



# GUIDE TO STARTING A SMALL BUSINESS IN WAWA

ECONOMIC DEVELOPMENT CORPORATION OF WAWA 2010



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**This document is intended only as a guide for general business start up. It is strongly recommended that you contact each individual, ministry or government agency, to determine the guidelines and requirements for your particular type of business. The Wawa EDC has provided you with this information but is not responsible for any errors or misuse.**



**Think outside the box!**

# Guide to Starting a Small Business in Wawa

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# Choosing a Business Structure

The following chart lists and describes the advantages and disadvantages of the common structures of business.

Business Structure	Advantages	Disadvantages
Sole Proprietorship	<ul style="list-style-type: none"> <li>- Easy and inexpensive to form</li> <li>- Direct control of decision making</li> <li>- All profits will go directly to you</li> <li>- Simple record keeping</li> </ul>	<ul style="list-style-type: none"> <li>- Unlimited liability</li> <li>- Difficulty raising capital</li> <li>- Lack on continuity</li> </ul>
Partnership	<ul style="list-style-type: none"> <li>- Easy to start up</li> <li>- Broader management base</li> <li>- Possible tax advantage</li> <li>- Low start up costs</li> <li>- Limited regulation</li> </ul>	<ul style="list-style-type: none"> <li>- Unlimited liability</li> <li>- Hard to find suitable partner</li> <li>- Possible development of conflict</li> <li>- Lack on continuity</li> <li>- Difficulty in raising additional capital</li> </ul>
Corporation	<ul style="list-style-type: none"> <li>- Limited liability</li> <li>- Easier to raise capital</li> <li>- Ownership is transferable</li> <li>- Continuous existence</li> <li>- Possible tax advantage</li> <li>- Separate legal entity</li> </ul>	<ul style="list-style-type: none"> <li>- Closely regulated</li> <li>- Double taxation</li> <li>- Expensive to incorporate</li> <li>- Extensive record keeping</li> <li>- Charter restrictions</li> </ul>

## ***Sole Proprietorship***

### Registration Procedure

The registration of a business can be done on-line with ServiceOntario or with the Companies and Personal Property Security Branch (CPPSB) of the Ministry of Government and Consumer Services (MGCS). Applications must be made within 60 days of commencing the business. Once registered, the Ontario government issues a Master Business License along with the expiry date on the bottom of this document. Every business registration is valid for five years, after which you need to renew.



A sole proprietorship is not required to register if the business is carried out under the owner's exact given name. For example:

John Smith does not need to register  
 John Smith Enterprise does need to register

A sole proprietorship does not require a name search by law. If you choose to request one, the fee is \$8.00-\$12.00 for each name, depending on where and how you conduct the search. The fee for registration with ServiceOntario is \$60.00 and the fee with CPPSB is \$80.00. These payments are payable by cash, cheque or money order to the Ministry of Consumer and Business Services. The cheque is made out to the Minister of Finance. If you register in person, you will receive your Master Business License on the spot. If you register online, it will take 2-3 days. Lastly, if you mail in your business registration, it will take 6-8 weeks to receive your Master Business License. Below is contact information as to where you can register or renew your business in Wawa, Ontario.

**Ministry of Northern Development, Mines and Forestry**

Highway 101 P.O Box 1370

Wawa, ON P0S 1K0

Phone: (705) 856-2354

Fax: (705) 856-7511

Website: [http://www.ontario.ca/en/services\\_for\\_business](http://www.ontario.ca/en/services_for_business)

Protection of a Business Name

A business name is protected by a trademark, not by name registration. The Business Names Act does not prohibit the registration of identical names, so you could register a business name that another company is already using. Without a request for a name search, the Ministry of Consumer and Business Services does not check to see if it has already been registered under the same name.

The individual who registers and uses the name first will have priority claim to it regardless of whether the business is incorporated or not. Any legal protection of the name arises under common law. If you do register a name that is similar to an existing one, a lawsuit could result.

A sole proprietorship cannot use Corporation, Limited, Incorporated, or such abbreviations in the name. Other restricted names include Cooperative, Association Club, College or Amalgamated.

Liability

As a sole proprietorship, the owner is inseparable from the business. Therefore, the owner will be held financially and legally responsible for debts and legal action brought against or upon the business. If the business is sued or forced into bankruptcy, the individual is personally liable to satisfy the creditors and/or lawsuit. Liability insurance can be purchased from an insurance company and is a wise precaution, especially in a higher risk industry such as construction and food services.

## Income Tax

A sole proprietorship is taxed through the personal tax return of the owner. The owner includes the income from business activities for that year, as well as his/her personal income tax return.

An income statement, which includes revenue and expenses, must be prepared for the business. You will need supporting documents, such as the appropriate books, records, invoices and receipts, for all the information reported on the tax return.

You can deduct any reasonable expenses related to your businesses activities. You cannot deduct personal expenses. Some business expenses you can claim are advertising, salaries, 100% or 50% of business meals and entertainment, capital cost allowance (depreciation) on buildings, equipment and vehicles, and insurance and mortgage interest based on the portion of your home you use as your home office. For more information, contact the Canada Customs and Revenue Agency for the Business and Professional Income Guide.

## Required Reporting and Record Keeping

Keeping records is crucial for the successful management of a business. As a sole proprietorship, you should maintain books and records for a minimum of six years. If your business utilizes computerized bookkeeping, you should make a printed record available. You should never mix your personal banking with your business banking to prevent financial complications. A separate business bank account should be set up. You must maintain a record of assets, including date of acquisition, cost and from whom the asset was acquired.

You must report the registration of the business name (if operating under a name other than your exact personal name), and renew it every five years. You must also file an income tax return with the Canada Customs and Revenue Agency at the end of the year of operation.

When employees are involved, you must maintain payroll records for each individual employee and keep them for a minimum of six years. The employee is responsible for the preparation of the Canada Customs and Revenue Agency "T4" information slips.

## Salaries, Wages and Payroll Deductions

The owner of a sole proprietorship may draw money from the business; however, this is not a deductible expense for income tax purposes. The amount drawn must be added back to the net revenue when completing the income statement for Canada Customs and Revenue Agency.

The sole proprietor is not eligible for Employment Insurance and, therefore, is not required to pay the premiums. However, Canada Pension Plan contributions are required. They are made in quarterly installments based upon the income earned by the business. The sole proprietor may pay for coverage under the Workplace Safety and Insurance Board.

When employees are hired, the employee must pay his/her portion of both Employment Insurance and Canada Pension Plan contributions. Workplace Safety and Insurance and Employer's Health Tax contributions, if applicable, are covered 100% by the employer. Employee wages and benefits are a tax deductible expense for income tax purposes.

Family members may be hired and their salaries and benefits may be used as a tax deductible expense providing the wages are reasonable in view of the services rendered.

### Closing Your Business

When closing down a business, you should notify the Canada Revenue Agency to file a final tax return, pay any outstanding tax amounts, or finance your succession plan. If the business was registered, it should be cancelled at the Ministry of Consumer and Business Services or the Ministry of Northern Development, Mines and Forestry in Wawa.

When employees are involved, you should discuss the situation with them, as well as inform your bankers, suppliers and customers of the change in status.

## ***Partnership***

(Many of the procedures will be identical or similar to that of a sole proprietorship)

### Business Registration

The business registration is the same as Sole Proprietorship.

### Protection of a Business Name

Protection of a business name is the same as a Sole Proprietorship.

### Liability

As in the case of a sole proprietorship, the partners are financially and legally inseparable from the business.

A General Partnership agreement is the most common type of partnership. Each partner is jointly and severally, share all profits, losses, management, authority, and risk for the business. Importantly, all partners have unlimited liability, which means that they may lose more than they originally invested.

In a Limited Partnership agreement, each of the general partners has unlimited liability for the debts of the partnership, but the limited partner's exposure to the debts of the partnership is limited to the contribution each has made to the partnership.

A liability insurance policy is a wise investment when involved in a partnership. Liability insurance can protect your general partners of limited partnerships from lawsuits alleging mismanagement.

### Income Tax

The net income derived from a Partnership is taxed at the personal income tax rate.

A statement of income and expenses from the business must be prepared. The net income is then allocated to each partner according to his/her percentage interest in the partnership. Each partner reports this income on his or her personal income tax return. After the first year of operation, income tax must be remitted on a quarterly basis in advance.

In the case of a limited partnership, the limited partner can claim their share of deductions and losses that the business incurs against their other income. These write-offs may include equipment costs, however, "soft costs" such as legal fees, may be limited.

### Reporting and Record Keeping

Reporting and record keeping is the same as Sole Proprietorship for a general partnership. In a limited partnership, an accountant will be required to prepare financial records.

### Salaries, Wages and Deductions

Salaries, wages and deductions are same as a Sole Proprietorship.

### Closing Your Business

When all partners want to close down a business, you should notify the Canada Revenue Agency to file a final tax return, pay any outstanding tax amounts, or finance your succession plan. If the business was registered, it should be cancelled at the Ministry of Consumer and Business Services or the Ministry of Northern Development, Mines and Forestry in Wawa.

When one or more partners decide to leave the business, the change in structure must be registered with the Ministry of Consumer and Business Services. The Partnership Agreement should be altered to reflect the updated situation.

If the business has been profitable, the departing partner(s) should be remunerated to the extent of the value of their percentage in the Partnership. In many cases, the remaining partner(s) will purchase this interest. However, an accountant may have to be utilized to estimate the value of the departing partner's interest. Any capital gain or loss incurred on



disposal of the partnership interest must be reported to the Canada Customs and Revenue Agency.

## ***Corporation***

### Registration Procedure

#### Provincial Corporation

Registering a corporation in Ontario can only create a company that is a legal entity. Requirements for a corporation include:

- Name Search – This search confirms no one else has a business or registered trade mark with the same name or similar to the name you've chosen for your corporation. You must provide a current NUANS (New Upgraded Automated Name Search) report with your application for incorporation
- Articles of Incorporation – This is a form under the Business Corporations Act. It details the Corporation's name and address, the number of directors and their names and addresses, business objectives, company structure, and number and value of shares authorized and issued.
- Covering Letter – This covering letter identifies the name, return address and telephone number of a contact for the corporation.
- File your Application – Your application must include all of the above. If you are filing your documentation in person or by mail at the Companies Branch, or at the Land Registry Office, the registration fee is \$360.00. If you are filing electronically, you will pay the statutory fee of \$300.00, plus the fee charged by the primary service provider.

Although it is not required, it is recommended that a lawyer be used to incorporate since it can be a complicated procedure. This is to assure that the owners and directors are familiar with all the legal and reporting requirements of a corporation and their personal responsibilities.

#### **Contact: Companies and Personal Property Security Branch**

#### **Ministry of Government and Consumer Services**

Toronto, ON M5G 2M2 393 University Ave., Suite 200

Telephone: (416) - 314-9151

Toll Free: 1-800-565-1921

## Protection of a Business Name

Unless an assigned number is being used as the corporate identity, the NUANS search must be undertaken. When the chosen name is accepted for registration, one can be assured that a similar name is not being utilized by another corporation within the relevant jurisdiction.

The corporation's name is protected in Ontario only, unlike Federal Corporation which creates a legal entity throughout Canada. A Federal protection gives the corporation the right to operate anywhere in Canada and the name is protected nationwide. If the corporation decides to change from a Provincial to a Federal corporation, the name search process would have to be repeated on a Federal basis.



The company may choose between one of the four corporation designations and their respective abbreviations:

- Limited (Ltd.)
- Limitee (Ltee.)
- Incorporated(Inc.)
- Corporation(Corp.)

Once a selection has been made, another designation cannot be used. The business will receive protection under the Ontario Business Corporations Act. If another company is using a corporate name deceptively similar to your business name, an objection can be filed with the Companies Branch of the Ministry of Consumer and Business Services. In addition, the Corporation may rely on the protection provided by common law.

## Liability

A corporation is a separate legal entity. The liability of a shareholder in a corporation is limited to his/her investment in the corporation. If a corporation is sued, only the company's assets may be seized to satisfy the creditor's claims. The directors of a corporation may be held personally liable for unpaid payroll obligations and corporate taxes. If it is proven that the directors did not operate the business in a prudent manner, they may also be personally responsible for liabilities.

Often, when a corporation obtains debt financing, the lending institution will require the personal guarantee of the owners, along with the personal collateral security, to support the loan. If the corporation cannot repay the debt, the lending institution will look to the guarantees for repayment.

## Income Tax

Corporations in Canada are subject to Corporation Income tax rates. Both the Federal and the Provincial governments collect income tax, which is referred to as double taxation. The corporation's net income will be taxed plus the owners and/or employees are required to remit their personal income tax forms. Salaries, dividends and bonuses received from the corporation must be declared as income. A corporation is also required to pay a capital tax that is based upon the paid-up capital of the business. The taxation year corresponds to the fiscal year for which the corporation has to prepare its financial statements. A new corporation is not required to pay income tax until after the first year of operation; therefore, remittance is made on a monthly basis.

## Required Reporting and Record Keeping

Reporting and record keeping can be difficult to keep up within a corporation and it can prove to be a real problem if it is not done correctly. Below are examples of the kinds of things a corporation may have to record.

- Initial Corporation documents such as articles, NUANS, etc.
- Initial notice of Corporation
- Initial corporation tax questionnaire
- Any notice of change to be filed with the Ontario Ministry of Consumer and Business Services. This includes any changes with directors, addresses, business objectives or share structure. Failure to submit this information may result in cancellation of Certificate of Incorporation or a fine
- Board minutes should be documented
- Written records of corporation by-laws, borrowing, by-laws and resolutions
- Shareholder minutes should be documented
- Regular income tax reporting as well as annual preparation by a qualified professional
- A permanent record of assets on which capital cost allowance is claimed
- Special contracts and agreements
- Books and records to be retained for a minimum of six years
- Public corporations are subject to additional, severe reporting requirements
- Required record keeping for Provincial and Federal Sales Tax, employee wages, CPP and EI, where applicable

## Salaries, Wages and Payroll Deductions

Shareholder/Owners of a corporation may be employed by the corporation and be paid a salary or a wage. The corporation must make payroll contributions for CPP and EI based on employee contributions. These wages and benefits are deductible expenses and can be used to reduce the corporation's taxable income. There is no legal restriction on hiring family members as long as the salaries paid are reasonable in view of the services rendered.

The corporation must pay Workplace Safety and Insurance Board premiums where applicable. The corporation is also responsible for Employee Health Tax contributions.

Shareholders can receive a share of the profits via the payment of dividends. Dividends are paid out after tax and they do not reduce the corporation's taxable income. Another method of management remuneration is through bonuses.

### Closing the Corporation

The dissolution of a corporation is complex. It is wise to utilize a lawyer or accountant before you go any further. The requirements for dissolution are usually stated in the Articles of Incorporation that you should have read over before incorporating a business.

If the corporation has been profitable, the shareholders will be reimbursed for the assessed value of their shareholdings, which after any outstanding debts have been retired. Any capital gains or losses incurred by the shareholders must be reported to the Canada Customs and Revenue Agency.

Final financial statements will have to be prepared and accounts owing to the Canada Customs and Revenue Agency and Ontario Ministry of Finance must be settled.

## **Business Plan**

Why do you need a business plan?

Below is a list of the reasons as to why you need a business plan

- To focus your efforts, set objectives, and company direction
- To enable you to spot potential pitfalls before they happen
- To set realistic targets that allow some flexibility, without steering away from main objectives, for some 'fine-tuning' along the way
- To enable you to track your growth
- To structure the financial side of your business and,
- To raise finance

Where to Start?

### **Economic Development Corporation of Wawa**

The Economic Development Corporation of Wawa can help you:

- Locate financing and incentive options
- Locate available sites and buildings
- Guide you in workforce solutions
- Research project feasibility and business planning.

The Economic Development Corporation also provides a **Virtual Business Advisor**

### What is a Virtual Business Advisor?

A Virtual Business Advisor allows the public to come into the EDC office at their convenience to meet one-on-one via webcam with business experts from Sault Ste Marie to help you:

- Write your business plan
- Review funding opportunities
- Discuss your business ideas

To set up a meeting or to find out more information on the Virtual Business Advisor you can contact the Economic Development Corporation of Wawa at: 705.856.4419 or e-mail [info@edcawa.ca](mailto:info@edcawa.ca).

### **Superior East Community Futures Development Corporation**

The Superior East Community Futures Development Corporation assists the communities of Wawa, Chapleau, White River and Dubreuilville. They pursue socio-economic development goals and provide assistance to local businesses. Superior East Futures Development Corporation participates by acting as a partner, leader, or catalyst, providing expertise and resources in the area of small business lending and counselling, as information providers, and as community development practitioners. Their building is located on 14 Ganley St. in Wawa.

Superior East Futures Development Corporation ([www.superioreast.on.ca](http://www.superioreast.on.ca)) has an excellent business planning template on their website. The Business Plan Template includes:

- History and Management
- Business Overview
- Products/Services Competition
- Industry Overview
- Marketing and Operations
- Sales Forecast
- Expense Forecast
- Financial Details
- Cash Flow Budget template



To view the sample business plan template go to:

<http://www.communityfutures.com/cms/fileadmin/files/cfdc/pdf/BizPlan.pdf>

## Financing a Small Business in Wawa

There are both government and private sector sources of financing for your business.

### **Northern Ontario Heritage Fund Corporation – Young Entrepreneurs**

The NOHFC Young Entrepreneur program aims to mobilize a new generation of entrepreneurs and community builders in the North. Up to \$125,000 is available to Northern Entrepreneurs.

To find out if you are eligible for the Young Entrepreneur program go to:

[http://www.mndm.gov.on.ca/nohfc/programs/nyep\\_e.asp](http://www.mndm.gov.on.ca/nohfc/programs/nyep_e.asp)

### **Superior East Community Futures and Development Corporation**

The Superior East CFDC offers small business loans and counselling to the residents of the region. The organization is also involved in regional economic development. Working with representatives of the four communities, the organization strives to improve the social and economic environment of the region. To view the SECFDC go to: [www.superioreast.on.ca](http://www.superioreast.on.ca)

Below is a list of more institutes that provide funding for a business.

#### **Northern Credit Union**

14 Mission Road, Wawa ON  
Telephone: (705) 856-2322  
[www.northernku.com](http://www.northernku.com)

#### **Canadian Youth Business Foundation**

100 Adelaide Street West Suite 1410  
Toronto ON, M5H 1S3  
[www.cybf.ca](http://www.cybf.ca)

#### **Royal Bank of Canada**

72 Broadway Avenue, Wawa ON  
Telephone: (705) 856-2261  
[www.rbc.com](http://www.rbc.com)

#### **Northern Ontario Heritage Fund**

Telephone: (705) 856-2369 Ext. 290  
[www.mndm.gov.on.ca/nohfc](http://www.mndm.gov.on.ca/nohfc)

#### **Business Development Bank of Canada**

153 Great Northern Road, Sault Ste. Marie  
ON  
[www.bdc.ca](http://www.bdc.ca)

#### **Superior East Community Futures Development Corporation**

14 Ganley Street, Wawa ON  
Telephone: (705) 856-1105 Toll Free: 1 800-387-5776  
[www.superioreast.on.ca](http://www.superioreast.on.ca)

## How to Register Your Business in Wawa

The Ministry of Northern Development and Mines (MNDM) has registration forms for proprietorships and partnerships. The Service Ontario Information Centre is where you register for a corporation.

#### **Ministry of Northern Development and Mines**

P.O. Box 1370, Highway 101  
Wawa, ON P0S 1K0  
Telephone: 705.856.2396 ext: 290  
[www.cbs.gov.on.ca/mcbs/english/company\\_infor.htm](http://www.cbs.gov.on.ca/mcbs/english/company_infor.htm)

#### **Service Ontario Government Information Centre**

P.O. Box 1370, Highway 101  
Wawa, ON P0S 1K0  
Telephone: 705.856.2354 Fax: 705.856.7511

The MNDM has an Ontario Business Connects workstation (OBC). You can register your business (sole proprietorship and general partnership only) at their workstation. You can also apply for a vendor permit (PST), Workplace Safety and Insurance (WSIB) account and Employer Health Tax (EHT) account. The cost is \$60.00 (VISA or Master Card) and it is payable to AMEX.

The Ontario Business Registration may also be downloaded from their website and mailed in for processing. The fee for a mailed in form for a business name registration or renewal is \$80.00, payable by cheque or money order to the Minister of Finance. A name search is also available by mail for an additional fee of \$12.00. You may download the registration form from [www.cbs.gov.on.ca/english/4TG2AW.htm](http://www.cbs.gov.on.ca/english/4TG2AW.htm)

It is important to note that one cannot open a business bank account without proof of business registration. It is highly recommended not to use a personal bank account for financial business transactions. Cash receipts and disbursements from business transactions should be kept in a business bank account for income tax and record keeping purposes.

## Business Name

The registering of your business does not grant you exclusive use of the name. It is the registrant's responsibility to ensure the name is not already in use. Business name search forms for proprietorships, partnerships and corporations are available at the Government Information Center at MNDM for a fee of \$8.00. They will find out if another company is already registered in Ontario under your proposed business name.



For more information on how to register your business name go to: [www.ontario.ca/en/services\\_for\\_business/index.htm](http://www.ontario.ca/en/services_for_business/index.htm)

## BIZ PAL

To help you understand which permits may be required to operate your business, PIZPAL is also an easy and convenient on-line tool that serves as a one-stop access to provincial and municipal permit and licence information and can be accessed at [www.edcwawa.ca](http://www.edcwawa.ca) or [www.bizpal.ca](http://www.bizpal.ca).

## Municipal Business License

Licensing from Wawa is required for many types of businesses. Entrepreneurs should contact the Municipality of Wawa to obtain information regarding fees and regulations. Applications forms available on-line at <http://www.wawa.cc/contentadmin/UserFiles/File/Online%20Documents/BusinessLicenceApplication.pdf> or in person at:

### The Corporation of the Municipality of Wawa

40 Broadway Avenue P.O. Box 500  
Wawa, ON P0S 1K0 Telephone: (705) 856-2244 Ext. 221

## Home Based Business

Frequently, businesses are operated from a private residence. Wawa's Zoning By-Laws define these as "Home Occupations". Home occupations usually provide no external evidence that a business is being operated within the residence. Zoning regulations also address such matters as building size, number of employees and parking requirements, to prevent Home Occupations from becoming a public nuisance with regard to noise and traffic. For more information regarding Home Occupations contact the Municipality of Wawa at the address above.

## Zoning Regulations

When deciding upon a location for your business, it is essential that you determine the zoning of the site. In Wawa, Zoning By-Law 385-85 lists those uses, which are permitted within specified areas of the town. The Zoning By-Laws set certain lot and yard standards for new development, which varies from zone to zone. For detailed information on Zoning By-Laws Regulations contact the Municipality of Wawa at the address above.

## Registering for HST

The harmonized sales tax (HST) is a tax that applies to the supply of most goods and services in Canada. The HST rate for Ontario was effective July 1<sup>st</sup>, 2010 and is 13% (a 5% federal part and an 8% provincial part). Almost everyone has to pay HST on purchases of taxable supplies of goods and services. Some sales or supplies are exempt from HST. A few common examples of exempt goods and services are:

- used residential housing;
- most health care and dental services;
- certain childcare services; and
- many educational services.



Although the consumer pays the tax, the businesses are generally responsible for collecting and remitting it to the government. Businesses that are required to have an HST registration number are called registrants.

If your worldwide revenues are \$30,000 or less, it is not mandatory for your business to register for an HST account, but you can voluntarily register. You may want to do so for the following reasons:

- you want to claim input tax credits to recover the HST you pay or owe on your business purchases
- you are starting your business activities and you want to register before your total worldwide revenues of taxable goods and services exceed \$30,000
- your clients may only do business with businesses registered for HST

Registrants collect the HST on most of their sales and pay the HST on most purchases they make to operate their business. You can claim a credit, called an input tax credit (ITC), to recover the HST paid or owed on the purchases they use in their commercial activities.

Registrants must meet certain responsibilities. Generally, they must file returns on a regular basis, collect the tax on taxable supplies they make in Canada, and remit any resulting net tax owing.

For more information contact:

### **Canada Revenue Agency**

130 South Syndicate Avenue Thunder Bay, ON P7E 1C7

Telephone: (800) 959-5525 Fax: (807) 622-8512

Website: <http://www.cra-arc.gc.ca/menu-eng.html>

## **Hiring Employees**

Managing employees can be one of the most complex things that a small business owner has to do. From finding the right person to managing payroll to keeping people motivated and more, there are many things for you to consider. When hiring employees you must contact all three of the following agencies.

### **Income Tax and Payroll Deductions**

#### **Canada Revenue Agency**

130 South Syndicate Avenue

Thunder Bay, ON P7E 1C7

Telephone: (800) 959-5525

Fax: (807) 622-8512

Website: [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)

### **Workplace Safety and Insurance Board**

WSIB General Inquiry

153 Great Northern Road

Sault St. Marie, ON P6B 4Y9

Telephone: (705) 343-1978

Toll Free: (800) 461-6005

Website: [www.wsib.on.ca](http://www.wsib.on.ca)

### **Employer Health Tax Ministry of Finance**

447 Mckeown Avenue, Suite 102

North Bay, ON P1B 9S9

Telephone: (705) 474-4900

Toll Free: (800) 461-1564

Fax: (705) 495-3805

Website: [www.fin.gov.on.ca](http://www.fin.gov.on.ca)



## Other Licenses

### Tourist Establishment Licenses

All establishments providing accommodations for the general public, including hotels, motels, tourist resorts and campgrounds must be licensed by the province. If not alcoholic beverages are served and the selected site conforms to local by-laws then a license may be obtained by submitting plans to the Ministry of Northern Development, Mines and Forestry or by contacting the Ontario Ministry of Tourism and Recreation. Providing there have been no changes from the original plan, a license will be issued when the establishment is ready to open. Tourist establishment license fees are \$20 per year for residence and \$60 per year for non-residence. Below is the contact information for the Ontario Ministry of Tourism and Recreation.

#### **Ontario Ministry of Tourism and Recreation**

Suite 33, 435 James Street  
Thunder Bay, ON P7E 6S7  
Telephone: (800) 465-6861  
Website: [www.tourism.gov.on.ca](http://www.tourism.gov.on.ca)



### Liquor License

Those who propose to operate an establishment where alcoholic beverages are served must first make a formal application and submit both application and license fees. License fees can cost either \$925 or \$1,055 (depending upon whether the advertising is exempt) and will be good for two years. A renewal fee will be \$450. You also will not want to wait until the license expires, since you will then need to fill out all of the documentation once again. Below is the contact information for liquor license regulations and applications.

#### **Alcohol and Gaming Commission of Ontario (AGCO)**

Telephone: (800) 522-2876  
Website: [www.agco.on.ca](http://www.agco.on.ca)

### Delivery and Transport License

Inter city transportation of goods for compensation requires the carrier to hold an Operating License that contains the appropriate class of authority to allow the undertaking. Applications can be acquired from the following contact information.

#### **Ministry of Transportation**

740 Great Northern Road  
Sault St. Marie, ON P6A 5K7  
Telephone: (705) 945-9393  
Website: [www.mto.gov.on.ca](http://www.mto.gov.on.ca)

## Food Premises Regulations

All businesses in Ontario engaged in the preparation or serving food must comply with Ontario regulations. It is the responsibility of the Algoma Health Unit to provide health inspectors to carry out inspections to ensure these Provincial Standards are met.

### **Algoma Health Unit**

18 Ganley Street

Wawa, ON P0S 1K0

Telephone: (705) 856-1751

Website: [www.algomapublichealth.com](http://www.algomapublichealth.com)



## **Buying an Existing Business**

When buying an existing business it is important that you do your homework to ensure that you buy the right type of business and that you pay a fair price for it. There are four steps when deciding to purchase an existing business. You need to evaluate the business, determine the cost, finance your acquisition, and final considerations. After considered all four steps, a clearance certificate is required from the existing owner. This can be obtained from the Ministry of Finance.

### Evaluate the Business

You will need to consider:

- Are the building, equipment and inventory operational?
- Does the business have a good reputation?
- How visible and easily accessible is the business? Where is it located? You will have to take into account shipping costs that will be necessary, if you are distant from your suppliers and customers
- Are the products or services generating revenue? Are sales increasing, decreasing or are they flat?
- Is there a good working relationship with the suppliers and banks that the business deals with?

### Determining How Much to Pay for a Business

As a new buyer, it all comes down to knowing what you can honestly afford before negotiations start. What is the value of the business?

- You may want to investigate the value of assets, such as the building, equipment and products

- Other factors to consider are the businesses financial statements, annual reports and intellectual property (patents, trade-marks, etc.)
- Investigate reputation, customer lists, quality of personnel, etc.

You may even want to try and talk to clients from the business. It is better to find out a business' reputation before you sign the deal.

### Financing your Acquisition

You will need money in order to buy the business and may need some working capital to get things going. If there's not the amount of money from that source, a loan from the bank can be helpful.

### Final Considerations

When buying an existing business there are a few more things you should consider.

- Take your time and verify all information you are given
- Buy a business within an industry you are familiar and comfortable with
- Buy based on the return on investment and not the price, no matter how cheap it may be!
- Don't use all your cash for the purchase

## **Helpful Resources**

### **Superior East Community Futures Development Corporation**

14 Ganley Street, Wawa ON

Telephone: (705) 856-1105

Toll Free: 1 800-387-5776

Website: [www.superioreast.on.ca](http://www.superioreast.on.ca)

### **Enterprise Centre**

Civic Centre, 99 Foster Drive, Sault St. Marie, ON

Telephone: (705) 759-5461

Toll Free: (800) 565-4507

Website: [www.sault-canada.com/ecssm/](http://www.sault-canada.com/ecssm/)

### **Canada Ontario Business Service Centre**

Telephone: (800) 567-2345

Fax: (800) 240-4192

Website: [www.canadabusiness.ca](http://www.canadabusiness.ca)

**Ministry of Northern Development, Mines and Forestry**

Telephone (Wawa, Dubreuilville & White River): (705) 856-2345

Telephone (Chapleau): (705) 864-1515

Website: [www.mndm.gov.on.ca/MNDMM](http://www.mndm.gov.on.ca/MNDMM)

**FedNor**

10 Foster Drive, Sault St. Marie, ON

Telephone: (877) 333-6673

Website: [www.fednor.ic.gc.ca](http://www.fednor.ic.gc.ca)

**Self Employment Benefit Program**

672 Queen Street East, Sault St. Marie, ON

Telephone: (705) 942-9000

Fax: (705) 942-0274

Website: [www.ssmcdc.com](http://www.ssmcdc.com)

**Human Resources and Social Development Canada**

Wawa, Dubreuilville and White River area

Regional Employment Help Centre

65B Broadway Avenue, Wawa ON

Telephone: (705) 856-1648

Toll Free: (800) 667-7182

Fax: (705) 856-1649

22 Bay Street, Sault St. Marie, ON

Telephone: (705) 941-4500

Fax: (705) 941-4545

Website: [www.hrsdc.gc.ca/en/homes/shtml](http://www.hrsdc.gc.ca/en/homes/shtml)



# Economic Development Corporation of Wawa

## For Further Information:

### **Economic Development Corporation of Wawa**

96 Broadway Avenue P.O. Box 63

Wawa, ON P0S 1K0

Telephone: (705) 856-4419

Fax: (705) 856-2655

Website: [www.edcwawa.ca](http://www.edcwawa.ca)

Email: [info@edcwawa.ca](mailto:info@edcwawa.ca)

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