

Starting a new Business?

Here's how to get started....

1. Business Plan
 - a. Using words and numbers, identify what you want and what you need to get there.
 - b. Summary of mission, mandate, market and methods.
2. Choose the Form of Business Ownership
 - a. Sole proprietor, sole owner/not incorporated
 - b. Partnership, more than one owner/not incorporated
 - c. Corporation, one or more shareholders
3. Choose a Name
4. Register your Business Name
 - a. Must register or incorporate if operating under any name but your own.
 - b. Registration is valid for 5 years, must renew within 2 months of the 5 year anniversary.
 - c. If you wait longer than 2 months than you must register again, it is too late to renew.
 - d. \$2,500 fine for not registering.
 - e. Can be done online at
<https://www.appmybizaccount.gov.on.ca/sodp/portal/osb>
5. Financing
 - a. If you plan on applying for financing to get your business started, count on needing a solid business plan.
 - b. Interest is deductible. Can use personal debt and assets if for business purposes.
6. Business License
 - a. Check into your municipality's regulations for different licensing requirements.
7. Register for HST
 - a. All businesses making \$30,000 or more in gross revenues must be registered for HST and remit all HST collected (quarterly or annually).
 - b. You may choose to wait until you reach the \$30,000 threshold to register for CRA, and some small businesses may not reach that income level so they are not required to register at all; however, you cannot claim the HST ITCs (input tax credits) that you have paid on expenses and asset purchases.
 - c. If your ITCs are greater than the tax you have collected on revenue than you receive a refund of the difference.



- d. Call CRA to open your HST account: 1-800-959-5525 (then *) or go online www.cra.gc.ca
8. Business Insurance:
 - a. Insurance is deductible if for business purposes, e.g. general liability, inventory & assets
 - b. Special rules for vehicle and home insurance
 - c. Contact your home insurance provider to ensure business coverage of home office
9. Register for Payroll
 - a. Before you hire your first employee, call CRA to open a payroll account. They will send you your first source deductions remittance form.
 - b. Source deductions include income tax, CPP and EI withheld from an employee's pay and can be calculated using the CRA's Payroll Deductions Online Calculator on their website.
 - c. Source deductions are due by the 15th of the following month. They are based on the date of the paycheques, not the pay period.
10. Determine if you need to register for WSIB: 800-387-0750 or <http://www.wsib.on.ca/>
11. Now that you have all those tasks done it's time to *Get Organized*
 - a. Open a business bank account.
 - b. Get business cheques with stubs or duplicates and use the memo line on cheques to identify reason for cheque.
 - c. Obtain a business credit card.
 - d. Keep all business receipts separate from personal.
 - e. Sufficient documentation for all money spent:
 - i. Always get a receipt with date, item purchased and HST on item.
 - ii. If the receipt is unclear, label it with missing information so there is no confusion.
 - f. If you are using a vehicle to do any business, you must keep a log of total km and identify which are used for business related trips. Track gas, insurance, repairs, and loan interest (or lease payments) for the year.
 - g. Home office:
 - i. Normally, can only claim this if you do not have a separate office away from home.
 - ii. Calculate a reasonable percentage of the area used as your office versus the total square footage of your house.
 - iii. Track utilities, mortgage interest, property taxes (or rent), and insurance for the year.

Remember, CRA requires you to keep records for six years (in addition to the year you're in).

Questions? We're here to help!