THE SASKATCHEWAN
BUSINESS START-UP CHECKLIST

Loans | Advice | Support

Community Futures Saskatchewan

READY, SET...
SEVEN STEPS TO SUCCESS.

There has never been a better time to start a business in Saskatchewan – A booming economy, increasing population, and new technologies have lowered many of the barriers to entry. According to Statistics Canada, Saskatchewan has the highest percentage of self-employed people in the country. Your enthusiasm for entrepreneurship is shared by many, so let's get started!

This ebook will focus on helping you with the administrative aspects of setting up a business – knowing the regulatory requirements of starting a business in Saskatchewan and spending as little money as possible to do so.

Note: This ebook should be used as a guide to help you get started, but should not be considered as a replacement to appropriate legal and accounting advice. Community Futures accept no liability for errors or ommissions contained within this guide.

BEFORE YOU START
PREPARING FOR SUCCESS

Not everybody needs to register for a business. You may not need to register your business provincially if you meet all of the following criteria:

- You are operating a sole proprietorship under your personal name (e.g. “John Smith”) OR practicing a profession regulated by a governing body (e.g. doctor or lawyer) and your firm is operating under the name of a current or former associate.
- You do not have any employees and do not wish to receive optional personal coverage from WCB.
- You are operating a business in one of these specific industries that is not eligible for or does not require a PST number to be filed with the Ministry of Finance (either as a vendor or consumer).

You may still need to get a GST number if your revenues will exceed $30,000 per year. Visit the CRA website to determine if you should register for a GST Account:

http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/rgstrng/menu-eng.html

If your business is operating under any other scenario that is not detailed above, you will need to register your business and apply for any applicable permits/licenses. Follow the steps outlined in the rest of this document.

STEP ONE
PICK YOUR BUSINESS STRUCTURE.

There are three main choices that apply in most circumstances (Excluding Cooperatives & Non Profits):

SOLE PROPRIETOR

If you plan to be self-employed and not hire direct employees then this is the simplest route to go. You can operate under your own name or register a business name, obtain any necessary licenses, and you're in business.

This choice is best for businesses that have very little liability, modest income, and require little capital to operate. It's often appropriate for consultants, individual trades people, and freelance creative professionals. However, if you run into legal or financial problems then be aware that your personal assets are at stake.

ADVANTAGES

- Easy and inexpensive to form a sole proprietorship (you will only need to register your business name provincially)
- Relatively low cost to start your business
- Lowest amount of regulatory burden
- Direct control of decision making
- Minimal working capital required to start-up
- Tax advantages if your business is not doing well, for example, deducting your losses from your personal income, lower tax bracket when profits are low.
- All profits will go to you directly

DISADVANTAGES

- Unlimited liability (if you have business debts, personal assets would be used to pay off the debt)
- Income would be taxable at your personal rate and, if your business is profitable, this may put you in a higher tax bracket
- Lack of continuity for your business, if you need to be absent
- Difficulty raising capital on your own

MORE INFORMATION

Forming a Saskatchewan Sole Proprietorship https://www.isc.ca/CorporateRegistry/RegisteringaBusiness/RegisteryourBusiness/Pages/default.aspx

PARTNERSHIP

A partnership is a good business structure if you want to carry on a business with a partner and you do not wish to incorporate your business. With a partnership, you would combine your financial resources with your partner into the business. You can establish the terms of your business with your partner and protect yourself in case of a disagreement or dissolution by drawing up a specific business agreement. As a partner, you would share in the profits of your business according to the terms of your agreement.

You may also be interested in a limited liability partnership in the business. This means that you would not take part in the control or management of the business, but would be liable for debts to a specified extent only.

"IT'S LIKE BEING MARRIED, SO CHOOSE CAREFULLY"

ADVANTAGES

- Easy to start-up a partnership
- Start-up costs would be shared equally with you and your partner
- Equal share in the management, profits and assets
- Tax advantage, if income from the partnership is low or loses money (you and your partner include your share of the partnership in your individual tax return)

DISADVANTAGES

- Similar to sole proprietorship, as there is no legal difference between you and your business
- Unlimited liability (if you have business debts, personal assets would be used to pay off the debt)
- Hard to find a suitable partner (It's like being married, so choose carefully).
- Possible development of conflict between you and your partner
- You are held financially responsible for business decisions made by your partner (for example, contracts that are broken)

MORE INFORMATION

Forming a Saskatchewan Partnership https://www.isc.ca/CorporateRegistry/RegisteringaBusiness/RegisteryourBusiness/Pages/default.aspx

CORPORATION

If you offer a product or service that could end up harming somebody (physically or financially), has large earnings potential, and requires significant capital to operate then it's best to incorporate. A corporation is a separate legal entity apart from yourself and protects your personal assets in the event things go awry. It is more expensive to run a corporation than a sole proprietorship since you may need the assistance of a lawyer to file the initial articles of incorporation and an accountant to process your tax return every year. You can incorporate either provincially or nationally depending on where you plan to do business.

A corporation has many advantages when it comes to saving taxes when revenue exceeds about $75,000 per year. Up until this point, there are not many tax advantages to being incorporated compared to being a sole proprietor or partnership. Assuming you don't have any employees/partners and your business doesn't require a lot capital or liability, then you can always start as a sole proprietor and convert to a corporation later.

ADVANTAGES

- Limited liability
- Ownership is transferable
- Continuous existence
- Separate legal entity
- Easier to raise capital
- Possible tax advantage as taxes may be lower for an incorporated business

DISADVANTAGES

- A corporation is closely regulated
- More expensive to incorporate than a partnership or sole proprietorship
- Extensive corporate records required, including shareholder and director meetings, and documentation filed annually with the government
- Possible conflict between shareholders and directors
- Possible problem with residency of directors

MORE INFORMATION

Incorporating Your Business in Saskatchewan: https://www.isc.ca/CorporateRegistry/RegisteringaBusiness/RegisteryourBusiness/Pages/default.aspx

Find out how to incorporate your business in Saskatchewan, including the fees, the forms required and the turn-around time.

Guide to Federal Incorporation: https://www.ic.gc.ca/eic/site/cd-dgc.nsf/

Step by step guidelines to help you incorporate your business and set up an appropriate structure. Applicable if you will conduct business across Canada.

STEP TWO
SEARCHING AND RESERVING A BUSINESS NAME FOR USE IN SASKATCHEWAN.

Before you incorporate a Saskatchewan business corporation or register a business name, the proposed name must be searched against all other registered names in Saskatchewan, as well as federal corporations and registered trademarks. The search ensures that no other business has an identical or very similar name to the one you want to use for your business.

If you are a sole proprietor you can operate your business under your personal name without reserving a formal business name, but it's recommended you still do a name search to ensure nobody else is already using it for business.

Below is a link to cost saving online tools that allow you to do a name search and register a business name for as little as $115 total.

Searching & Registering a Business Name: https://www.isc.ca/CorporateRegistry/RegisteringaBusiness/Pages/Step-3-Preparing-to-register-your-business.aspx

STEP THREE

PREPARING TO REGISTER YOUR BUSINESS – REQUIRED INFORMATION.

Before you begin the process of registering your business online, make sure you know the answers to the following questions:

Do I have a unique business name?

No other business can have an identical or very similar name to the one you want to use. You need to reserve a business name, and have the official Reservation Number from the Corporate Registry, before you can register your business. Go to Step 2 if you need to search and reserve a name.

Do I know my business location?

You will be asked for the location of your business. If the business is out of your own home, use your home mailing address.

Do I plan to hire employees?

You will be asked if you plan to hire employees or subcontractors and will need to provide the approximate wages you expect to pay them.

Resource: Information on hiring employees in Saskatchewan

What will be my anticipated monthly sales?

You will be asked how much you anticipate to sell every month in which PST will be collected.

Will you be extra-provincially registering in British Columbia or Alberta?

As a business corporation you will be asked if you would like to register your business extra-provincially in British Columbia and/or Alberta. Extra-provincial registration in these two provinces will be facilitated online at no extra cost.

As a numbered company, limited partnership, limited liability partnership, or co-operative and you wish to extra-provincially register in British Columbia and/or Alberta as part of the New West Partnership Trade Agreement (NWP) you need to extra-provincially register with the ISC Corporate Registry site: https://www.isc.ca/CorporateRegistry/RegisteringaBusiness/SearchandReserveaBusinessName/new-west-partership-name-reservations/Pages/default.aspx. This transaction cannot currently be done on the Business Registrations Saskatchewan site.

If you can answer all of the above, you're ready to register!

STEP FOUR
REGISTER YOUR BUSINESS

The main purpose of registering your business is to obtain a "business number". If you register as a corporation you will be automatically generated a business number by the Canada Revenue Agency. If you are a sole proprietor or partnership providing taxable goods or services in Saskatchewan a business number is required for the following federal programs: GST/HST; Payroll; Corporate Income Tax and Import/Export

The Business Number simplifies your interactions with all levels of government (federal, provincial and municipal) by allowing your information to be safely and securely shared with other participating Business Number partners, as permitted by law. This reduces the need for re-entering your business information over and over again when completing common registrations.

It costs $55 to register a sole proprietorship or partnership, $65 to register a non-profit corporation and $215 to register a business corporation with Corporate Registry. It is best to register online to save costs versus doing it via paper mail.

Register Your Business Online: https://www.isc.ca/corporateregistry/Pages/default

Registering your business online will streamline your registration process by ensuring all your applicable business information is submitted to the Corporate Registry, Canada Revenue Agency, Saskatchewan Ministry of Finance, and Saskatchewan Workers' Compensation Board (WCB) in one simple process.

If you are a sole proprietor or partnership with revenues forecasted to be more than $30,000 per year then you may also need to register for a GST Account: http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/rgstrng/menu-eng.html

Doing business outside of Saskatchewan? Obtain a Federal Business Number through CRA http://www.cra-arc.gc.ca/bro/

STEP FIVE
ACQUIRE PERMITS, LICENSES, AND LOCAL MUNICIPALITY APPROVALS.

Your business may need numerous licences and permits from different levels of government. Use the BizPaL licences and permits service to find out which ones may apply to your business.

BizPal Permit & License Application: http://www.bizpal.gov.sk.ca/?b=47

STEP SIX
DEVELOP A BUSINESS PLAN

Creating a simple business plan is a good way to map out how you envision your business operating – Products/services, target market, location, revenues, expenses, marketing strategy, and personnel. If you plan to get a loan or any sort of grant then having a business plan will be required.

Business Plan Guide: https://cfsask.ca/images/pdfs/general/CF_Business_Plan.pdf

Business Training Workshops: https://www.cfsask.ca/events

STEP SEVEN
EXPLORE FINANCING OPTIONS AND GOVERNMENT GRANT PROGRAMS

If you require money to get your business off the ground then getting a loan is something you will want to investigate. Community Futures specializes in helping Saskatchewan businesses operating in rural areas and small towns get access to financing and business advice typically not available through regular banks or credit unions.

Community Futures Business Loans: https://cfsask.ca/loans

Aside from obtaining capital there may be special programs or grants available for particular individuals or specific business industries.

Community Futures Programs: https://cfsask.ca/programs
Federal Government Grants: https://canadabusiness.ca/grants-and-financing/government-grants-and-financing/

BLAST OFF
ADDITIONAL RESOURCES

Most the information provided in this ebook is available in interactive format - The Business Registrations Saskatchewan website streamlines all the steps required to register a business with the Corporate Registry, obtain a Provincial Sales Tax vendor's licence and register as an employer with the Saskatchewan Workers' Compensation Board (WCB) in one application. This site currently is only applicable to Sole Proprietorships, Partnerships, Corporations and Non-Profit business types. https://www.isc.ca/CorporateRegistry/RegisteringaBusiness/Pages/default.aspx

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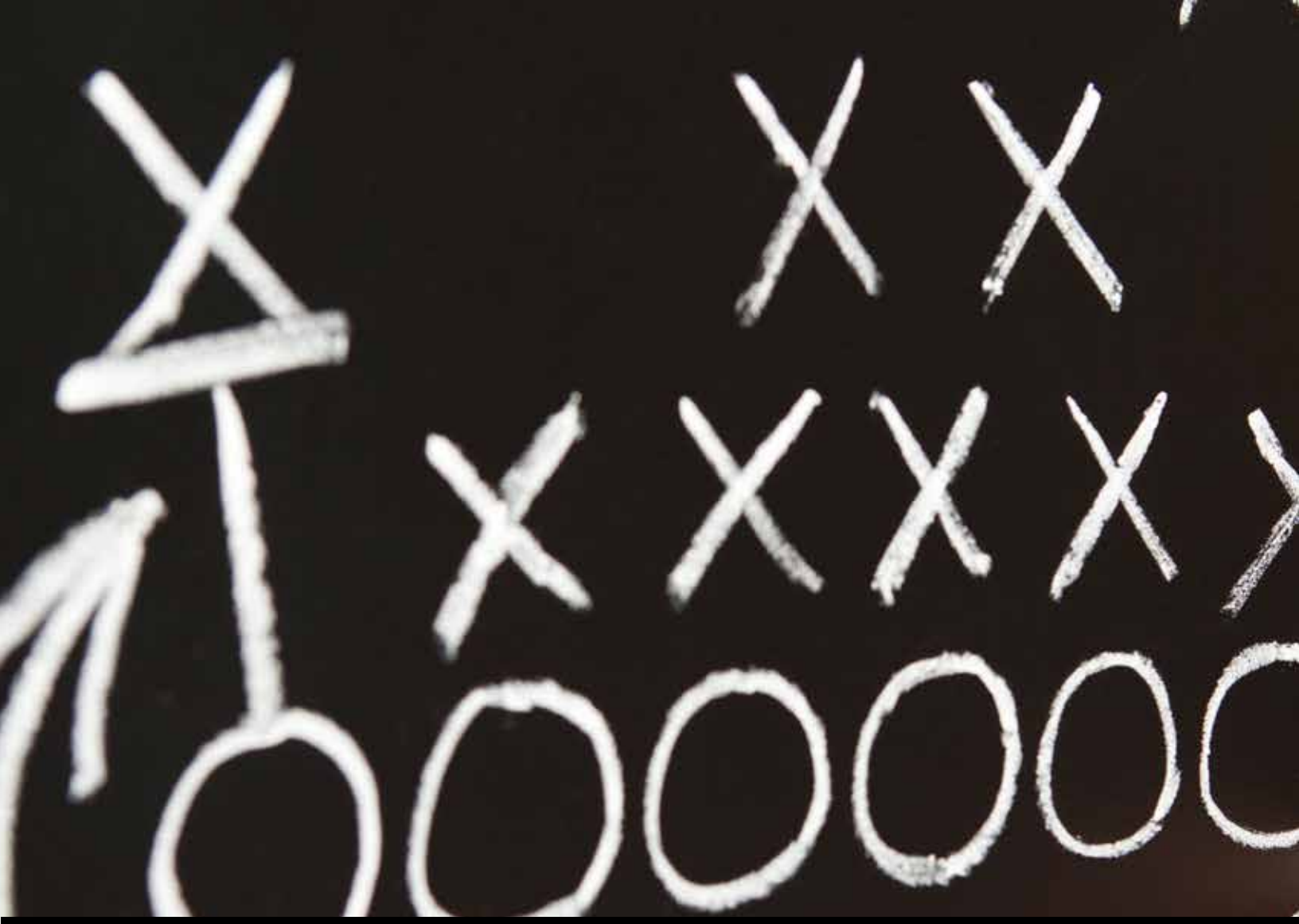
CONNECT
ABOUT COMMUNITY FUTURES SASKATCHEWAN

Business loans, advice and support for over 25 years - Community Futures has 13 offices across Saskatchewan and been in the business of encouraging and supporting our communities, our volunteers and our small business owners for more than 25 years. We know what it takes to start and grow a business, to raise money for a community project or organize to provide a much needed community service. And, we'll approach your idea in a way as individual as you are.

Visit our website at www.cfsask.ca to learn more and find the office nearest you.

Community Futures Saskatchewan



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Need help? 1.877.851.9997

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