

A Guide To Starting A Small Business In East Central Alberta

ENTREPRENEUR

“A person who organizes, manages, and assumes responsibility for a business or other enterprise.”

– The Random House Dictionary

Becoming your own boss may be challenging. It involves a lot of hard work, determination, and sacrifice, but it may have many personal awards.

You’ve been debating this for awhile now, but you have finally made the decision. You are going to start your own business.



But where do you start?

Whether starting your own business or purchasing an existing one, research is required to collect the pertinent information that is necessary to make informed business decisions. This information is essential for business planning and is required if you are seeking financing.

The purpose of this handbook is to provide potential and existing businesses with a guide to assist you in seeking out relevant agencies and departments to contact for more information. The information collected will be utilized in preparing your business plan and cash flow statements.

Although every effort has been made to ensure the accuracy of the information presented in this guide, the information in this guide is subject to change without further notice.

Financing

AFSC

Offers Commercial Lending, not a bank. Also known as AOC (Alberta Opportunity Company).

Camrose: 780-679-1311
Toll Free: 1-800-661-3811
www.AFSC.ca

Alberta Womens Enterprise Initiative Association

AWEIA offers small business start-up and expansion loans up to \$100,000. Applicants must be female Alberta residents and have 51% or more operating control of the business. A business plan is required.

Telephone: (780) 422-7784
Toll-free: 1-800-713-3558
E-mail: info@awei.ab.ca

Business Development Bank of Canada

BDC looks at your whole project – its viability, your management team, and your company's financial strength, commitment, and future prospects. This allows BDC to be more flexible, take greater risks, and to help an increasing number of innovative Canadian businesses prosper in today's global economy.

Edmonton: 780-495-2277
Toll Free: 1-877-232-2269
E-mail: info@bdc.ca

Battle River Credit Union

Offers Commercial Lending

Camrose: 780-672-9221
Edmonton Direct (No charge): 780-424-1302

ATB Financial

Offers Commercial Lending

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CFDC

Camrose: 780-672-3331
Toll Free: 1-800-332-8383

Business Structures

One of the first decisions you will have to make is how to structure your business.

From a legal prospective, there are three types of businesses:

- Sole Proprietorship
- Partnership
- Corporation

Sole Proprietorship

- A sole proprietor is fully responsible for all debts and obligations related to his/her business.
- A creditor with a claim against a sole proprietor would normally have a right against all of his/her assets whether business or personal.
- This type of business comes under provincial jurisdiction and requires registration.

Advantages

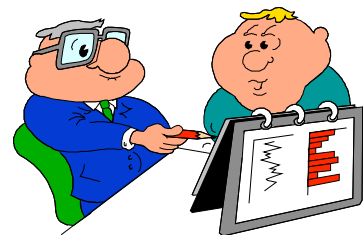
- Low start-up costs
- Owner in direct control of decision making
- Greatest freedom from regulations
- Minimal working capital required
- Tax advantages to owner
- All profits to owner

Disadvantages

- Unlimited liability
- Lack of continuity in business in absence of owner
- Difficulty raising capital

Partnership

- An agreement where two or more persons combine their resources in a business.
- The agreement is usually drawn up with the assistance of a lawyer. The purpose of the agreement is to outline the terms of the partnership and to protect the partners in the event of a disagreement or dissolution.
- Partners share in the profits according to the terms of the agreement.
- All partnerships must be registered.



General Partnership

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

Limited Partnership

- Some members are general partners who control and manage the business and may be entitled to a greater share of profits.
- Other partners are limited and contribute only capital; take no part in control or management; liable for debts to a specified extent only.
- A legal document must be drawn up for a limited partnership.



Advantages

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

Disadvantages

- Unlimited liability
- Lack on continuity
- Difficulty raising additional capital
- Hard to find suitable partners
- Possible development of conflict between partners

Corporations

- A corporation is a separate legal entity from its owners (shareholders).
- No member of the corporation is personally liable for the debts, obligations, or acts of the corporation.
- Can be incorporated at the provincial or federal level. You may want to consider incorporating at the federal level if you want to carry on business in more than one province or outside of Canada. The Canadian Business Act (CBCA) gives the federally incorporated business a protected status on the corporate name that is second only to trade mark protection. It is seen as an important element of the right to operate your business across Canada.
- Identified by the terms “Limited”, “Ltd.”, “Incorporated”, “Inc.”, “Corporation”, and “Corp.”.
- The name and term must appear on all documents.

Private Corporation

- Is formed by one or more persons.
- A majority of the directors must be Canadian residents.
- Shares or securities cannot be sold to the general public.

Public Corporation

- Issues securities for public distribution.
- Must file incorporation documents and a prospectus with the Provincial Securities Commission.
- Must employ outside auditors; must distribute semi-annual financial statements.

Registering A Corporation

The Federal Government requires small business operators to register and obtain a business number (BN). This number will be used for GST, payroll deductions, and corporate tax.

To receive a registration package, contact the following:

Federal Incorporation Kits

Industry Canada

(613) 941-9042

or

The Business Link

1-800-272-9675

Registering A Business Name

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Prior to registering your business name, you must complete a name search for your business. To do this contact your local registries office.

To receive a provincial registration package, contact the following:

Alberta Registries – Corporate Registry
Phone: (780) 427-2311 (Rite Line 310-0000)
Fax (780) 422-1091
www.gov.ab.ca/ma/reg/cr/forms.htm

The Goods and Services Tax (GST)

All businesses are required by law to register for GST when revenues from the sales of taxable goods and services over four consecutive quarters exceed \$30,000. However, any small business may voluntarily register for GST. To receive a registration package contact:



GST Registration & BN Applications – Revenue Canada
Canada Place, Suite 10, 9700 Jasper Avenue, Edmonton, AB T5J 4C8
1-800-959-5525 (780) 495-3500
www.ccra-adrc.gc.ca

Information Regarding Employees

Revenue Canada Employee Deductions

All businesses that employ one or more people must register for and make employer source deductions. It is the employer's responsibility to contact Revenue Canada regarding these deductions. The deductions can be applied for by using the same application that is used for the BN Number.

These remittances include Employment Insurance (EI), Canada Pension Plan (CPP), and Income Tax. The deductions are based on the province in which the employee resides, not where they are employed. (ie. A person living in Saskatchewan, but working in Alberta would be deducted according to Saskatchewan standards.)

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To receive the necessary forms contact Revenue Canada at the number indicated under Goods and Services Tax.

For More Info: 1-800-959-5525

www.ccra-adrc.gc.ca/tax/business/payroll/menu-e.html

Record of Employment

As an employer, you are responsible for preparing a record of employment for each employee that terminates employment. To receive assistance in preparing a record of employment contact:

Human Resources Development Canada

1-800-561-3992

http://roe-ab.hrhc-drhc.gc.ca/common/roe3_e.shtml

Labour and Employment Standards

If your small business is going to employ at least one other person, other than yourself, it is recommended that you contact Labour Standards and receive an information package.

Alberta Employment Standards

HRDC – Labour Program District Office

Canada Place, 1400-9700 Jasper Ave, Edmonton, AB T5J 4C1

310-0000 then 427-3731

www3.gov.ab.ca/hre/employmentstandards/

Workers Compensation

If you are operating a business and have employees, you must (mandatory) notify WCB within 15 days of hiring your first employee. However, there may be an exception for self-employed industries and farmers. Office hours are 8:00 am to 4:30 pm. For more information, contact:

Worker's Compensation Board

PO Box 2415, 9912-107 Street

Edmonton, AB T5J 2S5

Phone (780) 498-3999 (Rite Line 310-0000)

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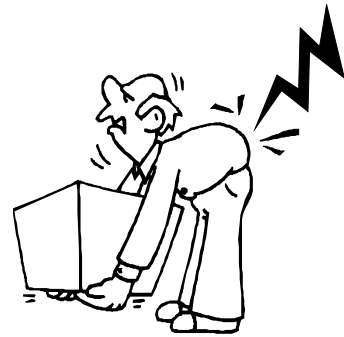
Fax (780) 498-7999

www.wcb.ab.ca

Occupational Health and Safety

Conditions in the workplace and worker's safety are the primary concern of occupational health and safety. It is encouraged that employers obtain copies of the *Occupational Health and Safety Act, General Safety Regulation, and First Aid Regulation*.

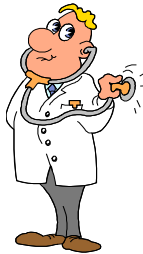
There are other regulations that may apply depending on the nature of your operation. For more information contact:



Alberta Occupational Health & Safety
10th Floor, 9940-106 Street, Edmonton, AB T5K 2N2
Edmonton - Phone 1-866-415-8690
Camrose – Phone (780) 679-1214
Vermilion – Phone (780) 853-8142

****All these offices can also be contacted through Alberta Rite at 310-0000.****

Alberta Health Care



Your business may have to register with Alberta Health Care Insurance (AHCI) Division. AHCI administers the Health Insurance Premiums Act and their regulations. As a business operating in the Province of Alberta, if you have 5 or more employees, you may be required (as a business) to become an agent for the collection of health care premiums. As a business you are not required to make contributions towards the premiums, but collect and remit them.

To receive a handbook or to apply for registration, contact:

Alberta Health & Wellness

Box 1360, Edmonton, AB T5J 2N3 Phone (780) 422-1212 Toll Free 1-800-272-8864

Provincial Licensing

Alberta Gaming and Liquor Commission

All provincial liquor licensing is controlled by AGLC. The AGLC relies on satisfactory inspections by health, fire & municipal building development officials for permit approvals. However, the principals involved with an application must receive acceptable criminal record checks and the business must be registered in the province.

ALCB liquor licenses are not transferable. They become void if the premises are sold, leased, assigned or transferred to another individual or party. In addition, prior approval must be obtained for structural renovations or major alterations of a licensed premises. For further information contact:

Alberta Gaming & Liquor Commission
St. Albert Licensing Branch
50 Corriveau Avenue, St. Albert, AB T8N 3T5
Phone (780) 447-8600 1-800-272-8876
www.aglc.gov.ab.ca

Licensing of Trade and Business Act

Some businesses require licensing and/or bonding under the Licensing of Trade and Business Act. There are also some businesses that require special licensing, such as Health Approval and/or Food Permits (Local Health Department), Importing/Exporting (Canada Customs), federal labelling requirements for pre-packaged foods (Canadian Food Inspection Agency), packaging and labelling of no-food products (Industry Canada). For further information on your business, contact:

Government Services, Alberta Corporate Service Centre
11th Floor, Seventh St. Plaza, 10030-107th Street Edmonton, AB T5J 3E4
Phone (780) 427-4088 (Rite Line 310-0000)
Corporate Registry: 780-427-2311

Patents, Trademarks, Copyrights and Industrial Designs

The Canadian Intellectual Property Office is your source for information and guidance to demystifying intellectual property issues. Check out www.cipo.gc.ca

Patents

Is a contract between the federal government and an inventor. In exchange for full disclosure of the invention, the government grants the inventor exclusive rights to make, use, or sell the invention in Canada for 20 years (it is not renewable). Patents are granted for inventions that are defined as a technological development or improvement that has not previously been considered. Patent applications are made public for 18 months after filing. Until that time, anyone has the right to sell or manufacture the item under consideration. To obtain a patent, the inventor must file an application with:

Patent Office, Industry Canada
Room 725, 9700 Jasper Ave Edmonton, AB T5J 4C3
t. 780-495-4782 f. 780-495-4507
<http://cipo.gc.ca>

Trademarks

A trademark is a word, symbol, design, or combination used to distinguish the goods and services of a person or organization from others in the marketplace. It is not mandatory to register a trademark, but ownership is more easily protected if it is registered. A trademark lasts for 15 years and is renewable. When sending an application for registration a filing fee must be submitted. An additional fee is required prior to certificate of registration being issued. For more information contact:

TM

Trademarks Office, Industry Canada
2nd Floor, Place du Portage
Phase I, 50 Victoria Street
Hull, PQ
Phone (819) 997-1420

Copyrights

A copyright is automatically acquired when an original literary, dramatic, musical, or artistic work is created providing that the author is: a Canadian citizen, a British subject, a resident within Her Majesty's dominion, or a citizen of a country belonging to the universal Copyright Convention. The author's rights are protected for the life of the author and 50 years after. Although registration is not required, those who do register are issued a certificate that can be used in court to establish ownership.

To register a copyright, contact:

National Library of Canada
395 Wellington Street Ottawa, Ontario K1A 0N4
p. 819-997-9565 e. legal.deposit@nlc-bnc.ca

Industrial Designs

Industrial designs are any original shape, pattern, or ornamentation applied to an article of manufacture. The article must be made by industrial process. An industrial design may be registered in Canada if it is not similar or identical to other designs registered. Registration involves the sole right to use the design process for five years and is renewable for another five years. A filing fee is required.

For more information, contact:

Copyright & Industrial Design Branch
5th Floor, Place du Portage
Phase I, 50 Victoria Street
Hull, PQ
(819) 997-1725

Municipal By-Laws

Zoning by-laws dictate where different types of businesses may operate legally and under what local operating requirements. The zoning for residential area will be different from commercial area, so it is necessary that a home based business find out about the zoning in their neighbourhood. It is also necessary to get information on Building Regulations and Codes for both home based businesses and commercial locations.

For more information on business licenses, zoning, and building regulations, contact the local town office

Alliance, Village of Box 149 Alliance, AB T0B 0A0	<i>PHONE:</i> (780) 879-3911 <i>FAX:</i> (780) 879-2235 <i>E-MAIL:</i> allivil@telusplanet.net
Amisk, Village of Box 72 Amisk, AB T0B 0B0	<i>PHONE:</i> (780) 856-3980 <i>FAX:</i> (780) 856-3980 <i>E-MAIL:</i> amiskvil@telusplanet.net
Beaver County Box 140 Ryley, AB T0B 4A0	<i>PHONE:</i> (780) 663-3730 <i>FAX:</i> (780) 663-3602 <i>E-MAIL:</i> ctybvrad@telusplanet.net
Bittern Lake, Village of General Delivery Bittern Lake, AB T0B 0L0	<i>PHONE:</i> (780) 672-7373 <i>FAX:</i> (780) 672-7380
Camrose, City of 5204-50 Avenue Camrose, AB T4V 0S8	<i>PHONE:</i> (780) 672-4426 <i>FAX:</i> (780) 672-2469 <i>E-MAIL:</i> admin@camrose.com
Camrose, County of 3755-43 Avenue Camrose, AB T4V 3S8	<i>PHONE:</i> (780) 672-4446 <i>FAX:</i> (780) 672-1008
Chauvin, Village of Box 160 Chauvin, AB T0B 0V0	<i>PHONE:</i> (780) 858-3881 <i>FAX:</i> (780) 858-2125 <i>E-MAIL:</i> vchauvin@telusplanet.net
Czar, Village of Box 30 Czar, AB T0B 0Z0	<i>PHONE:</i> (780) 857-3740 <i>FAX:</i> (780) 857-2353 <i>E-MAIL:</i> czar2@telusplanet.net
Daysland, Town of Box 610 Daysland, AB T0B 1A0	<i>PHONE:</i> (780) 374-3767 <i>FAX:</i> (780) 374-2455 <i>E-MAIL:</i> daystown@telusplanet.net

Edgerton, Village of Box 57 Edgerton, AB T0B 1K0	<i>PHONE:</i> (780) 755-3933 <i>FAX:</i> (780) 755-3750 <i>E-MAIL:</i> info@edgerton-oasis.ca <i>WEBSITE:</i> www.edgerton-oasis.ca
Flagstaff, County of Box 358 Sedgewick, AB T0B 4C0	<i>PHONE:</i> (780) 384-4100 <i>FAX:</i> (780) 384-3635 <i>E-MAIL:</i> flagstaf@telusplanet.net
Forestburg, Village of Box 210 Forestburg, AB T0B 1N0	<i>PHONE:</i> (780) 582-3668 <i>FAX:</i> (780) 582-2233 <i>E-MAIL:</i> admin@village.forestburg.ab.ca
Galahad, Village of Box 66 Galahad, AB T0B 1R0	<i>PHONE:</i> (780) 583-3741 <i>FAX:</i> (780) 583-2230 <i>E-MAIL:</i> galahad@telusplanet.net
Hardisty, Town of Box 10 Hardisty, AB T0B 1V0	<i>PHONE:</i> (780) 888-3623 <i>FAX:</i> (780) 888-2200 <i>E-MAIL:</i> hardisty@telusplanet.net
Hay Lakes, Village of Box 40 Hay Lakes, AB T0B 1W0	<i>PHONE:</i> (780) 878-3200 <i>FAX:</i> (780) 878-3200 <i>E-MAIL:</i> haylakes@connect.ab.ca
Heisler, Village of Box 60 Heisler, AB T0B 2A0	<i>PHONE:</i> (780) 889-3774 <i>FAX:</i> (780) 889-2280 <i>E-MAIL:</i> vheisler@telusplanet.net
Holden, Village of Box 357 Holden, AB T0B 2C0	<i>PHONE:</i> (780) 688-3928 <i>FAX:</i> (780) 688-2091 <i>E-MAIL:</i> vholden@telusplanet.net
Hughenden, Village of Box 26 Hughenden, AB T0B 2E0	<i>PHONE:</i> (780) 856-3830 <i>FAX:</i> (780) 856-2034 <i>E-MAIL:</i> vofhugh@telusplanet.net
Irma, Village of Box 419 Irma, AB T0B 2H0	<i>PHONE:</i> (780) 754-3665 <i>FAX:</i> (780) 754-3668 <i>E-MAIL:</i> virma@telusplanet.net
Killam, Town of Box 189 Killam, AB T0B 2L0	<i>PHONE:</i> (780) 385-3977 <i>FAX:</i> (780) 385-2120 <i>E-MAIL:</i> tkillam@telusplanet.net
Lougheed, Village of Box 5 Lougheed, AB T0B 2V0	<i>PHONE:</i> (780) 386-3970 <i>FAX:</i> (780) 386-2136 <i>E-MAIL:</i> stowers@telusplanet.net

Provost, MD of Box 300 Provost, AB T0B 3S0	<i>PHONE:</i> (780) 753-2434 <i>FAX:</i> (780) 753-6432
Ryley, Village of Box 230 Ryley, AB T0B 4A0	<i>PHONE:</i> (780) 663-3653 <i>FAX:</i> (780) 663-3541 <i>E-MAIL:</i> vilryley@telusplanet.net
Sedgewick, Town of Box 129 Sedgewick, AB T0B 4C0	<i>PHONE:</i> (780) 384-3504 <i>FAX:</i> (780) 384-3545 <i>E-MAIL:</i> sedgewick@telusplanet.net
Strome, Village of Box 179 Strome, AB T0B 4H0	<i>PHONE:</i> (780) 376-3558 <i>FAX:</i> (780) 376-3557 <i>E-MAIL:</i> strome@telusplanet.net
Tofield, Town of Box 30 Tofield, AB T0B 4J0	<i>PHONE:</i> (780) 662-3269 <i>FAX:</i> (780) 662-3929 <i>E-MAIL:</i> tofield@supernet.ab.ca
Viking, Town of Box 369 Viking, AB T0B 4N0	<i>PHONE:</i> (780) 336-3466 <i>FAX:</i> (780) 336-2660 <i>E-MAIL:</i> tnviking@telusplanet.net
Wainwright, MD of 717-14 Avenue Wainwright, AB T9W 1B3	<i>PHONE:</i> (780) 842-4454 <i>FAX:</i> (780) 842-2463
Wainwright, Town of 1018-2 nd Avenue Wainwright, AB T9W 1R1	<i>PHONE:</i> (780) 842-3381 <i>FAX:</i> (780) 842-2898 <i>E-MAIL:</i> tofwin@telusplanet.net

Helpful Business Contacts

Interactive Business Planner – assists you in creating a formal business plan. You can develop all sections of a business plan; including complete financials. The IBP also provides you with examples of completed business plans.

www.cbsc.org/ibp

Planning for a Business – The Canadian Bankers Association’s site is dedicated to assisting entrepreneurs in getting started in small business.

www.cba.ca

Planning your Business – Small business handbook offers a large series of downloadable business tools. The series includes financial spreadsheet templates, sample letters, contracts, forms and policies.

www.officedepot.com

Centre for Business Planning – offers dozens of sample plans and a very in-depth series of articles to assist you with all sections of your plan.

www.businessplans.org

East Central Alberta Community Futures Development Corporation

PO Box 5000

Viking, AB T0B 4N0

p. (780) 336-3497 f. (780) 336-2266 e. ecacfdc@telus.net

www.ecabiz.ca

The Business Link

100-10237 104 Street NW

Edmonton, AB T5J 1B1

1-800-272-9675

E-mail: buslink@cbsc.ic.gc.ca

Alberta Women Entrepreneurs

#100 10237-104 St. NW

Edmonton, AB T5J 1B1

1-800-713-3558

Western Economic Diversification

15th Floor, Canada Place, 9700 Jasper Avenue

Edmonton, AB T5J 4H7

1-888-338-9378

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Alberta Economic Development & Tourism

5005-49 Street

Camrose, AB T4V 1N5

(780) 679-1235

Business Development Bank of Canada

Edmonton, AB

(780) 495-2277

Check out East Central Alberta CFDC's web site for more helpful business contacts. www.ecabiz.ca

