

# Getting Started in Business

The information you need to know to start your business on the right foot



## Is your business idea feasible? Will it be successful?

You have to determine if your idea will work and support you financially.

To estimate financial feasibility of a business venture:

1. Determine the total sales for all possible customers.
2. Estimate what portion of the above total will buy from your business to determine your predicted income.
3. Estimate the total costs to operate.
4. Evaluate if the projected net income, the difference between predicted income and costs to operate is enough.

## Business Plan

The results of your initial financial feasibility will provide the basis for your business plan. A business plan is a written document demonstrating where a business is going, how it will get there and what it will look like once it arrives. To view a copy of the business plan guide, visit <http://www.msvu.ca/cwb/links>

## Register Your Business Name

If you operate a business under a name other than your own, you must register with the Registry of Joint Stocks.

The Registry of Joint Stocks charges a fee to determine if your proposed business name is available. If the name is available, you must register it by obtaining a Certificate of Registration for which there is an additional cost. You must renew the Certificate of Registration annually. For further information visit <http://www.gov.ns.ca/snsmr/rjsc/>

## Proprietary Rights

Registering your business name does not necessarily give you proprietary rights to the business name. If you want to be sure you own your business name, you must trademark it. For more information, visit the Canadian Intellectual Property Office online at <http://www.cipo.gc.ca>

## Forms of a Business Organization

When you register your business name you must choose a form of business organization or ownership. You have a choice of sole proprietor, partnership, incorporation or cooperative. Go to your local library for information or visit the Centre for Women in Business' tools page for more details at <http://www.msvu.ca/cwb/links>

## Start-up Funds

All entrepreneurs require some funding for start-up and operation. The usual sources of funding for start up costs are personal savings. Federal and provincial government agencies, financial institutions, friends, and relatives may also provide financial support. Funders will want to see your business plan. For more information on funding, visit <http://www.strategic.ic.gc.ca>

## Bank Account

You will need to open a bank account in your business name. Be sure to always pay bills by cheque or business credit card, not cash, because Canada Revenue Agency requires business owners to have a "paper trail."

It's important to introduce yourself and your business to your banker. Periodically, you should let your banker know the status of your business. Then, if you require the bank's services at some point in time, the banker will be familiar with you, your business and your banking history.

## Municipal and Provincial Regulations, Licenses & Inspections

Is the location of your business zoned for business activity? Do you need an occupancy permit? Do you need a permit to renovate your premises? There are regulations governing business activities, including home-based businesses.

For information about the municipal permits you may require for your business visit an Access Nova Scotia office near you.

## Canada Customs & Revenue Agency (CRA)

You will require a business number from Canada Revenue Agency. If you have employees or charge HST you will also need to register with CRA. To register, or for more information, visit <http://www.cra-arc.gc.ca>

CRA also has many Interpretation Bulletins covering business topics such as work space in home expenses, capital cost, employee fringe benefits, convention expenses, etc.

## Accounting

Canada Revenue Agency requires that every business maintain a systematic set of accounting books that provide a “paper trail” (copies of invoices, receipts and cheques, etc.) of all business transactions. At the very minimum you should keep a list of your income and expenses outlining who, what, when, how and why. You should do a bank reconciliation each month.

## Harmonized Sales Tax (HST)

HST must be collected on sales over \$30,000 per year. Until you reach that sales point you have the choice of whether or not to register to collect HST. Investigate the pros and cons by visiting Canada Revenue Agency: <http://www.cra-arc.gc.ca>

## Interest on Overdue Accounts Receivable

If you want to charge interest on overdue accounts you must specify the terms on the initial invoice including the percent charged per month and per year.

For example: \_\_\_% per month, \_\_\_% per annum will be charged on accounts not paid within \_\_\_ days of the invoice date.

If you offer installment payments, conditional sales contracts or credit agreement forms, you must specify the same information but you must also register. For more information, visit CRA online at <http://www.cra-arc.gc.ca>

## Pricing

Many new entrepreneurs forget to include the cost of their labour and the cost per hour to produce/deliver their product/service in their selling price. It is important to include labour costs in the price of the product/service you sell. If you are unable to provide your product/service for some reason, such as illness, you may need to hire someone which would increase your expenses.

## Partnership Agreement

If you are forming a partnership you should develop a partnership agreement. There are numerous business books in the libraries with check lists for agreements. You can prepare your own agreement but often a lawyer is consulted for the preparation of the final, legal document.

## Direct Seller's License

The Direct Seller's License and Regulation Act requires that all persons must be licensed, who in the course of business sell, offer to sell or solicit orders other than from a recognized retail store. For more details on the Direct Seller's License and questions concerning specific examples, contact an Access Nova Scotia centre near you.

## Business Occupancy Tax

If you are a tenant or property owner who occupies or uses commercial space, you will be assessed for business occupancy tax. Businesses in each municipality pay business occupancy tax based on an assessment made by Service Nova Scotia and Municipal Relations. Contact the Regional Assessment office in your area.

## Labeling & Packaging of Non-Food Products

For information about the rules concerning packaged consumer products; clothing and other consumer textile articles; or, gold or silver jewelry or other consumer items made of precious metals, visit the Competition Bureau online at <http://www.competitionbureau.gc.ca>

## Labeling & Packaging of Food Products

In general, foods offered for sale in a package must be marked with specific information. For details, visit the Canadian Food Inspection Agency, <http://www.inspection.gc.ca>

You may need your premises inspected and licensed if you produce food. Find out by visiting the Nova Scotia Department of Agriculture, Food Safety Section at <http://www.gov.ns.ca/agri/foodsafety/whatis.shtml>.

## Product/Service Name

If you produce and sell handiwork or other products and services that have a distinguished label or trademark such as a word, symbol, design or some combination, it is possible, although not mandatory, to register the mark. If you do not register the mark someone else can use it. For more information check out the Canadian Intellectual Property Office at <http://cipo.gc.ca>

## Copyright or Patent

A copyright, if you qualify for one, demonstrates that you own the product and that you can choose to give, sell or lease the material. If you wish to copyright literary, musical, dramatic or artistic works, or to patent an invention of some description, visit Canadian Intellectual Property Office at the Canada Business Services for Entrepreneurs at <http://cipo.gc.ca>

## Health & Safety Policy

Under the revised Occupational Health & Safety Act, effective July 1, 1997, Occupational Health & Safety policies must be in place in all organizations which have five to 19 employees. Organizations employing 20 or more must have an OH&S policy and program. The Act requires workplaces to have written health and safety policies to help prevent accidents, thereby eliminating/preventing injuries and illnesses.

The Nova Scotia Department of Environment and Labour's Occupational Health & Safety Division has produced a "How-To" guide to help organizations set up and implement an occupational health & safety policy and program. The how-to guide explains the elements required in an occupational health and safety program, including training, evaluation of work practices, joint occupational health and safety committees and a system of identifying and monitoring health hazards. Contact the Nova Scotia Department of Labour and Workforce Development for more information at <http://www.gov.ns.ca/lwd/employmentworkplaces/>

## Workers' Compensation

Most employers doing business in Nova Scotia are required to have workers' compensation coverage for their full-time, part-time and casual workers, as well as some subcontractors. This includes out-of-province employers doing business in Nova Scotia for more than five days. Certain industries, however, are excluded from mandatory coverage, and these are listed in the Workers' Compensation General Regulations.

Also excluded from coverage are employers in mandatory industries that have less than three workers. However, when their total number of workers reaches three or more, coverage is required immediately. Officers and directors are considered workers for purposes of determining the requirement for coverage, but are not included in the calculation of assessable payroll, nor are they covered if they are not carried on the payroll at their actual earnings. For complete details, contact the WCB online, <http://www.wcb.ns.ca>

## Labour Standards

When are the statutory holidays? What is the minimum wage? How many weeks should an employee work after you have given them a termination notice? What are the regulations regarding pregnancy and parental leave? These and other related questions can be answered by the Nova Scotia Labour Standards Division: 902-4244311. If you have questions about labour standards involving federal crown corporations or federal enterprises like a railway or an airline, visit the Human Resources and Social Development Canada, Labour Program at [http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/labour.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml)

## Insurance

Insurance helps you manage risk. Every business, including home-based businesses, needs business insurance. Some household insurance policies may cover some home-based business insurance needs. Some of the common types of insurance that you might consider include vehicle insurance, product or service liability insurance, general liability, and/or business premises/contents insurance.

As a business owner, you should consider obtaining life insurance, disability insurance, critical illness insurance, partnership insurance, key person insurance business property and liability insurance.

It is best to speak with an insurance broker familiar with your type of business. They will be able to tell you what insurance coverage you should have. If you make changes to your insurance policy, be sure to get them in writing.



## Web Resources

Canada Customs and Revenue Agency  
[www.c CRA-ADRC.gc.ca](http://www.c CRA-ADRC.gc.ca)

Canada Food Inspection Agency  
[www.inspection.gc.ca](http://www.inspection.gc.ca)

Canada Business Services for Entrepreneurs  
[www.canadabusiness.ca](http://www.canadabusiness.ca)

Halifax Public Libraries  
[www.halifaxpubliclibraries.ca](http://www.halifaxpubliclibraries.ca)

Halifax Regional Municipality - Assessment Services  
[www.region.halifax.ns.ca/revenue/tax/taxmain.html](http://www.region.halifax.ns.ca/revenue/tax/taxmain.html)

Industry Canada - Competition Bureau  
[www.competitionbureau.gc.ca](http://www.competitionbureau.gc.ca)

Insurance Bureau of Canada  
[www.ibc.ca](http://www.ibc.ca)

Intellectual Property  
<http://cipo.gc.ca>

Nova Scotia Dept. Agriculture and Fisheries, Food Safety Section  
[www.gov.ns.ca/nsaf/foodsafety](http://www.gov.ns.ca/nsaf/foodsafety)

Nova Scotia Dept. Finance (Statistics Division)  
[www.gov.ns.ca/finance/statistics/agency/index.asp](http://www.gov.ns.ca/finance/statistics/agency/index.asp)

Nova Scotia Dept. Environment and Labour  
[www.gov.ns.ca/enla/employmentworkplaces](http://www.gov.ns.ca/enla/employmentworkplaces)

Service Nova Scotia and Municipal Relations (Access NS)  
[www.gov.ns.ca/snsmr](http://www.gov.ns.ca/snsmr)

Statistics Canada  
[www.statcan.ca](http://www.statcan.ca)

Strategis  
[www.strategis.ic.gc.ca](http://www.strategis.ic.gc.ca)

Workers Compensation Bureau  
[www.wcb.ns.ca](http://www.wcb.ns.ca)

[www.centreforwomeninbusiness.ca](http://www.centreforwomeninbusiness.ca)



### Centre for Women in Business

The Meadows, 2nd Floor  
166 Bedford Hwy, MSVU  
Halifax, NS B3M 2J6

P. 902-457-6449  
1-888-776-9022  
F. 902-443-4687  
[cwb@msvu.ca](mailto:cwb@msvu.ca)

*The information in this publication was compiled as a service to our clients. At time of production, the information was current. June 2009.*

**The Centre for Women in Business is supported by:**



*Printed with the kind support of Minuteman Press, Dartmouth.*