



Starting a Business in the Wild Rose Region

A Start-up Guide

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1.0 Community Futures Wild Rose

Community Futures Wild Rose is a locally based non-profit corporation providing assistance to small business. Community Futures Wild Rose was established in 1989 and operates under the direction of an independent, business-oriented Board of Directors. It is our mandate to offer assistance for small business start-up and growth by providing financial and business services to entrepreneurs who are operating or wish to operate in the Community Futures Wild Rose region.

1.1 Services Offered

Financial Services:

- ◆ Loans for new and existing Businesses up to \$150,000.00
- ◆ Quick Cash Loans for working capital or equipment purchases up to \$5,000.00
- ◆ Loans for Entrepreneurs with Disabilities (with a self-declared or ongoing health condition) up to \$150,000.00
- ◆ Loans for Youth to assist young entrepreneurs (18-29) up to \$25,000.00
- ◆ Loans for Home Based Businesses (HBB) up to \$5,000.00
- ◆ Loans for Community Business Beatification (CBB) to develop or improve the exterior or interior of the business up to \$7,500.00
- ◆ Line of Credit Loans; draw the value of the loan in blocks up to a set limit, which is to be revolved to a \$0.00 balance at least once each year.

Business Services:

- ◆ Business Counseling and Business Plan Analysis
- ◆ Business Link Small Business Seminars via Video Conferencing
- ◆ Small Business e-learning sessions in Partnership with Go Forth Institute
- ◆ Meeting Space

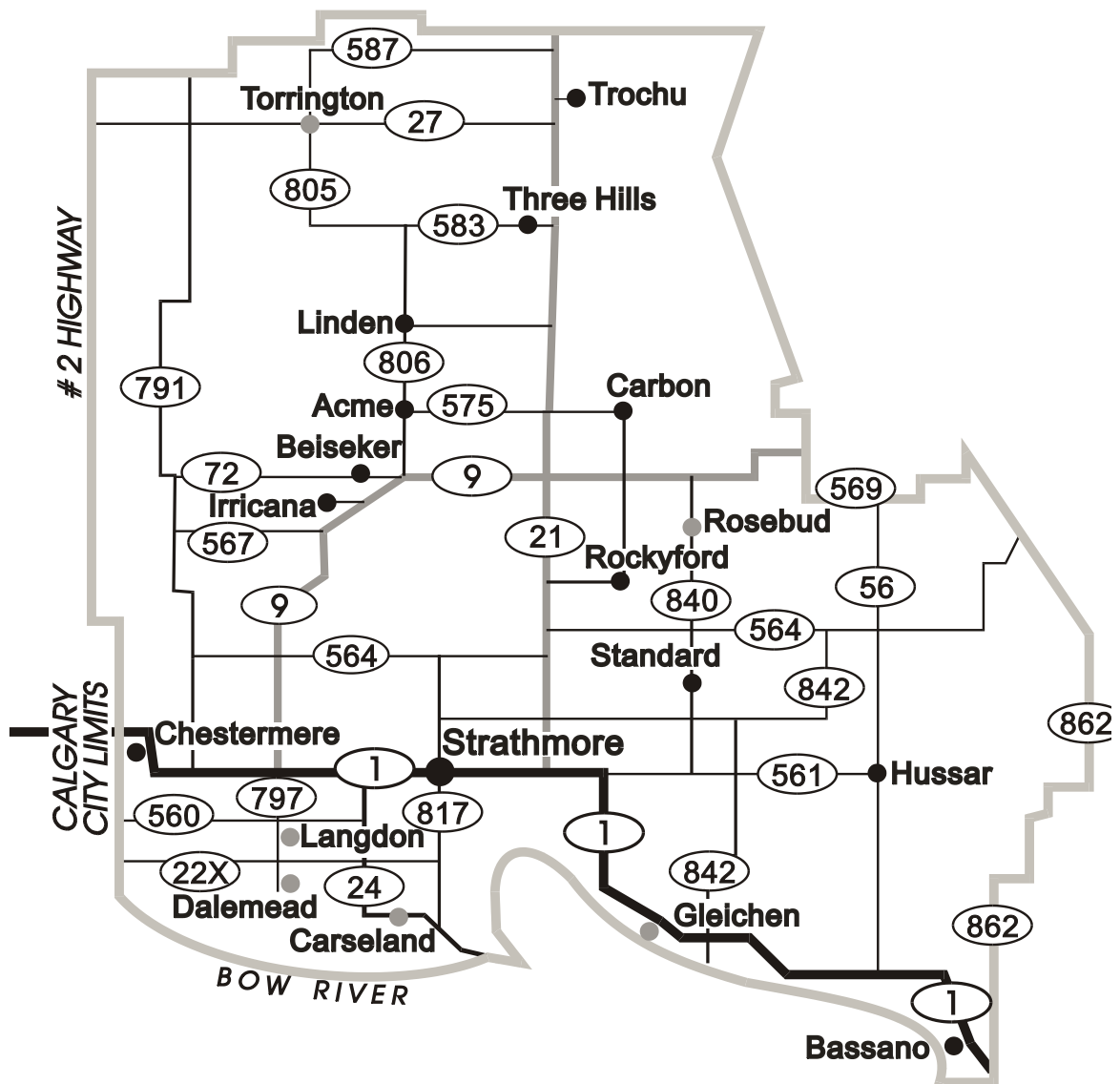
Community Economic Development

Community Futures Wild Rose works with community organizations to aid in economic growth in the region. Our Board members are elected officials from local municipalities who provide input into matters concerning community development in each individual municipality or county.

1.2 The Community Futures Wild Rose Region

The Wild Rose Region includes 3 counties, 1 municipal district and 13 towns/villages:

Towns and Villages		Counties & M. D.
• Acme	• Linden	• Wheatland County
• Bassano	• Rockyford	• County of Newell
• Beiseker	• Standard	• Kneehill County
• Carbon	• Strathmore	• M. D. of Rocky View
• Chestermere	• Three Hills	
• Hussar	• Trochu	
• Irricana		



2.0 Checklist for Starting a Business

- What will your business structure look like?
 1. Proprietorship
 2. Incorporation
 3. Partnership (Always have a Partnership Agreement)
- Have you checked into registering, licensing and permits with all levels of Government?
 - ✓ Federal
 - ✓ Provincial (including all provinces you will be providing goods and services)
 - ✓ Municipal (including all cities/towns, and countries you will be providing goods and services in.
- You need to acquire a *Business Number* from the Federal Government if you are obligated to report: GST, Payroll, and Corporate Tax or if you are importing or exporting goods.
- Do you need a GST number? If your gross sales will exceed \$30,000.00, GST registration is mandatory.
- Did you check on WCB requirements? WCB is mandatory in some industries, but not all.
- Have you thought about a Business Name? If so, have you done a name search and registration? You should test a name with friends and family to see what images it conjures up. Does your name reflect what type of business you are in?
- Have you identified your target market? Can you describe your typical customer?
- If you are planning to hire staff, do you understand the Employment Standards Act?
- Do you require liability or general insurance? Is there a risk of injury at your place of business, with the use of your product, or a risk of causing damage if you are offering a service at your customer's residence or place of business?
- Did you check the zoning and by-laws of the area you are considering conducting business?
- What terms, volume discounts, delivery time and warranties do your suppliers offer?
- Do you need to find a business location outside of your home? Have you researched sites in the marketplace? Do you know current rental rates? Do you have an offer to lease on a site you have chosen?
- If you are building or renovating the business premises, insure that you have met current building and fire codes.
- What kind of equipment will you require? Develop a list of what you have, what you need, and what it costs.
- Have you considered your bookkeeping requirements? Will you require an accountant?

Check out <http://www.abacus-strategies.com/smallbizlinks.asp> for numerous links and resources related to Small Business.

3.0 Types of Business Organizations

For more information on descriptions and registering different types of Business Organizations visit <http://www.servicealberta.gov.ab.ca/674.cfm> or contact Alberta Corporate Registries at (780) 427-2311 or toll-free through the Government RITE Operator at 310-0000.

3.1 Sole Proprietorship

This is the simplest way to set-up a business. A sole proprietorship is fully responsible for all debts and obligations related to his or her 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.

This type of business comes under provincial jurisdiction. If the proprietor chooses to carry on a business under a name other than his/her own, he/she must register a trade name with the province. This function is now administered by Private Registries. If a sole proprietor establishes a business in his/her own name, without adding any other words, registering the business is not necessary. Filing a Declaration of Trade Name to protect your business name is strongly recommended.

Advantages:

- ◆ Low start-up costs
- ◆ Greatest freedom from regulation
- ◆ Owner in direct control of decision making
- ◆ Minimal working capital required
- ◆ Tax advantages to owner
- ◆ All profits to owner.

Disadvantages:

- ◆ Unlimited Liability
- ◆ Lack of continuity in business organization in absence of owner
- ◆ Difficulty raising capital

3.2 Corporation

A corporation is a legal entity that is separate from its owners herein known as shareholders. No one member of a corporation is personally liable for the debts, obligations or acts of the corporation, except under special circumstances. This type of business can be incorporated at either the federal or the provincial level. A corporation is identified by the terms “Limited”, “Ltd.”, “Incorporated”, “Inc.”, “Corporation”, or “Corp.”.

Provincial Corporations

Corporations can issue shares or securities to the general public or they can choose to issue them privately. Those with 15 or fewer shareholders that do not sell to the public are the most private and least regulated of all corporations. If you incorporate with more than 15 shareholders or distribute share publicly, contact Alberta Corporate Registries for more detailed information.

Federal Corporations

Corporations may also be incorporated federally under the Canada Corporation Act. A firm operating nationally or in several provinces may find this advantageous. A federally incorporated business must still register in each province in which it does business. Information and on-line incorporation documents are available from Industry Canada's website at: <http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/Home>

Advantages

- ◆ Limited liability
- ◆ Specialized management
- ◆ Ownership is transferable
- ◆ Continuous existence
- ◆ Separate legal entity
- ◆ Potential tax advantages (i.e. lower small business tax)
- ◆ Numerous options for raising capital

Disadvantages

- ◆ Closely regulated
- ◆ Most expensive form to organize
- ◆ Charter restrictions
- ◆ Extensive record keeping necessary
- ◆ Double taxation of dividends

Important: Keep in mind that once incorporated or registered; a legal entity such as a corporation, an extra-provincial registration or a nonprofit society has obligations and responsibilities in order to remain in good standing with the Corporate Registry record. Filing an Annual Return is one requirement that is common to all legal entities, with the exception of Business Trade Names. For more information on your obligations and responsibilities after provincial incorporation or registration, visit Alberta Government Services' website at: <http://www.servicealberta.gov.ab.ca/718.cfm>

For more information on your obligations and responsibilities after federal incorporation or registration, read the "Common Filing Requirements" section of the "Small Business Guide to Federal Incorporation" available on-line at:

<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04442.html>

3.3 Partnership

A partnership is an agreement in which two or more persons combine their resources in a business with a view to making a profit. To establish the terms of the partnership and to protect partners in case of a disagreement or dissolution of the partnership, a partnership agreement should be drawn up with the assistance of a lawyer. Partners share in the profits according to the terms of the agreement. There are two different types of partnerships:

General Partnership

All members share the management of the business and each is personally liable for all the debts and obligations of the business. This means that each partner is responsible for and must assume the consequences of the actions of the other partner(s).

Limited Partnership

In a limited partnership some members are general partners who control and manage the business, and may be entitled to a greater share of the profits. Other partners are limited and contribute only capital; they take no part in control or management and are liable for debt to a specified extent only. A legal document, setting out specific requirements, must be drawn up for a limited partnership. All partnerships must be registered.

Advantages

- ◆ Ease of formation
- ◆ Low start-up costs
- ◆ Additional sources of investment capital
- ◆ Possible tax advantages
- ◆ Limited regulation
- ◆ Broader management base

Disadvantages

- ◆ Unlimited liability
- ◆ Lack of continuity
- ◆ Dividend authority
- ◆ Possible development of conflict between partners

3.4 Co-operatives

A co-operative is a corporation organized by people with similar needs to provide themselves with goods or services or to make joint use of their available resource to improve their income. Their business structure ensures that:

- ◆ All members have an equal say (one vote per member, regardless of the number of shares held)
- ◆ Open and voluntary membership
- ◆ Limited interest on share capital
- ◆ Surplus is returned to members according to amount of patronage

Co-operatives are placed in five separate categories when they are classified by function:

1. **Producer co-operatives** combine members' skills and resources for mutual benefit. An example is an employment co-operative, which pools and markets the skills of the employee-members and provides them with an income.
2. **Consumer co-operatives** buy commodities in bulk and sell them to member-owners. Examples are retail co-operatives and direct-charge co-operatives.
3. **Marketing co-operatives** sell their members' products. Typical products are dairy products, poultry, fish and handicrafts.

4. **Financial co-operatives** provide a variety of financial services for their members including savings, investment and loans. Examples are credit unions, co-operative trust and insurance companies.
5. **Service co-operatives** enable members to improve the quality, price and availability of needed services, such as health care, child care and transportation.

Advantages

- ◆ Owned and controlled by members
- ◆ Democratic control by one member, one vote
- ◆ Limited liability
- ◆ Profit distribution (surplus earnings) to members in proportion to use of service; surplus may be allocated in shares/cash

Disadvantages

- ◆ Possibility of development of conflict between members
- ◆ Longer decision making process
- ◆ Requires members to participate for success
- ◆ Extension record keeping necessary
- ◆ Less incentive to invest additional capital

The Alberta statutes of concern in business formations are the *Business Corporations Act* and the *Partnership Act*. All registrations and any additional information about forms for filing, and all other related concerns can be obtained from any of the private Registry Agents located throughout Alberta. Full information concerning registering an Alberta based Co-operative is on the **Service Alberta** website: <http://www.servicealberta.ca/1041.cfm>

To incorporate a new co-operative or register an out-of-Alberta co-operative, mail or deliver your registration documents to:

Alberta Government Services, Director of Cooperatives
3B Commerce Place, 10155-102 Street, Edmonton, AB T5J 4L4
Telephone: Edmonton (780) 427-5210
Toll free in Alberta: Dial 310-0000 and follow instructions
E-mail: government.services@gov.ab.ca

4.0 Business Licensing

Register online for a Business Number (Basic Business Information), Corporate Income Tax Program Account, GST/HST Program Account, Payroll Program Account, Import/Export Account and Provincial Accounts at: <http://www.businessregistration-inscriptionentreprise.gc.ca/>

4.1 Municipal Licensing

Not all areas in the Wild Rose region require a business license. Please contact the appropriate Village/Town/County office of where you plan to operate your business, for detailed information.

There may or may not be a fee required for a signage permit (i.e. to put up a sign) in your area. Contact your municipal or County office for more information.

4.2 Provincial/Special Licenses

Some businesses need provincial or special licenses that may include:

- ◆ Auctions
- ◆ Cemeteries
- ◆ Cemetery pre-need contract sales and salespersons
- ◆ Charitable organizations
- ◆ Collection and debt repayment agencies
- ◆ Collectors and debt repayment agents
- ◆ Cooperatives
- ◆ Direct (door-to-door) sellers
- ◆ Energy marketing companies and energy marketers
- ◆ Employment agencies
- ◆ Fund-raising businesses
- ◆ Mausoleums
- ◆ Monument sales and monument salespeople
- ◆ Prepaid contractors
- ◆ Retail home sales (mobile homes, modular homes, packaged homes)
- ◆ Travel clubs

For assistance in obtaining a Provincial/Special License go to:

<http://www.canadabusiness.ab.ca/index.php/legal/43-provincial-business-licences-and-registrations>

4.3 Liquor License

The Alberta Gaming & Liquor Commission administers the liquor licenses. There are strict requirements that must be fulfilled in order to obtain approval from the Board for operating a licensed business. It is recommended that the Board be contacted prior to the renting or building of a facility. For further information on obtaining a Liquor License go to: <http://aglc.ca/>

4.4 Good and Services Tax (GST)

Most businesses and organizations carrying on commercial activities in Canada must register and collect the good and services tax (GST). Most businesses that have worldwide annual revenues from taxable supplies of goods of \$30,000.00 or less do not have to register. However, any small business (proprietorship, partnership or corporation) may voluntarily register for GST.

4.5 Health Regulations/ Environmental

Information on health regulations is available through Alberta Health services for businesses such as; food establishments (all operations involving food), personal care facilities (hair salons, aesthetics, and

massage studios), recreational facilities (swimming pools and whirlpools). For more information on regulations, policies and approvals go to: <http://www.albertahealthservices.ca/8302.asp>

Any company planning to establish a business in the Wild Rose Region that may have an impact on the air, water or land environment, which would include waste management, substance release, conservation and reclamation, pesticides, designated material, water wells or potable (drinking) water go to the Environment Alberta website at: <http://environment.alberta.ca/01531.html> for more information on regulations or obtaining special permits or licenses.

5.0 Employment and Labour Regulations

5.1 Employment Standards

Employment Standards of Alberta Labour is responsible for administering the labour standards provision under the Employment Standards Code. If your small business is going to employ at least one person, other than yourself, it recommended you obtain information on wages, hours of work, vacations and general holiday pay, maternity leave, termination of employment, and the employment of adolescents and young persons at <http://humanservices.alberta.ca/working-in-alberta/1224.html> .

5.2 Worker's Compensation (WCB)

The majority of employers are required by law to have workers' compensation insurance for all of their workers, and must notify the WCB within 15 days of hiring their first worker. There are some employers, however, that operate in what are referred to as "exempt industries". These employers can apply for voluntary coverage for their workers in which case they are entitled to all of the same benefits as those provided to workers in mandatory coverage industries. In addition, since employers and business owners themselves are not covered by their workers account, the WCB also offers Personal Coverage for proprietors, partners and directors. WCB comprehensive coverage covers medical and rehabilitation services, as well as protection from a lawsuit by employees injured while on the job. For further information go to <http://www.wcb.ab.ca/>

5.3 Source Deductions

Every person, business or other organization in Canada that employs one or more people **must** register for and make employer source deductions. This includes the small, one-person corporation if the owner draws any salary or wage. However, a proprietorship that does not have any other employees and a partnership in which only the partners are working, **does not** register for source deductions. In these cases, the people are considered by Canada Customs and Revenue Agency to be self-employed and any remittances made will be in conjunction with personal income tax returns.

It is the employer's responsibility to contact the nearest Source Deduction office to apply for a **Business Number**. For more information, contact:

Canada Revenue Agency

Telephone: 1-800-959-5525

www.cra.gc.ca

6.0 Federal Programs

6.2 Business Development Bank of Canada (BDC)

BDC is a financial institution wholly owned by the government of Canada. BDC plays a leadership role in delivering financial, investment and consulting services to Canadian small business with start-ups, innovators, fast growth companies, manufacturers and exporters. Go to www.bdc.ca for more information:

Business Development Bank of Canada

1935 32nd Ave. NE

Suite 100

Calgary, AB T2E 7C8

Telephone: (403) 292-5049

Fax: (403) 292-6651

6.3 Alberta Women Entrepreneurs (AWE)

Alberta Women Entrepreneurs provides business services specifically designed to meet the changing needs of women entrepreneurs. Services provided include training, business counseling, mentoring and financing. These services are intended to build on women's business strengths, and enhance their contribution to the Alberta economy. For more information go to: <http://www.awebusiness.com>

Alberta Women Entrepreneurs

370, 105 12 Avenue SE

Calgary, AB T2G 1A1

Telephone: 1-800-713-3558

Fax: (403) 777-4258

6.4 Western Economic Diversification

Western Economic Diversification Canada works to strengthen western innovation, business development, and community economic development. We're building a stronger West in a stronger Canada. For additional information go to: <http://www.wd-deo.gc.ca/eng/>

Calgary

Suite 300, 639 5th Avenue SW

Mailing Address:

Suite 400, 639 5th Avenue SW

Calgary, Alberta T2P 0M9

Telephone: 403-292-5458

Toll Free: 1-888-338-WEST (9378)

Fax: 403-292-5487

6.5 Stats Canada

Stats Canada provides statistical information that help Canadians better understand their country, its population, resources, economy, society and culture. For more information on economic and social conditions, census of population and housing in Canada visit: <http://www.statcan.gc.ca/start-debut-eng.html>

7.0 Provincial Programs

7.1 The Business Link

The Business Link provides local and regional business people with complete convenient information on starting and operating a new business in Alberta. For more information go to:

<http://www.canadabusiness.ab.ca/> Included in the tools section, click on **SME Benchmarking tool**.

With the SME Benchmarking tool you can view financial performance data based on industry averages, with an option to include your own income statement and balance sheet information in the report.

7.2 Agricultural Financial Services Corporation (AFSC)

Agriculture Financial Services Corporation (AFSC) is a provincial crown corporation with a private sector Board of Directors that provides farmers, agribusinesses and other small businesses loans, crop insurance and farm income disaster assistance. Business/farm loans are available to applicants who add value to agricultural commodities (processing, manufacturing, marketing, packaging). For more information go to: www.afsc.ca

AFSC Strathmore

325 3rd Avenue
Strathmore, AB T1P 1B4
(403) 934-5353

7.3 Alberta Economic Development

This Alberta Government website offers information about doing business in Alberta as well as exporting your product outside of the Province in order to expand and grow your business. Visit www.albertacanada.com for more information.

7.4 Alberta Aboriginal Business Services Network (AABSN)

The AABSN was established to provide a range of business products and services to meet the needs of potential and existing Aboriginal business people in Alberta. This service is supported through the Canada Business Services Centres which provide free-of-charge access to this information. Visit: <http://www.aboriginalcircle.com/profile/?u=AlbertaAboriginalBusinessSN> for more information.

7.5 Calgary Business Information Centre (CBIC)

The Calgary Business Information Centre (CBIC) is the primary location for business start-up and development resources in the Calgary region. Services are: business advising, consulting, seminars, workshops & onsite business resources.

Calgary Business Information Centre

250, 639 5th Avenue SW

Calgary, AB T2P 0M9

T: 403-221-7800

F: 403-221-7817

8.0 Municipal

Contact your local Chamber of Commerce for an opportunity to promote your business within your community.

Strathmore & District Chamber of Commerce

(403) 901-3175 <http://www.strathmorestandard.com/business/137100>

Three Hills & District Chamber of Commerce

(403) 443-5822 <http://threehillschamber.ca/home.html>

Beiseker & District Chamber of Commerce

(403) 947-3920 <http://www.beiseker.com>

Trochu & District Chamber of Commerce

(403) 442-3085 <http://www.town.trochu.ab.ca/chamber-of-commerce/>

Bassano & District Chamber of Commerce

(403) 641-3788 <http://www.bassano.ca>

Chestermere Chamber of Commerce

(403) 770-9680 <http://www.chestermerechamber.com/>