Steps to **STARTING A SMALL Business**

Newfoundland Labrador

Innovation, Trade and Rural Development
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This handbook is designed as a guide only. While every effort has been made to ensure the accuracy of the information contained in this publication, neither the Department of Innovation, Trade and Rural Development nor its agents will be responsible for losses, no matter how incurred, as a result of using the information contained herein. For precise business or legal advice, including an understanding of legislation noted in this book, please consult your professional advisors.
Introduction

Perhaps you have wondered about starting or owning a small business and did not know where to begin. With this handbook you can find out what basic steps are necessary to start or own a business, the planning you need to do and the kind of personality you need.

Small businesses make up almost 98 per cent of all Canadian enterprises. Small businesses in Newfoundland and Labrador account for close to 40 per cent of all employment. Even large corporations depend on the services and products of small businesses. Keep in mind that all large businesses were once small businesses.

Personality? Yes, the personal qualities you bring to business are just as important as intelligence and education. Successful business people tend to be hard-working, confident, optimistic, self-driven people who are able to overcome obstacles. Some post-secondary education can help, but it’s not essential. Perhaps the single most important quality to succeed in business is a desire to work for yourself and succeed.

While you can learn a great deal about business subjects in school, it’s no substitute for becoming involved in the day-to-day management of a business. Many people start part-time businesses out of their homes and gradually acquire their business skills.

Some people run full-time businesses from their homes. In fact, one-in-four Canadian households operate some kind of home-based business. Home-based employment is a common and logical work style in rural Newfoundland and Labrador. Overheads tend to be low and there are generally no new premises to buy or rent. Hours are flexible and new business ideas can be tested on a small scale. It is often a way to learn about business with very little capital and start an enterprise that is almost debt free.

After reading this handbook you will have a better idea of the steps necessary to start a business. If you need more information, or would like to discuss your business ideas, call your local Department of Innovation, Trade and Rural Development office and speak to an Economic Development Officer. Also, check out the department’s website at www.gov.nl.ca/intrd. Additional contact information can also be found in the Appendix.

STEP 1 Assess Yourself: Do You Have What It Takes?

So, you’re thinking about starting a small business. It could be one of the most important decisions you’ll ever make. Before you proceed, you should consider the steps involved in launching your own business. This publication is designed to help you through the process.

Entrepreneurship offers many rewards, including the freedom of being your own boss, the personal satisfaction of building a prosperous business and the chance to earn an income that is limited only by your choices, skill and determination. There are, however, many risks.

Many would-be entrepreneurs are not aware of the effort involved in starting and operating a small business. Many new ventures place heavy demands on your time, your family relationships and your finances. In addition, many small businesses fail within the first three years, and many require several years to return the entrepreneur’s original investment. That’s the bad news.

The good news is that small business ownership offers you financial and decision-making independence. If your venture succeeds, you gain job security and the opportunity to provide employment to others.

Questions you should ask yourself:

Do you have what it takes to start a business? By answering the following questions you will gain some insight into what is needed to start and operate a business.

- Have you tried owning or operating a small business before? What did you learn from the experience and why will this venture succeed?
- Does your educational background prepare you for your chosen field of business?
- Has your work experience exposed you to the type of business you wish to start or buy? Can you demonstrate this experience to potential backers?
- Are you ready for long hours of research, planning and hard work?
- Do you have the ability to identify and solve problems and do you see problems as opportunities?
- Are you able to set reasonable short and long-term goals and then follow through? Do you regularly set objectives and then evaluate and adjust to meet them?
- Can you identify, evaluate, and manage financial and other risks involved in operating a business?
- Can you determine the effect of various risks on your business?
- Are you willing to take risk and can you distinguish acceptable risk from outright gambling?
- Can you accept failure as part of the learning process?
- Do you seek out and use feedback? Will you be objective about other people’s ideas concerning your business proposal?
Can you identify and use all of the resources at your disposal?

Are you a self-starter? Will you display initiative and accept responsibility for the affairs of your business?

Will you deal effectively with competition? Success will attract competitors to your business. How will you deal with them?

Can you handle uncertainty and a constantly changing business climate?

Will you deal effectively with competition? Success will attract competitors to your business. How will you deal with them?

Are you able to attract the right people to your business? Choosing partners, shareholders and key employees is extremely important.

Do you think positively about yourself and your abilities?

Are you willing to prepare or assist in preparing a business plan which details every aspect of your proposed enterprise?

How effective are your business management skills? Do you have general knowledge of financing, buying, customer relations, advertising, banking, selling, pricing, insurance and employee relations? What other special skills will you need?

Do you understand the various laws and regulations that govern your business? Have you considered permits, licenses, zoning, employee deductions, labour relations, taxes, record keeping and shareholder agreements?

Will you need to meet other legal requirements?

If you answered all these questions positively – congratulations. You have all the qualities necessary to start and operate a business. In practical terms, however, few would-be business people succeed in answering all these questions. As an exercise to strengthen your skills, review the questions with which you had difficulty.

You should now have a better understanding of your ability to start a successful small business. If you are still unsure, speak with one of our Economic Development Officers.

Most successful businesses start with a good idea. This idea may be your own or may be drawn from a number of available resources, including:

- Business contacts and acquaintances.
- Business magazines and newspapers which often contain business success stories, how-to information for would-be small business owners and lists of startup as well as business purchase opportunities.
- Industry publications that report on trends and developments.
- Trade shows.
- Radio, television and the internet.
- Trends in population, consumer or corporate buying behaviour, government legislation and other trends related to your business sector. Government departments, agencies, trade associations and industries generate studies and reports on business trends and opportunities.
- Universities, trade schools and other research centres for opportunities to acquire technologies already developed.
- Government departments and agencies are often committed to increasing the volume of government purchasing in their area of operation.

Your local Chamber of Commerce or Board of Trade may have compiled a list of business opportunities in your area.

Canada Business is a large network of business information centres that are located in every province and territory. They provide access to books (free of charge by mail) and periodicals on many aspects of business as well as online access to hundreds of databases and tools. Contact Information for the Canada Business Newfoundland and Labrador Business Service Centre is in the Appendix.
Starting a new business is an adventure into the unknown. There will be many questions that you must answer, questions like: Will I be able to produce and sell my goods and services in volume and at a price which will generate a profit? How much money must I make to cover my expenses and generate a reasonable salary? Is there a sufficiently large enough market out there for my product?

In Step 1, you learned whether you had the personal skills, abilities and drive to start a business. You must now evaluate your business idea.

The most effective way to organize your thoughts and fully develop your business idea is for you to prepare a business plan. This plan will help you to think about all aspects of the business and may help you avoid costly oversights. The business plan also provides a basis for evaluating the viability of your proposal. Be thorough, accurate and concise as you work your way through the business plan elements described below. The elements do not have to be completed in order.

Your business plan should include the following:

1. The Opportunity
Start with a brief description of the business. This shows potential investors and others the kind of opportunity your business represents. Avoid technical terms and jargon.

Highlight the competitive advantages of your business over others in the field. If the plan concerns an existing business (modernization or expansion) give a brief history including successes and failures.

2. The Market
Describe the market you are engaged in or wish to enter and describe who will buy your product or service and why. A great idea for a new product is of little use if there is no market for it. Occasionally, companies must create a new market, particularly in emerging technologies, but this takes deep pockets. Generally, it is cheaper and easier to enter existing markets.

Describe your proposed product or service. Avoid technical terms and highlight the key features that will distinguish the product or service from competitors. Products may be described as a collection of attributes (size, colour, shape, materials, etc.) which produce various benefits (slices, dice, chops, etc.). The status of patent, trademark and other protection should be addressed in this section (information on patents is found in Step 7).

Estimate the size of the market nationally and locally. Describe whether the market is growing or shrinking. Consider your competitive edge. Explain how you intend to capture a slice of that market and the strategy you will follow. For example, will you produce a high-quality relatively expensive product aimed at a niche, up-market group or will you mass produce inexpensively for a larger market? Are your key markets local or export? What will be your distribution strategy? Who is the competition and how do you propose to deal with them? What will be your promotional strategy? See Step 4 for a more detailed description of creating a marketing plan.

3. Management
Describe how you plan to manufacture the product or deliver the service. Describe any special equipment or processes involved. Cover items such as facilities, equipment, labour, materials, sources of supply, materials handling and storage. Highlight critical stages of the production or delivery process.

Describe your own background and that of your management team. You must determine accurately the cost of doing business. You cannot estimate sales until you know accurately what your costs are.

4. Manufacturing or Delivery Process
Detail the sources of funding and the purpose. Outline the repayment terms of borrowed funds. Pay particular attention to long-term capital costs versus operating costs (working capital).

Other Benefits of a Business plan
Once a business plan is completed, it may be possible to further analyze your proposed operations. Market research should provide you with a range of prices that consumers will accept. You must determine accurately the cost of doing business. You cannot estimate sales until you can set prices and you cannot set prices until you know accurately what your costs are.

Writing Your Business Plan
Canada Business Newfoundland and Labrador also has a number of resources on business plans, including books that may be borrowed by mail.

5. Financial Projections
Financial statements should include a projected balance sheet, income statement and cash flow statement for the first three years, with the first year broken down monthly. Provide a detailed list of assumptions included in the financial projections as well as a statement of the cost to develop the product or service.

6. Required Investment
Describe the amount and form of investment required and the timing of cash requirements. Detail the sources of funding and the purpose.
A marketing plan is an action plan for moving your products or services to consumers and should include:

1. Introduction
Describe the product or service highlighting its benefits to the buyer and its unique or innovative features. Identify status of patent, trademark or other legal protection.

2. Situation Analysis
This is a comprehensive analysis of the environment in which you propose to do business and should include:

   a. The Market
      Describe the type of customer to whom you are aiming your product or service, where they live and what benefits they seek. Determine the total number of potential customers in your market area and the number you can reasonably expect to become customers. Outline the potential growth in the market for your product or service and estimate your projected growth in market share. Market share may be based on total dollar sales or on unit sales.

   b. Competitive Environment
      Identify and describe your direct and indirect competitors. Direct competitors will sell products or services which may substitute directly for your own. Indirect competitors will market products or services which may displace yours indirectly. For example, Pepsi™ competes directly with other carbonated soft drinks for market share. Indirect competition for Pepsi™ might include non-carbonated drinks, fruit juice, mineral water or milk.

3. Strengths, Weaknesses, Opportunities, and Threats (SWOT)
Examine your business and the environment around you carefully. Identify weaknesses in your business plan or operation and threats from the environment and then document your ability to respond to these issues. Also, identify strengths in your firm and opportunities presented to it and describe how you might exploit them.

4. Objectives
Set precise, quantifiable and realistic objectives for your business. Instead of suggesting, for instance, that you will increase market share every year, state an objective. For example: to capture five per cent of the total market by number of units sold in year one, seven per cent in year two, and ten per cent in subsequent years.

   a. Setting objectives out of reach will do little but damage your self-confidence. Setting objectives correctly will guide your choice of strategies and activities.

5. Strategy
Take into account the results of the SWOT section and select a marketing strategy to achieve your objectives. There are many marketing strategies to choose from such as new market penetration and expanding market share.

6. Action Plan
The basic four elements of the marketing mix are product, price, place and promotion. An action plan describes how you will manipulate each of these areas in implementing your marketing strategy.
Preparing a business plan will identify the amount of capital required. You will need start-up capital for a building and/or leasehold improvements, licenses, equipment, legal and incorporation fees and materials. You may also need operating capital for rent, utilities, wages and salaries, benefits, telephone and transportation.

You will require the services of a bank to provide cheques and deposits and to keep a separate record of your business transactions.

### Types of Business Financing

#### Working Capital

Working capital is money needed for everyday operations such as rent, utilities, wages and office supplies. Many working capital needs are funded by the cash surplus of a business. During startup, and at times when cash requirements outpace contributions from sales, there may not be enough cash on hand to cover the day-to-day operating needs. In this case, businesses may acquire working capital either by borrowing money for a short time at fixed interest rates and repayment schedules or by establishing a line of credit at a bank or other financial institution.

#### Line of Credit

A line of credit may be extended to a company representing a sum of money to be used as the enterprise sees fit. The interest on a line of credit is computed only on the amount actually used.

#### Term Financing

Term financing is required to fund the purchase of business assets such as equipment, land and buildings.

#### Equity Financing

Equity financing is the provision of funds for capital or operating expenses in exchange for a percentage of ownership interest in the business financed without any guaranteed return, but with the opportunity to share in the company’s profits.

#### Other

In addition to banks and other financial institutions, there may be other sources of funding you can access. These include personal equity, family and friends (usually called love money), informal investors (called angels), venture capital companies (private firms that invest in high risk/high return ventures), suppliers (called suppliers), and government departments and agencies.

An Economic Development Officer can discuss your funding needs with you and offer financial advice. For more information on assistance available in this province, contact your local Innovation, Trade and Rural Development office.

### Finance Your Business

#### Finance Your Business

A partnership is an agreement in which two or more people combine their resources in a business. In order to establish the terms of the relationship and to protect partners in the event of disagreement or dissolution of the business, a partnership agreement should be written with the assistance of a lawyer. Partners share in the profits according to the terms of the agreement.

In a general partnership, two or more owners share the management of the business and each is personally liable for all the debts and liabilities of the business. This means that each partner is responsible and must assume the consequences of the actions of the other partner(s).

A limited partnership may involve limited partners who contribute capital only. Limited partners do not contribute to the management of the business and are personally responsible only for the amount of capital they have contributed.

A limited partnership may also involve general partners. They are fully liable for the debts and obligations of the business, but may be entitled to a greater share of the profits. Partnerships also come under provincial jurisdiction.

#### Choose a Type of Business Organization

The ownership of a company may be arranged in several ways. In the province of Newfoundland and Labrador, these are sole proprietorships, partnerships, corporations and co-operatives.

**Sole Proprietorships**

This is the simplest way to set up a business. A sole proprietor is fully responsible for all debts and obligations related to the business. A creditor with a claim against a sole proprietor would normally have a right against all of his or her assets, whether business or personal. This is known as unlimited liability. Income earned by a sole proprietor is treated as personal income and subject to federal and provincial personal income taxes. This type of business comes under provincial jurisdiction.

Table 1: Sole Proprietorship Advantages and Disadvantages

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Startup Costs</td>
<td>Unlimited Liability</td>
</tr>
<tr>
<td>Greatest Freedom from Regulation</td>
<td>Lacks Continuity if Owner Absent</td>
</tr>
<tr>
<td>Decision-making Freedom</td>
<td></td>
</tr>
<tr>
<td>Minimal Working Capital Required</td>
<td>Difficulty Raising Capital</td>
</tr>
<tr>
<td>Tax Advantage to Owner</td>
<td></td>
</tr>
<tr>
<td>All Profits to Owner</td>
<td></td>
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</tbody>
</table>
Federal incorporation involves the completion and filing of the Articles of Incorporation, and information regarding the Registered Office and Board of Directors. These documents, which are available in a kit from Corporations Canada, must be accompanied by a filing fee. Applicants must also submit a Newly Upgraded Automated Name Search (NUANS) system report. This report, which relates to the name specified in the Articles of Incorporation, must be dated within 90 days of submission and may be found in the corporation’s kit. Please note, all forms can be obtained on the Corporations Canada website at www.corporationscanada.ic.gc.ca.

In either of the above cases we recommend that you get the assistance of a lawyer and the fee for this service varies. Contact information for both the Registry of Companies and Corporations Canada is found in the Appendix.

Corporations
A corporation is a legal entity separate from its owners—the shareholders of the company. Each shareholder has limited liability meaning that a creditor with claims against the assets of the company would normally have no rights against its shareholders.

Provincial incorporation involves the completion and filing of the Articles of Incorporation, Notice of Registered Office and Notice of Directors. These documents are available from the Registry of Companies, Department of Government Services, and must be accompanied by a filing fee. Please note all forms can also be obtained on the Registry of Companies website, www.gs.gov.nl.ca.

If a company intends to operate solely in Newfoundland and Labrador, it may be preferable to incorporate provincially.

Table 2: Partnership Advantages and Disadvantages.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Information</td>
<td>Unlimited Liability</td>
</tr>
<tr>
<td>Low Startup Costs</td>
<td>Lack of Continuity</td>
</tr>
<tr>
<td>Possible Tax Advantage</td>
<td>Divided Authority</td>
</tr>
<tr>
<td>Additional Sources of Investment</td>
<td>Difficult to Raise New Capital</td>
</tr>
<tr>
<td>Limited Regulation</td>
<td>Difficulty of Finding Partners</td>
</tr>
<tr>
<td>Broader Management Base</td>
<td>Possible Partner Conflict</td>
</tr>
</tbody>
</table>

Table 3: Corporation Advantages and Disadvantages.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Liability</td>
<td>Closely Regulated</td>
</tr>
<tr>
<td>Specialized Management</td>
<td>Most Expensive to Organize</td>
</tr>
<tr>
<td>Ownership is Transferable</td>
<td>Charter Restrictions</td>
</tr>
<tr>
<td>Continuous Existence</td>
<td>Extensive Record Keeping</td>
</tr>
<tr>
<td>Separate Legal Entity</td>
<td>Diluted Ownership</td>
</tr>
<tr>
<td>Possible Tax Advantage</td>
<td>Double Taxation of Dividends</td>
</tr>
<tr>
<td>Easier to Raise Capital</td>
<td></td>
</tr>
</tbody>
</table>

Co-operatives
The co-operative is another form of business organization found in the province. Co-operatives are incorporated provincially under the Co-operatives Act. Co-operatives are financed by the purchase of shares by members who receive a vote on the operation of the co-operative and a limited return on their shares. Profits are returned to members in proportion to the use the member makes of the cooperative through products or services sold or purchased.

For more information on the formation of co-operatives, contact the Newfoundland and Labrador Federation of Co-operatives, please see the Appendix.

Step 7 Register Your Business Name

Before registering your business name, you must be sure that no other firm or individual has prior rights to the name. Name clearance is conducted by the Registry of Companies, Department of Government Services, located in 59 Elizabeth Avenue, St. John’s. For a small fee you can reserve a name for up to 90 days (the reservation can be renewed twice). For address, telephone, fax number and website information, please see the Appendix.

Patenting Your Invention or Innovation

If your new business is to be based on an invention or innovation, you should consider protecting it with a patent. Patentable subject matter includes products, compositions, apparatuses and processes. The subject matter must be useful, not obvious to someone in the field and not a collection of other known devices.

Before filing a patent with the Canadian Intellectual Property Office, an agency of Industry Canada, make sure you have written records of your research and development. You must conduct a patent search, which the Canadian Intellectual Property Office will conduct for you, based on your detailed description of your invention. This branch will also provide you with examples of state-of-the-art patent applications.
A patent provides a degree of protection against unauthorized use of your invention or innovation. But infringements against the patent must be pursued by the patent holder. A registered patent may help in securing financing by providing credible protection that can attract investors. You may also decide to sell the patent or license the production to somebody else for royalty payments.

Alternatives to patenting include obtaining a trademark on the name or copyrighting the rules or instructions. For example, the continued success of Coca Cola™ is based not on patenting the formula but on the exclusive rights to the words Coca Cola™ and Coke™. Information on patents, trademarks and copyrighting is available online from the Canadian Intellectual Property Office website, www.cipo.gc.ca. For address, telephone and fax numbers, please see the Appendix.

For more information, contact your local Innovation, Trade and Rural Development office or the National Research Council office. Contact information for the National Research Council is in the Appendix.

The advice of a professional accountant will be extremely important in matters of taxation, financial planning, joint venture negotiations, financing, expansion and major capital asset acquisition. If you plan to incorporate your business, yearly financial statements will need to be prepared by an accredited professional accountant.

### Step 8: Set Up Your Basic Bookkeeping System

You know how well your business is operating. It provides the information that is needed to prepare financial statements, to submit tax returns, to apply for bank loans or government assistance and allows you to make sound decisions about every area of the business. Unless there is a way of keeping track of commitments, income and expenses, there is a good chance money will disappear or be wasted on needless penalties or foregone discounts.

There are several alternatives to help you if you don’t have the skills within your organization to set up a bookkeeping system. You can contact an accountant or enlist the help of an experienced friend or counsellor to get the system started and show you how to maintain it. You can enroll in one of the many courses available in basic bookkeeping and do-it-yourself accounting. You can contract a bookkeeping service to update your records on a regular basis or you can purchase one of the commercially available bookkeeping software programs for use on a computer.

### Step 9: Consider Provincial Taxation Issues

#### Retail Sales Tax

The Newfoundland and Labrador Harmonized Sales Tax (HST) is a single tax rate for the sales of various goods and services acquired for use in this province. The tax is imposed under the Excise Tax Act (Canada) and is administered by the federal government. Required registrations are issued by Revenue Canada. Information on required federal registrations is contained in Step 10.

Provincial registration under the Retail Sales Tax Act is no longer required by a business selling goods or services in this province. However, the province does impose a sales tax upon premiums paid-out for the purchase of certain types of insurance that relate to the insuring of property, risks or perils in this province. Thus, an insurance company, agent or broker selling contracts of insurance will be required to register with the Department of Finance and collect and remit the tax.

#### Gasoline Tax

Gasoline products acquired for use in this province are subject to tax under the Gasoline Tax Act. Thus, any business selling these products, either at the wholesale or retail level, will be required to obtain the appropriate registration from the Department of Finance.

#### Tobacco Tax

Tobacco products are taxed under the Tobacco Tax Act and various permits and licenses are required by a business selling tobacco products in this province and require registration with the Department of Finance.

#### Health and Post-secondary Education Tax

Employers (a person, corporation, partnership or other type of legal entity) who pay remuneration (wages and benefits deemed taxable income under sections 5(1) or 6 or 7 of the Income Tax Act) to their employees working in this province are required to register with the Department of Finance and pay the appropriate tax once the remuneration paid exceeds a certain amount. The salary deduction allowed must be shared with each employer in the associated group where the employer is associated with one or more other employers.

Provincial taxation laws are administered by the Taxation and Fiscal Policy Branch of the Department of Finance. Any questions about these laws may be directed to the branch at the contact information in the Appendix.

#### Provincial Government Tax Incentives

The Department of Finance provides a number of tax incentives for small businesses. Please contact the Innovation, Trade and Rural Development office nearest you to speak with an Economic Development Officer or refer to the Department of Finance website, www.fin.gov.nl.ca. Contact information for the Department of Finance is in the Appendix.
The Canada Revenue Agency (CRA) is responsible for the administration of tax programs as well as the delivery of economic and social benefits. It also administers certain provincial and territorial tax programs. In addition, the CRA has the authority to enter into new partnerships with the provinces, territories and other government bodies to administer non-harmonized taxes and other services at their request on a cost-recovery basis.

The Canada Revenue Agency has implemented the Business Number (BN) on behalf of the federal government. The BN currently includes the four major Canada Revenue Agency business accounts: corporate income tax, import/export, payroll deductions and the goods and services tax/harmonized sales tax (GST/HST).

If a business will be importing commercial shipments from a foreign country or exporting commercial goods to other countries, it should register for an import/export account. The import/export account number will be used to process customs documents and should be opened before importing or exporting goods in order to avoid delays in releasing goods at the border.

Payroll Deduction Account
Every employer requires a payroll deductions account and is responsible for:

- Deducting income tax, Canada Pension Plan (CPP) contributions and Employment Insurance (EI) premiums that they have to pay on behalf of their employees.
- Sending in these amounts and the CPP contributions and EI premiums that they have to pay on behalf of their employees throughout the year. The CRA must receive these amounts from most employers by the 15th day of the month after the month in which they were deducted and more frequently from large employers.
- Reporting all these amounts on an information return by the end of February of the following calendar year.

Corporate accounts, in most cases, will be opened automatically by the CRA within 45 days of incorporating at the federal or provincial level.

HST
The HST is a tax that applies at a single rate to taxable supplies (other than zero-rated) made in the three participating provinces of Newfoundland and Labrador, Nova Scotia and New Brunswick. The HST was implemented on April 1, 1997 and has the same basic operating rules as the GST.

Although the consumer ultimately pays the GST/HST, generally businesses are responsible for collecting and remitting it to the government. Businesses who must register or who register voluntarily for GST/HST are called registrants. Registrants collect the GST/HST on most of their sales and pay the GST/HST on most purchases they make to operate the business. Registrants can claim a credit, called an input tax credit, to recover the GST/HST they paid or owe on their business purchases for use in commercial activities by deducting it from the GST/HST they collected. If they pay more than they collect, they can claim a refund.

Registration
Businesses have to register for and charge GST/HST if:

- They sell or provide taxable goods or services in their commercial activities in Canada;
- Their total taxable worldwide revenues (including those of their associates) were more than $30,000 in the immediately preceding four consecutive calendar quarters, or
- Their total taxable worldwide revenues exceed $30,000 in a single calendar quarter. Although a business does not have to register for GST/HST if its taxable worldwide revenues do not exceed $30,000, it can register voluntarily.

For businesses and self-employed individuals with inquiries about business and GST/HST registration, payroll, GST/HST, excise taxes and other levies, excise duties, corporations, sole proprietorships and partnerships, please call 1.800.959.5525.
The Workplace Health, Safety and Compensation Commission (WHSCC) operates a work injury insurance program which provides benefits to injured workers and protects employers from most law suits by injured workers or their dependents.

The system is funded completely by employers in the province. The amount an employer pays to the WHSCC varies according to his/her operation. For example, the higher the risk of injury, the higher the cost of coverage.

Most companies are obliged by law to register with the WHSCC and to pay assessments. If you hire one or more workers, whether full time, part time or casual, you must register with the WHSCC. There are some exceptions, such as artists, clergy and sport professionals. If you are unsure of the status of your operation call the WHSCC and they will let you know if you are required to have compensation coverage. The only time an employer with no workers must register is if the company is incorporated.

If you fail to notify the WHSCC when you start your business, you will be liable for assessment and penalty charges and you may be liable for the cost of any injuries suffered by your workers.

Optional coverage is available for owners and partners of non-incorporated businesses. If you would like to know more about optional personal coverage or coverage in general, contact the WHSCC office near you.

There is a wide variety of insurance products tailored to the needs of small business. These include the standard insurance policies covering fire, theft and vandalism, which can offset a potentially serious loss of buildings, equipment or inventories. It is likely that a lending institution will insist that adequate property insurance be carried as a condition of a loan.

Specialized types of insurance are also available. For example, business liability insurance will help protect business operations against legal action. Certain important assets of the business, such as plate glass or expensive moulds, may be specifically insured against loss or damage. Business interruption insurance guarantees income during downtime. Plans which can guarantee a level of personal income in the event of temporary or permanent disability are widely available.

Life insurance on key individuals in an organization minimizes the impact on the business in the event of death. Insurance coverage is often structured to fund buy/sell agreements among principal shareholders. Proceeds of the insurance policy are used to purchase the deceased person’s shares in the business from his or her estate, eliminating the possibility of those shares passing on to someone unacceptable to the surviving shareholders.

Optional coverage is available for owners and partners of non-incorporated businesses. If you would like to know more about optional personal coverage or coverage in general, contact the WHSCC office near you.

**DEPARTMENT OF INNOVATION, TRADE AND RURAL DEVELOPMENT**

**Corporate Office**
Confederation Building, West Block
P.O. Box 8700
St. John’s, NL A1B 4J6
t: 709.729.7000 or 1.800.563.2299
www.gov.nl.ca/itrd

**Avalon Regional Office**
28 Pippy Place
St. John’s, NL A1B 3X4
t: 709.729.7104/7112
f: 709.729.7135

**Carbonear Field Office**
Suite 102, Croke Building
21 Industrial Crescent
Carbonear, NL A1Y 1A5
t: 709.596.4116/4109
f: 709.596.8103

**Ferryland Field Office**
Shamrock Medical Building
Ferryland, NL A0A 2H0
t: 709.432.3019
f: 709.432.2651

**Placentia Field Office**
1116-1120 Main Street
P.O. Box 540
Dunville, NL A0L 1Z0
t: 709.227.1350
f: 709.227.1348
### CANADA REVENUE AGENCY
Newfoundland and Labrador Tax Services Office
Sir Humphrey Gilbert Building
105 Duckworth Street
P.O. Box 12075
St. John’s, NL A1B 4R5
t: 1.800.959.5525
f: 709.742.5228
www.cra-arc.gc.ca

### DEPARTMENT OF GOVERNMENT SERVICES
Registry of Companies
Commercial Registrations Division
59 Elisabeth Avenue
P.O. Box 8700
St. John’s, NL A1B 4J6
t: 709.729.3317
f: 709.729.0232
www.gs.gov.nl.ca

Government Service Centres Division
P.O. Box 8700
St. John’s, NL A1B 4J6

Government Service Centres
Regional Locations

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<thead>
<tr>
<th>City</th>
<th>Phone</th>
<th>Fax</th>
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<tbody>
<tr>
<td>Clarenville</td>
<td>709.466.4060</td>
<td>709.466.4070</td>
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<td>Corner Brook</td>
<td>709.637.2204</td>
<td>709.637.2818</td>
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<td>Gander</td>
<td>709.256.1420</td>
<td>709.256.1438</td>
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<tr>
<td>Grand Bank</td>
<td>709.832.1672</td>
<td>709.832.1792</td>
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<tr>
<td>Grand Falls-Windsor</td>
<td>709.292.4206</td>
<td>709.292.4149</td>
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<tr>
<td>Happy Valley-Goose Bay</td>
<td>709.896.5428</td>
<td>709.896.4340</td>
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<tr>
<td>Harbour Grace</td>
<td>709.945.3107</td>
<td>709.945.3114</td>
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<tr>
<td>Labrador City</td>
<td>709.944.5282</td>
<td>709.944.5630</td>
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<tr>
<td>Lewisporte</td>
<td>709.535.0262</td>
<td>709.535.0284</td>
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<td>Marystown</td>
<td>709.279.0837</td>
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<td>Port aux Basques</td>
<td>709.695.2835</td>
<td>709.695.2393</td>
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<tr>
<td>St. Anthony</td>
<td>709.454.8833</td>
<td>709.454.3206</td>
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<tr>
<td>Springdale</td>
<td>709.673.4182</td>
<td>709.673.4232</td>
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<tr>
<td>Stephenville</td>
<td>709.643.8650</td>
<td>709.643.8654</td>
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### CANADIAN INTELLECTUAL PROPERTY OFFICE
1575 Brunswick Street
Halifax, NS B3J 2G1
t: 1.888.576.4444
f: 902.426.6530
www.cipo.gc.ca

### NEWFOUNDLAND AND LABRADOR FEDERATION OF CO-OPERATIVES
19 Crosbie Place, Suite 203
P.O. Box 13369, Station A
St. John’s, NL A1B 4B7
t: 1.877.726.9431
f: 709.726.9433
www.nlfc.coop

### MUNICIPALITIES NEWFOUNDLAND AND LABRADOR
460 Torbay Road
St. John’s, NL A1A 5J3
t: 1.800.440.6536
f: 709.738.0071
www.municipalitiesnl.com

### WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION
146-148 Forest Road
P.O. Box 9500
St. John’s, NL A1A 388
t: 1.800.563.9000 or 709.778.1000
f: 709.738.1714
www.whscc.nl.ca

### GRAND FALLS-WINDSOR OFFICE
26 High Street
P.O. Box 850
Grand Falls-Windsor, NL A2A 2P7
t: 1.800.563.3448 or 709.489.1600
f: 709.489.1616

### NATIONAL RESEARCH COUNCIL OF CANADA
Industrial Research Assistance Program
St. John’s Office
c/o NRC Institute of Ocean Technology
Arctic Avenue
Memorial University of Newfoundland
P.O. Box 12093
St. John’s, NL A1B 3J5
t: 1.877.994.4727
f: 709.772.5067

### Corner Brook Office
P.O. Box 2006, Millbrook Mall
Corner Brook, NL A2H 6J8
t: 1.877.994.4727

### Gander Office
Fraser Mall, 230 Airport Blvd.
P.O. Box 2222
Gander, NL A1V 2N9
t: 1.877.994.4727
Happy Valley-Goose Bay Office
P.O. Box 1720
Happy Valley-Goose Bay, NL A0P 1E0
t: 1 877 994 4727

DEPARTMENT OF HUMAN RESOURCES,
LABOUR AND EMPLOYMENT

P.O. Box 8700
St. John’s, NL A1B 4J6
hreweb@gov.nl.ca

Income and Financial Services

Avalon Region
t: 1.877.729.7888

Central Region
t: 1.888.632.4555

Western Region
t: 1.866.417.4753

Labrador Region
t: 1.888.773.9311

Employment Supports and Services
t: 1.800.563.6600