



Akaitcho

Business Development Corporation

“Thinking of starting your own
Business?”

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AKAITCHO
Business Development
Corporation

**“Thinking of starting
your own
BUSINESS?”**

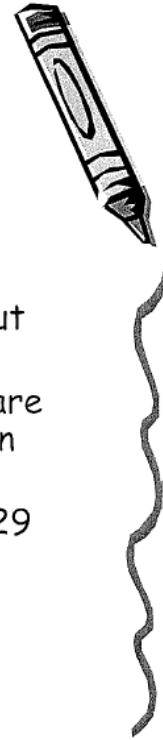
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Power Point Presentation

VENTURING OUT

- Self-employment - primary occupation is operating their own business
- Record numbers of Canadians are venturing out and starting their own business
- As a result, small and medium sized business are now generating most of the new employment in Canada (businesses with under 50 employees)
- 5% of those self-employed are between 15 - 29 years old



An ENTREPRENEUR What is that?

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



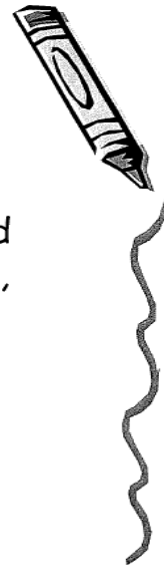
Do You Have the Right Stuff?

- Innovative
- Educated
- Competitive
- Willing to take calculated risks
- Pro-active
- Self-confident
- Willing to work long hours
- Healthy



So You Want to Be Your Own Boss

- Becoming your own boss is a real challenge. It involves a lot of hard work, determination, and sacrifice, but it does have its many personal rewards.



Reality Check The Challenges

- Long hours
- No benefits
- Loss of structure
- Isolation
- Paperwork
- Unpredictable income
- Constant pressure to keep up sales or incoming work
- Potential for loss



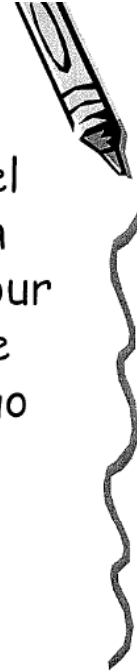
This is the life! The Bonuses

- Satisfaction of creating your own job
- Opportunity to follow your heart
- Variety
- Feeling of control
- Opportunity to use your creativity
- More tax deductions
- Flexible work hours
- No dress code
- Opportunity for a healthier lifestyle



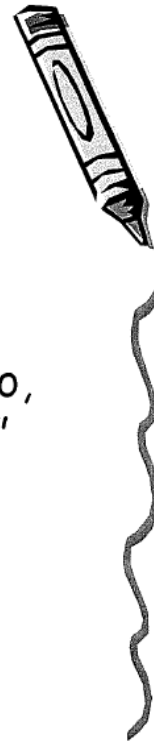
But Where do you Start?

- You have come this far and still feel you're destined to become your own boss, the next step is to explore your self-employment options and decide what kind of business you want to go into.



Following Your Passion

"If you find something you love to do,
you'll never work a day in your life"



Getting Started Elements to Consider

- Time
- Money
- Expertise
- Risk Tolerance
- Financial Return
- Enjoyment
- Family Considerations
- Professional Help



Studying the Market

- Once you have decided what kind of business you'd like to operate, the next step is to decide if there's a real need for your product or service
- Research your idea and ask the tough questions - a market analysis



On the Right Path

You can venture out on your own by:

- Creating a totally new business;
- Buying an existing business, or
- Buying into a franchise opportunity



Choosing a Structure

The most common business structures include:

- Sole proprietorships
- Partnerships
- Incorporation



Planning a Business

- Once you have completed your marketing study, you can use it as the starting point for developing one of the **MOST IMPORTANT FOUNDATIONS** of any business...

the **BUSINESS PLAN**

The Business Plan an Outline

- Executive Summary
- Company and Industry
- Product or Service
- Market
- Marketing Plan
- Operations
- Management
- Timetable
- Financial Information
- Financial Forecast



Projected Cash Flow and Financial Statements

- Projected Monthly Cash Flow Statement, Description and Notes
- Income Statement
- Balance Sheet



The Dirty Dozen Watch out for these pitfalls

- Failure to understand the market
- Failure to plan adequately
- Insufficient financing
- Mismanagement of finances
- Growing too quickly
- Lack of commitment
- Lack of attention to changing markets and business climate
- Lack of experience
- Underestimating the competition
- Inability to find competent, reliable employees
- Dishonesty
- Insisting on going first class



The Entrepreneurs Top 10 Tips

10. Focus on one angle - the best service, friendliest staff, best price - something you can become known for
9. Find people who run successful businesses and learn from them. Use them as mentors
8. Surround yourself with good, capable people



The Entrepreneurs Top 10 Tips

7. Know the industry you're getting into. Get hands-on experience
6. Even if you don't have competitors, pretend that you do. Your business will run more effectively that way
5. Keep your overhead down



The Entrepreneurs Top 10 Tips

4. Set long-term and short-term goals. You need a vision for the long term, but you also need to achieve short-term goals to feel you're making progress.
3. Plan well and go slowly
2. Keep an open mind and keep learning



The Entrepreneurs Top 10 Tips

1. Don't pursue anything unless you are 100 per cent dedicated to following through with it.



What are Your Next Steps?

- Explore
- Talk to someone who has done it
- Do your homework
- Take a course
- Research the advantages and disadvantages of various options
- Identify the knowledge, experience and skills you need
- Seek out business "incubator" programs in your community
- Get professional Advice
- Develop a business plan
- Start part-time and work from your home, if you can



2

Business Idea?

Business Idea??

The statistics are staggering, 8 out of 10 small businesses fail within the first five years. That's why it is important to thoroughly think over your business idea. The rule of thumb has been to think about your business idea for at least three months. Spur of the moment business ideas rarely work, whereas those that have been well planned have a better chance of surviving those harsh statistics.

There are many things to consider while still in the thinking process of your business idea. The first thing is to choose a business venture that you are interested in and excited about. Do not pick a business venture just because it sounds like a profitable venture. Instead choose a business venture that peaks your excitement. The more you enjoy what you are doing, the better chance you will succeed.

You will need to research similar businesses. Before choosing your business venture, do your homework. Find out what similar businesses are doing and if they are having consistent success. If they are succeeding, why, what are they doing right? If they are struggling, find out why. Determine who will be your customers, and if there are enough customers in your market to make it a viable business opportunity.

You will need to determine start-up costs and available resources. Basically you have to figure out what resources you have on hand, how much you'll need in all, and how much more you'll have to acquire from outside sources. There are many things to consider before forming the legal entity for your business. If you are planning on running a home based business with you as the only employee you might consider a sole proprietorship. However if you are planning on starting a larger company with employees, you may want to register as a Limited or Incorporated company. It may be wise to follow the advice of a well versed and experienced attorney, or someone with a lot of business background.

Discuss your business ideas with friends and family. Are you in a position right now to open your own business? Being your own boss has many rewards, but it takes a lot of time and commitment to get there. Is your family going to support the extra hours needed to get your business going? Are they going to understand the long hours you will need to commit to the business once it is up and running? Make sure that you have no personal restraints in your life preventing you from opening your own business.

Some questions to consider;

1. Why will I be successful in this business?
2. What is my experience in this business?
3. Have I spoken with other people in this type of business about their experience, challenges and rewards?
4. What will set my business apart from the competition?
5. Do I have my friends' and families' support?
6. Do I have the resources needed for start-up?

3

Business Plan

Business Plan

The next step is to write a business plan. Consider this: an experienced pilot does not fly a risky mission without a detailed, well researched flight plan. Yet every day, people with minimal business management experience try to operate businesses without active business plans. The importance of a comprehensive, thoughtful business plan cannot be overemphasized. Much hinges on it: outside funding, credit from suppliers, management of your operation and finances, promotion and marketing of your business, and achievement of your goals and objectives. If nothing else, writing a business plan will convince you whether or not your business idea is viable and feasible.

A business plan is a document you write when you take a business idea, and work through all the factors needed to start a successful business, from the actual start-up, to operation and management of the business. No matter how well thought out your business idea is, at some point you will need to share this information with others, such as suppliers, professional advisors, maybe even a banker with whom you would like to obtain a line of credit. It's obviously not very practical to explain your business idea in person every time someone needs to know who you are, so a business plan works as an effective communication tool. A business plan can also give you confidence. It will give you a great feeling, a feeling of being more in control of your business. You will know where your business stands and where it is going. The idea of writing a business plan can be scary for some, however a business plan is simply writing your ideas on paper. There are a few things to consider before embarking on the project of writing your business plan:

- 1. There's no right or wrong way to organize your business plan.** Writing a business plan is as much art as science. There are many different ways to format a business plan. There are many computer software programs out there, and there are also fill-in-the-blank business plans available on the web. You may want to look at all these options, and use the format that works best for you.
- 2. Keep your business plan simple.** You might think that your business is very complex therefore your business plan must be complex. Using long sentences, big words and pages and pages of

explanation just isn't necessary. The plan must be easy to read and understand if it is going to be of maximum use.

3. Be sure to capture your businesses energy and personality.

Your business should have its own special character, which includes commitment to its markets and services. Your business should have a sense of purpose that sets it apart from its competitors. Be sure to capture your businesses' special outlook and sense of purpose.

4. You must include the negatives as well as the positives.

Of course it's natural to sell your business the same way you would sell, or make a promotional pitch – talk only about the great things the company does. However in order to remain credible, your business plan must acknowledge the industry and company weaknesses that are a part of every business, no matter how successful.

5. Be creative in the business plan's packaging and presentation if you like. Feel free to use desktop publishing and graphics to package your business plan attractively. Just keep in mind that certain subjects-for instance the financial statements demand conformity with the tried-and-true.

6. Give yourself time to write. Very few business plans are written in a weekend. Don't be surprised if it takes several weeks if not months for your business plan to evolve. It takes time to fully reflect the array of challenges and opportunities facing the business. The one thing to remember is not to let the process drag on too long. Dragging things on too long often leads to the plan never getting done.

As previously stated your business plan can be as creative as you'd like; however, all plans should include some core factors:

- **Cover Page**
- **Executive Summary**
- **Table of Contents**
- **Mission Statement**
- **Business Background**
- **Products/Services**
- **Market Analysis**
- **Competition**
- **Management and Staff**
- **Risks and Challenges**
- **Benefits**
- **Financial Statements**
- **Appendix**

Included is a Business Plan Workbook, put together by Akaitcho Business Development Corporation. The workbook was created for you, to make the process less of a challenge. The workbook covers everything you need in a successful business plan without going over board.

There are places to go right here in Yellowknife to help you research your plan:

Akaitcho Business Development Corporation

P.O. Box 427

Yellowknife, NT X1A 2N3

Tel: (867) 920-2502

Fax: (867) 920-0363

E-mail: akaitcho@akaitchobdc.com

Canada/NWT Business Service Centre:

7th Floor, Northwest Tower

5201-50th Avenue

Yellowknife, NT X1A 3S9

Tel: (867) 873-7958 / (867) 873-7960

Toll free: 1-800-661-0599

Fax: (867) 873-0573

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

Business start-up assistant:

www.canadabusiness.ca/eng

4

Register your Business

The three most common types of ownership structures are:

- Sole Proprietor
- Partnership
- Corporation

Each type of ownership structure has advantages and disadvantages. Which type is best suited to any particular business will depend on:

- The type of business to be carried on, including the amount of risk involved
- The individual skill and ability of owner
- The desire to retain independent management and control
- the extent of liability of owner to third parties
- the cost of formation
- the long term prospects of business
- the ease of transferring ownership interest
- taxation aspects.

SOLE PROPRIETOR

This form of business ownership operates under the control and management of one person – the owner. Usually the owner will manage the business personally, although it is possible for him/her to employ someone to perform that task.

It is suitable to small business.

Advantages:

No formal agreements need to be prepared to start operations. Sole proprietors can start business with very little formality apart from complying with any regulations relating to the registration of their premises. No legal formalities are required to dissolve the business. The doors just close.

The owner is responsible only to him/herself. No one needs to be consulted on how the business is run. Independent!

Disadvantages:

As in taking all the profits, sole proprietor is responsible for all the losses. Unlimited liability, as there is no difference between personal and business assets. Borrowing power is limited to the value of personal assets of the owner.

For tax time, the owner will be taxed on the profits of the business plus any other income that was earned.

PARTNERSHIPS

For a partnership to exist, the 3 following elements need to be present in the business relationship:

- there must be two or more persons
- they must carry on business together
- there must be in intention to share profits

There must be a mutual trust if the partnership is to succeed.

Formation of Partnerships:

- Written Agreement (HIGHLY RECOMMENDED!!!)
- Verbal Agreement
- Implied by action

Dissolution of Partnerships:

- Expiry of time (entered only for a set period of time)
- Giving of Notice
- Death of Partner
- Insolvency of a partner (unable to pay debt/bankruptcy)

The partner leaving the partnership could be liable for partnership debts contracted after the date the partnership ended if the partnership has not been legally dissolved.

Advantages of Partnerships:

- Management – always will have another person to take over for sickness/holidays/etc.
- Availability of Capital – 2 or more people pooling their resources.
- Formation – a written agreement should be prepared by a legal advisor
- Flexibility

Disadvantages of Partnerships:

- Unlimited liability of partners – if one partner has more personal assets than the other partners, that person may find him/herself bearing a bigger share of a loss
- Danger of disagreement between partners – clashes may develop leading to disruption or break up of the firm.

CORPORATIONS

The owners of a company are the shareholders and the management of the company is by directors – people appointed by the shareholders to manage the company affairs on their behalf. In a smaller business, it is not unusual for the shareholders and directors to be the same people. Corporations are highly regulated and controlled.

Incorporating a company

Reserve a name – will be reserved for a period of time in which the other requirements for incorporation are met.

The operations of a company are under the control of those persons who agree to become directors.

Here are a couple of the roles of the director(s):

- Manage the company, set goals and direction and take care of day-to-day activities.
- Act honestly
- Always act in the interest of the company
- Avoid conflict of interest.

Advantages of Companies:

- Transfer of Ownership – only involves passing the shares of the company from one person to another.
- Perpetual Succession – business is not affected by the death of any of its members.

- Protection of Limited Liability – liability is limited to the unpaid amount on shares they hold. Their personal assets would not be at risk.
- Organization – there are many rules and regulations to follow, thus forcing the owners to become organized.
- Employ the owners – owner benefits by receiving a regular salary from which tax has been deducted. Avoiding the large tax bill at the end of the month.

Disadvantages of Companies:

- Cost of formation – can be at least between \$1500 and \$2000
- Complexity of Regulations
- Privacy – information about your business is available to others.
- Taxation – Companies must pay taxes on their profits as they are a separate legal entity.

Register your Business

Your first step is to register your business. All businesses have to be registered with Corporate Registries of the GNWT Department of Justice. You register using the forms provided by corporate registries, which can be obtained through the Department of Justice.

The forms are available at the Stuart Hodgson Building.

Department of Justice
Government of the NWT
PO Box 1320
Yellowknife, NT X1A 2L9

Corporate Registries
1st floor, Stuart Hodgson Building
5009-49 Street
PO Box 1320
Yellowknife, NT X1A 2L9
Telephone: (867) 920-8987 or 873-7492
Toll Free: 1-877-743-3302
Fax: (867) 873-0243
Website:
www.justice.gov.nt.ca

Registering for a sole proprietor or a partnership will cost you a filing fee of \$50.00. This is one time charge.

Registering a Limited or Incorporated company will cost you \$300.00 plus the \$25.00 name search fee if applicable. There is an annual return fee of \$80.00.

Changes can be made to your initial registration file. The changes you are able to make and the fees are as follows:

Sole proprietorship:

Amend: Addresses only Fee \$25.00

Or If new name: Fee \$50.00

If new user: Fee \$50.00

Partnerships:

Amend: Name Fee \$25.00

Users Fee \$25.00

Addresses Fee \$25.00

Limited Partnerships:

Amend: Name Fee \$50.00

Users Fee \$50.00

Addresses Fee \$50.00

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Business License

Business License

Your business is registered; now you have to obtain a business license. To get a business license you will need to fill out an application form and pay a fee. If your business operates within Yellowknife city limits, you apply for a business license at the City of Yellowknife.

City of Yellowknife
PO Box 580
Yellowknife, NT X1A 2N4
(867) 920-5600 Tel
(867) 920-5688 Business License Clerk
(867) 920-5649 Fax

When you have completed your application form you may drop it off in person to City Hall, mail it or fax it in. If faxing your application, you can pay your application fee over a touch tone phone using your VISA or MasterCard, by calling the Business License System at 920-CITY and using option 5. You can also pay your fee by logging on to <http://business.city.yellowknife.nt.ca>. You can reach the Business License System, 24 hours a day, 7 days a week.

The two most common fees for business licenses are \$150.00 for a commercial business, and \$200.00 for a home occupation. A full list of business license and permits is available at city hall.

If your business is outside of city limits, or if you will be doing work in a community without it's own by-laws. You would apply for a business license through the government at MACA. You can also log on to MACA's website to download all the forms you will need to fill out at www.maca.gov.nt.ca/resources/forms/index/html

MACA
600, 5201-50 Avenue
6th Floor, Northwest Tower
Yellowknife, NT X1A 3S9
Tel: (867) 920-8059
Fax: (867) 873-0609

6

Register with WSCC

Register with W.S.C.C.

There have been new rules put into effect concerning The Workers Safety and Compensation Commission (WSCC) in the Northwest Territories. As a sole proprietorship, you no longer have to register with the WSCC. You may now obtain a business license without a certificate of compliance. If you are going to hire employees, you will need to register with WSCC. If you require optional coverage for yourself, you would also register with WSCC.

Workers Safety and Compensation Commission
5th floor, Centre Square Tower
5022-49th Street
PO Box 8888
Yellowknife, NT X1A 2R3

Employer Services
(867) 920-3888 Tel
1-800-661-0792 Toll free or 1-866-277-3677
(867) 873-4596 Fax

Website:

www.wsc.nt.ca

E-mail:

Yellowknife@wsc.nt.ca

You would also visit WSCC for any Health and Safety Inspections.

(867) 920-3888 Tel
1-800-661-0792 Toll free
24hr. emergency reports
(867) 873-7468 Tel
(867) 873-4596 Fax

You are now registered with the WSCC; you now have to obtain your business license. To get a business license, you will need to fill out an application form, supply your WSCC certificate of compliance, and pay a fee.

7

Open a Bank Account

Open a Bank Account

Your business is feeling pretty official at this point, so logically you can start running your business and start making money right? Almost. Where is your money going? The biggest mistake many small business owners make is to combine personal and business finances. For instance you need some office supplies, you are at the store, you might as well just put it on your personal Visa. Not a good idea. Keep your businesses' money completely separate. Start by opening a bank account for your business. You may want to look into acquiring a line of credit or a business credit card later on, but start by opening a bank account. This is done simply by visiting one of the local branches.

Your bank representative will require you to bring some paperwork in order to open a bank account. For a sole proprietor or a partnership, you will need to bring your registration from Corporate Registries that states whether you are a sole proprietor or a partnership, and two pieces of personal identification. For an Incorporated company you need to bring your article of Incorporation. For an Association, bring a copy of the meeting minutes that states the individual with signing authority.

Bank of Montreal

480B Range Lake Road

P.O. Box 1799

Yellowknife, NT X1A 3R9

Tel: (867) 873-6261

Fax: (867) 873-6621

www.bmo.com

Bank of Nova Scotia

#27, 5102 Franklin Avenue

Yellowknife, NT X1A 3S8

Tel: (867) 669-6000

Fax: (867) 669-6049

www.scotiabank.com

CIBC

5001-50 Avenue

Yellowknife, NT X1A 1E1

Tel: (867) 873-4452

Fax: (867) 873-4730

www.cibc.com

Royal Bank of Canada

#1, 4920-52 Street

Yellowknife, NT X1A 3A3

Tel: (867) 873-5961

Fax: (867) 873-5488

www.rbc.com

TD Canada Trust

4910-50 Avenue

Yellowknife, NT X1A 3S5

Tel: (867) 873-5891

Fax: (867) 873-3687

www.tdcanadatrust.com

8

Bookkeeping

Bookkeeping

You know how to balance a cheque book, but doing the business' books is completely overwhelming. Don't put undue stress upon yourself right off the bat. Stick to what you know and what you do best. If you are opening a restaurant and you love to cook, do just that...cook. You cannot know and be able to do all aspects of running a business. Consider hiring a bookkeeper. There are many small agencies or bookkeepers that work out of their home that would do a great job and not cost you an arm and a leg.

Hiring a bookkeeper is an option that many small business owners opt for. If you do hire a bookkeeper it is very important that you learn the basics of bookkeeping. You need to know what's happening with your business; what money is coming in and what money is going out. Many small businesses fail by the owners not being actively involved in their businesses finances. You must hire a bookkeeper you can have complete trust in, but when it comes down to it, your business is your livelihood – you need to be actively involved in all aspects of your business, even if you are not doing the work yourself.

If you can keep your books in order and your bank account balanced, with all your paperwork organized, you can take everything to an accountant at the end of the year. If your books are kept up to date daily throughout the year, the accountant will not have much work to do, therefore saving you money.

Hiring an accountant is a very smart business move if you do not have a financial background. When you choose an accountant, ask them about a bookkeeper; they can often refer you to one.

Avery, Cooper & Co.

4918-50th Street, Laurentian Building

P.O. Box 1620

Yellowknife, NT X1A 2P2

Tel: (867) 873-3441

Fax: (867) 873-2353

Toll free: 1-800-661-0787

www.averyco.nt.ca

MacKay LLP

#301 – 5120 49th Street

P.O. Box 727

Yellowknife, NT X1A 1P8

Tel: (867) 920-4404

Toll Free: 1-866-920-4404

Fax: (867) 920-4135

www.MacKayLLP.ca

E-mail: Yellowknife@Yel.MacKayLLP.ca

Certified General Accountants of the NWT/ Nunavut (CGA)

3rd Floor

5016-50 Avenue

PO Box 128

Yellowknife, NT X1A 2N1

Tel: (867) 873-5620

Fax: (867) 873-4469

Toll free: 1-888-623-3221

www.cga-nwt-nu.org

E-mail: cganwt@internorth.com

Certified Management Accountants of the NWT/Nunavut (CMA)

Yellowknife, NT

Tel: (867) 873-2875

Fax: (867) 920-2503

www.cma-nwt.com

The Institute of Chartered Accountants of the NWT

Yellowknife, NT

Tel: (867) 873-3680

Fax: (867) 920-4135

www.icanwt.nt.ca

The accountants listed are only a selected few; check the Yellow Pages for a full listing of local accounting firms or to www.yellowknifebusiness.com/account.html

How will you keep track of all your finances? You need to decide what accounting system will be most effective for your business. Some small businesses with few transactions opt for good old hand written records. With today's computer technology you might want to look into a computerized accounting system.

Again knowing basic bookkeeping is important when deciding on an accounting method. Computer programs such as Simply Accounting, Quick Books, and the new Fresh Books, are very user friendly, but you need to understand the transactions you are entering.

Many small business owners keep hand written transactions as well as using a computerized system. There is no right or wrong way to do your accounting; as long as it is getting done. Do not let things pile up! You may convince yourself that it's OK to get to the books at a later date, but it's not a good idea.

Legal Assistance

Legal Assistance

You may as a smart entrepreneur also want to look at hiring legal help. Having a lawyer you can turn to is a great peace of mind. Things are bound to come during the life of your business when you will need legal advice.

You should turn to a lawyer also if you are considering switching the legal entity of your business to an Incorporated or Limited company. There is the option to call any lawyer when needed, however having a lawyer you know and trust is a smart business move.

Davis LLP

Suite 802, Northwest Tower
5201-50th Avenue
Yellowknife, NT X1A 3S9
Tel: (867) 669-8400
Fax: (867) 669-8420
www.davis.ca

Denroche and Associates

5107-53 Street
P.O. Box 2910
Yellowknife, NT X1A 2R2
Tel: (867) 920-4151
Fax: (867) 920-4252
www.denrochelaw.ca
Email: reception@denerochelaw.ca

Lawson Lundell LLP

P.O. Box 818
200, 4915-48th Street
Yellowknife, NT X1A 2N6
Tel: (867) 669-5500
Fax: (867) 920-2206
Toll free: 1-888-465-7608
www.lawsonlundell.com

Marshall & Company

5125-48 Street

P.O. Box 1236

Yellowknife, NT X1A 2N9

Tel: (867) 873-4969

Fax: (867) 873-6567

www.marshall.yk.com

E-mail: administration@marshall.yk.com

McLennan Ross LLP Legal Counsel

1001 - 4920-52 Street

Yellowknife, NT X1A 3T1

Tel: (867) 766-7677

Fax: (867) 766-7678

Toll free: 1-888-836-6684

www.mross.com

McNiven Law Office

202-4817 49th Street

Yellowknife, NT X1A 3S7

Tel: (867) 873-3797

Fax: (867) 873-3064

www.mcnivenlaw.com

E-mail: dmcniven@ssimicro.com

Northwest Territories Legal Aid

4915-48 Street

3rd Floor YK Center East

P.O. Box 1320

Yellowknife, NT X1A 2L9

Tel: (867) 873-7450

Fax: (867) 873-5320

E-mail: lsb@gov.nt.ca

Law Line

Tuesday & Thursday evenings 6:00 – 8:30 pm MST

Tel: (867) 920-2360

Toll free: 1-867-873-3130

Field Law

601, 4902-49 Street

Yellowknife, NT X1A 3T1

Tel: (867) 873-4542

Fax: (867) 873-7970

www.fieldlaw.com

Phillips and Wright

1008-4920 52nd Street

Yellowknife, NT X1A 3T1

Tel: (867) 873-3335

Fax: (867) 873-2773

* The lawyer firms listed are only a selected few; check the Yellow Pages for a full listing of local firms. You can also check www.yellowknifebusiness.com/law.html

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Insurance

Insurance

You should also look into Insurance for your business. Being a successful business person means you can anticipate events and plan for the future. Business insurance is a great way to ensure that you are in control of your future rather than being controlled by it. There is no one plan that will meet every small business person's needs; you will need to shop around, to get the business insurance that's best suited to you.

Remember you personally cannot control or eliminate every potential risk that challenges your livelihood. Business insurance can provide the protection against these risks. Insuring your business is not as simple as insuring your car. Because your business is very unique, you will need to design a package of insurance that meets your business needs and provides a level of protection you are comfortable with. The first decision you need to make is what type of insurance does my business need.

Two types of business insurance that all businesses need are property and liability insurance:

Property insurance protects the assets your business owns. This includes the building you are using and equipment from damage or destruction. Even if you run a home based business and have home insurance, you need to protect your business assets with separate contents insurance; your home owner's policy will not cover business equipment.

Contents insurance protects your business equipment from perils such as fire, flood or theft. To determine how much property or contents insurance you will need, create an itemized list of your businesses assets and their dollar value. From there decide which assets you want to insure and for what value, and that will determine the insurance premium.

Some times you may decide against insuring a certain asset, because it just doesn't warrant the cost of the premium. In some cases the premium is well worth paying. Ask yourself, if this piece of equipment, like a computer, were stolen, would I be able to afford to replace it? If you can't, you should insure it.

Liability insurance is the other kind of insurance your business should not go without. Its purpose is to protect your business from being sued.

General liability insurance protects your business from liability arising from negligence that may cause injury to others. It also protects your company if someone is injured as a result of using your product or service. If you consider that the legal expenses of a single lawsuit could drive your business into bankruptcy, you see why this kind of insurance is important.

There is specific liability insurance coverage, depending on the type of business you run, which can be discussed with an insurance broker as to what will work best for you.

Arctic Insurance Brokers Ltd.

104, 487 Range Lake Road

Yellowknife, NT X1A 3R9

Tel: (867) 873-6398

Fax: (867) 873-6397

www.arcticinsurance.com

The Co-operators

321D Old Airport Road

Yellowknife, NT

Tel: (867) 873-9522

Fax: (867) 873-9535

www.cooperators.ca

Lakeshore Insurance Broker's Ltd.

Bay # 9, 100 Borden Drive

PO Box 2429

Yellowknife, NT X1A 2P8

Tel: (867) 920-2525

Fax: (867) 873-3636

Nunavut Insurance Brokers Ltd.

5105 48th Street

Yellowknife, NT X1A 1N5

Tel: (867) 669-7836

Fax: (867) 669-7615

Toll-Free: 1-877-376-5490

www.nunavutinsurance.ca

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GST Number

GST Number

If your business is making annual revenues of over \$30,000, you must register for a GST number. Canada Revenue Agency (CRA) has a single business registry for GST, income tax, Canada pension plan and employment insurance contributions. You will have to have your corporate registry number and the owners' social insurance number to obtain your business (GST) number.

Everything can be done by calling 1-800-959-2221. The agent on the phone will fill out the application as you go. The 1-800 number is in effect from 8:15am – 8pm Monday to Friday. All forms you need to apply for your GST number are available on line as well at www.ccra.adrc.gc.ca .

Remember that if you are an incorporated company you will need your Certificate of Incorporation, and if you have a board of directors you will need to provide each members Social Insurance number and their home phone numbers.

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Payroll Tax

Payroll Tax

If you plan on hiring employees you must also register for Payroll Tax. Any business starting in the Northwest Territories must register within 21 days of paying remuneration to an employee. The payroll tax is a tax on employment income that must be collected by an employer. The NWT payroll tax is 2% of gross remuneration for each employee.

Employers are to hold payroll tax in trust for the Government of the Northwest Territories. Failure to collect is illegal, and failure to remit is considered theft. Employers who do not register, deduct or remit as required, may be assessed a penalty and interest or may even be prosecuted. Penalties range from \$100 to \$5,000 plus 20% of the tax all depending on the offence and the amount of times it has happened.

Registration packages can be picked by contacting the GNWT Department of Finance, or in person 3rd floor YK Centre.

Department of Finance
Government of the NWT
PO Box 1320
Yellowknife, NT X1A 2L9
NWT_TAX@gov.nt.ca

Taxation Administration
3rd floor YK Centre
4922-48th Street
PO Box 1320
Yellowknife, NT X1A 2L9

(867) 920-3495, 920-3470 or 873-7526 Tel
1-800-661-0325 Toll free
(867) 873-0325 Fax

Employment Standards Act

Employment Standards Act

If you are planning on hiring employees you need to know about the Employment Standards Act. The Employment Standards Act applies to all businesses in the NWT. The Employment Standards Act details your employees' rights. To obtain a copy of "A Guide to the Employment Standards Act", contact the GNWT Department of Education, Culture & Employment. You can also log on to their website www.ece.gov.nt.ca, once in the website link to Employment Services.

Employment Standards
1st Floor Nova Plaza
5019 52nd Street
PO Box 1320
Yellowknife, NT X1A 2L9

Tel: (867) 873-7486
Toll free: 1-800-700-5707
Fax: (867)873-0483
Email: Linda_melander-groff@gov.nt.ca

Other Considerations

Other Considerations

You must keep in mind that you may need further permits and licenses depending on the type of your business. There are different tax considerations for different businesses, such as tobacco, fuel or property taxes in the NWT. And don't forget provincial sales tax if your business is operating outside the NWT.

If your business deals with food products, accommodations or childcare, health regulations may apply. For more information contact the Department of Health and Social Services, Health Protection Unit.

Businesses dealing with wildlife, guiding, outfitting and tourism may need specialized licenses and permits. Contact the Department of Industry, Tourism and Investment for more information.

If you will be selling tobacco products, you will need a permit from the Department of Finance, Taxation office.

There may be other licensing requirements to consider, including those related to the Fire Marshall, liquor commission, Land Titles, and Health & Safety Inspections.

IMPORTANT INFORMATION

Incorporating your business corporation is only one of the steps involved in organizing your business. Here is a list of some of the possible agencies you may contact:

You will need a business license from the municipality if you are operating within a community; or if your work does not take place within a specific municipality, from:

Business Licensing
Consumer Affairs Division
Department of Municipal and Community Affairs
YELLOWKNIFE NT X1A 2L9
Telephone: (867) 920-8059
Fax: (867) 920-6156

If you plan on having employees, you will have to become familiar with, and follow, the Employment Standards Act applicable to your type of business. For more information, contact:

Employment Standards
3rd Floor YK Center East
Department of Education, Culture and Employment
Government of the Northwest Territories
YELLOWKNIFE NT X1A 2L9
Telephone: (867) 873-7486
Fax: (867) 873-0483

If you need coverage, or clearance from coverage, from the Workers Safety & Compensation Commission, their address is:

Workers Safety & Compensation Commission
5022 49th street
5th Floor Center Square Tower
P.O. Box 8888
YELLOWKNIFE NT X1A 2R3
Telephone: (867) 920-3888
Fax: (867) 873-4596
Toll Free: 1-800-661-0792
www.wsccl.nt.ca

Northwest Territories Human Rights Law is administered by:

Fair Practice Officer
Department of Justice
Government of the Northwest Territories
YELLOWKNIFE NT X1A 2L9

For information on the Northwest Territories payroll tax, contact:

Taxation Section
Northwest Territories Department of Finance
YELLOWKNIFE NT X1A 2L9
Telephone: (867) 920-3495
Fax: (867) 873-0325
Toll Free: 1-800-661-0820

For information regarding the Northwest Territories Business Incentive Policy, contact:

Industry, Trade and Investment
Government of the Northwest Territories
YELLOWKNIFE NT X1A 2L9
Telephone: (867) 920-3182
Fax: (867) 873-0181

There are also federal agencies with which you may need to register. For the most part, these deal with employee source deductions such as income tax, Canada Pension Plan, and Employment Insurance. For more information, call 1-800-663-3765 or visit www.gc.ca.

Useful phone numbers and websites

Useful phone numbers, addresses and web sites:

Aboriginal Business Canada:

4920 52nd Street
5th Floor
P.O. Box 2760
YELLOWKNIFE NT X1A 2R1
Telephone: (867) 669-2624
Fax: (867) 669-2839

Canada Business Services for Entrepreneurs:

www.CanadaBusiness.gc.ca

1-888-576-4444 Toll Free

1-800-457-8466 Toll Free

Business Development Bank of Canada (BDC):

4912-49th Street
Yellowknife, NT X1A 1P3
(867) 873-3565 Tel
(867) 873-3501 Fax
www.bdc.ca

Canadian Franchise Association:

5399 Eglinton Avenue West
Suite 116
Toronto, ON M9C 5K6
Telephone: (416) 695-2896
Toll Free: 1-800-665-4232
Fax: (416) 695-1950
info@cfa.ca
www.cfa.ca

Department of Finance, Government of the NWT:

PO Box 1320
Yellowknife, NT X1A 2L9
www.fin.gov.nt.ca

Liquor Licensing Board

Suite 210, 31 Capital Drive
Hay River, NT X1A 0R2
Telephone: (867) 874-2906
Toll Free: 1-800-874-6011
Fax: (867)874-6011
www.fin.gov.nt.ca/LLB

Bureau of Statistics:

2nd floor, YK Centre
Telephone: (867) 873-7147
Fax: (867) 873-0275
www.stats.gov.nt.ca
info@stats.gov.nt.ca

Environment Health Services

Main floor, Diamond Plaza
PO Box 10
Yellowknife, NT X1A 2N1
Telephone: (867) 669-8979
Fax: (867) 669-7517

Department of Municipal and Community Affairs, Government of the NWT:

600, 5201-50 Avenue
Yellowknife, NT X1A 3S9

Consumer Affairs

Telephone: (867) 873-7125
(867) 873-0152
(867) 920-6343

www.maca.gov.nt.ca/forms/forms.html

Land Titles

Community Planning and Lands

Telephone: (867) 873-7571
Fax: (867) 873-5885

Emergency Services

6th floor, Northwest Tower
Telephone: (867) 873-7469
(867) 873-0260

www.maca.gov.nt.ca

Law Society of the Northwest Territories:

5004-50th Avenue
PO Box 1298
Yellowknife, NT X1A 2N9
(867) 873-3828 Tel
(867) 873-6344 Fax
LSNT@theedge.ca
www.lawsociety.nt.ca

Northwest Territories Métis Dene Development Fund:

4908 50th Street
P.O. Box 1405
Yellowknife, NT X1A 2P1
Telephone: (867) 873-9341
Toll Free: 1-888-554-6333
Fax: (867) 766-3745
admin@nwtmddf.com
www.nwtmddf.com

NWT Chamber of Commerce:

Office:
4921 49th Street
3rd Floor
YELLOWKNIFE NT

Postal address:
PO Box 13
3rd floor, NWT Commerce Place
4910-50th Avenue
Yellowknife, NT X1A 3S5
Telephone: (867) 920-9505
(867) 873-4174
admin@nwtchamber.com
www.nwtchamber.com

ITI (Industry, Tourism and Investment)

2nd Floor YK Centre
P.O. Box 1320
Yellowknife, NT X1A 2L9
Tel: (867) 920-8967
www.iti.gov.nt.ca

Statistics Canada:

150 Tunney's Pasture Driveway

Ottawa, ON K1A 0T6

Toll Free: 1-800-263-1136

Fax: 1-877-287-4369

www.statcan.gc.ca

johane.tremblay@statcan.ca

Lending and Contributions

CANOR:

<http://www.north.gc.ca/index-eng.asp>

Aboriginal Business Canada:

<http://www.ainc-inac.gc.ca/ecd/ab/abc/index-eng.asp>

Find Government Grants, Loans and Financing: (a checklist)

<http://www.canadabusiness.ca/eng/search/sof/>

Canada Small Business Financing Program:

<http://www.ic.gc.ca/eic/site/csbf-pfpec.nsf/eng/home>

Akaitcho Business Development Corporation
P.O. Box 427
Yellowknife, NT
X1A 2N3
Tel: (867) 920-2502 fax: (867) 920-0363
Email: akaitcho@akaitchobdc.com