revenue will be less than \$30,000 per year, then you can voluntarily register for, and charge the GST. When making the decision to do so, consider the following:

- Will it be an accounting hassle? For some people (particularly those on a manual bookkeeping system, accounting for the GST means extra work).
- If you do not charge the GST, you can not get back the GST you paid out on your purchases (called an Input Tax Credit).
- Is it important to you for your business to appear successful? Not charging the GST will inform everyone that you do not have revenue of over \$30,000 per year.
- What are your customers used to? If you are in an industry where customers are accustomed to paying the GST, they may be suspicious if they are not charged it.

Business Number (BN)?

The Business Number is a similar concept to the Social Insurance Number (SIN) that individuals have. Your BN currently works for the following four major Canadian Revenue Agency (CRA) accounts:

- Goods & Services Tax (GST)
- Payroll deductions
- Import/Export
- Corporate Income Tax

You can register for your Business Number and/or find out more information about it by visiting www.businessregistration.gc.ca or by calling 1-800-959-5525.

For more information about the GST 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

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 705-750-4500 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.

GOOD LUCK WITH YOUR BUSINESS VENTURE!

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.strategis.ic.gc.ca/sources

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.worldpages.com
- 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.smallbusiessbc.ca/pdf/marketingPlan.pdf