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# PERSONAL PLANNING

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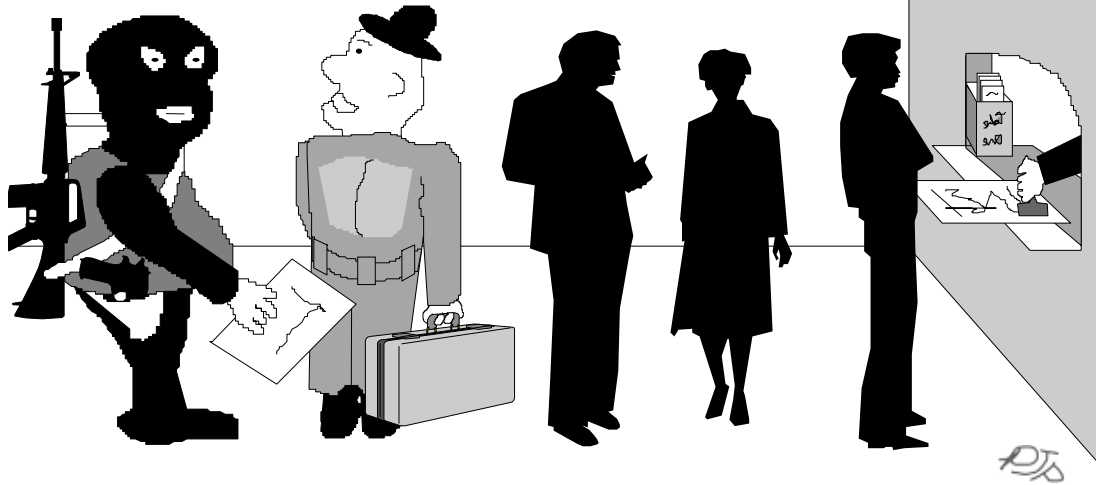
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## Small Business Registry



*“So what kind of business are you planning to start?”*

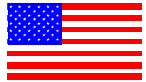
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## ***LICENSING YOUR OPERATIONS***

**THE** prime objective of business licensing and registration is to protect the names of an established business from infringement by new enterprises, and to make its ownership known to the public.

Among other things, it also allows you to set-up a business bank account, apply for loans, and take advantage of government counseling programs.

## REGISTERING A BUSINESS IN THE U.S.



GENERALLY SPEAKING, depending on where you live, to register your business you will have to contact your local small business authority or tax assessment office – find these numbers in the yellow pages – and ask them what county, state, and federal forms, licenses and permits are required. A license is a privilege granted by a legislative body at its discretion while a permit is a right that anyone can obtain if the requirements of the granting agency are met.

Be specific about what kind of business you are opening. In addition, although you are not expected to be a lawyer, you should have a basic knowledge of the laws

*Your not really in business until the government knows you are in business.*

**POWERPOINT**

affecting your business. Some of the legal matters you should be acquainted are listed below and explained in greater detail later on in this Guidebook:

- Are you aware of: Occupational Safety and Health (OSHA) requirements; regulations covering hazardous material; local ordinances covering signs, snow removal, etc.; federal tax code provisions pertaining to small business; federal regulations on withholding taxes and social security; and State workmen's compensation laws?
- Do you know the business laws within your industry that you will have to obey?
- Do you have a lawyer who can advise

you and help you with legal documents?

- Do you know which licenses and permits you may need to operate your business?

## Registering a Sole Proprietorship

A sole proprietorship can be operated under the name of the individual owner. In this case, just open your doors and start, as no government approval is needed to begin operation. However, if the name you select isn't yours, you will need to file a "fictitious name" certificate in the town or city in which your business is located. When selecting your business name, make sure it is not the same or similar to the name of another business.

*A sole proprietorship can be operated under the name of the individual owner. In this case, just open your doors and start, as no government approval is needed to begin operation.*

Other start-up procedures frequently required by a sole-proprietorship include obtaining any necessary zoning permits, occupancy permits or special business licenses and registering with federal tax authorities. Also, if you plan to hire employees, you must file for an employer identification number using Form SS-4.

For more specific information regarding registration and licensing procedures, contact your local small business government office.

## Registering a Partnership

As with a sole proprietorship, a partnership often uses the name of its partners as the name of the business. However, if none of the partners' names are used, or if not all of the partner names

are used, like a sole proprietorship you will have to file a “fictitious name” certificate. It should also be noted that a number of states require ALL partnerships to file *partnership certificates* either with their local government or in the Office of the Secretary of State.

**NOTE** Although not legally required it is advisable that partnerships have a partnership agreement drawn up (refer to Guidebook #18 to review what a partnership agreement should contain).

## Registering a U.S. Corporation

If you decide to do business as a corporate entity, you will have to comply with the formal requirements of the state in which you incorporate. The individuals who will own the business

## License or Permit Issuing Bodies

Department	Authority
Building	Construction, renovations, zoning, signage
Health	Food handling, rest rooms, sewer connections, septic systems
Council	Licenses and permits
Town Clerk	Business certificates
Police	Alarm and business registrations
Fire	Safety inspections, alarm registrations
Weights and Measures	Weighing and measuring, packaging and labeling
Conservation Commission	Wetland alterations, building and activity near wetlands
Historic	Signs, building and home alterations, business activities

(the shareholders or stockholders) must also agree on the following before they create a corporation:

- The name of the business
- The total number of shares for stock the corporation can sell or issue (known as “authorized shares”)
- The number of shares of stock each owner will buy
- The amount of money or other property each owner will contribute to buy his or her shares of stock
- The business in which the corporation

*To evade taxes, some entrepreneurs avoid registering their small home-based businesses and reporting profits. However, be warned that the day your business gets big, government officials might start asking questions, questions that could lead to words being thrown around like, tax evasion, prison, penalty payments etc.*

### **SUPERTIP**

will engage

- Who will manage the corporation (i.e., who will be the directors and officers of the corporation

Once the shareholders agree on the above issues, they must prepare and file articles of incorporation or a certificate of incorporation with the corporate office of the state in which they want to incorporate. A corporation may be formed in its home state or in any other state.

**NOTE** Incorporating a business can be a complex procedure. Although there are packages that can be bought at local book stores, you should seek outside guidance.

**Bylaws** – The corporation will need to establish bylaws i.e., a set of rules of procedure by which the corporation is run. These rules pertain to stockholder meetings, director meetings, the number of officers in the corporation and the responsibilities of each officer.

**Corporation Charter** – All corporations must have in writing a legally binding charter. A charter contains among other things all the bylaws of the corporation.

**Corporate Name** – When you send your corporate documents to the state, you must include the name of the corporation. If the name you have selected is already used by another company, your documents will be rejected. In many states, you can phone the corporation commission

*All corporations must have in writing a legally binding charter.*

and they will tell you whether the name you have selected is available as a corporate name.

**NOTE** You also should take care to avoid using a name that is similar to that of an existing company or product.

**Fees to the State** – To form a corporation you must file with the appropriate state office. For filing the corporate documents, most states charge an initial fee. They also charge an annual fee for allowing the corporation to continue. These fees are sometimes based upon the number of shares of stock authorized and the value of the stock. It should be noted that each state has its own rules and schedule of fees. Call your state's corporate commis-

sion or secretary of state to determine what fees will apply to your business.



*Each state has  
its own rules  
and schedule of  
fees.*

## REGISTERING A BUSINESS IN CANADA



GENERALLY SPEAKING, depending on where you live, to register your business you will have to contact your local small business authority or tax assessment office – find these numbers in the yellow pages – and ask them what city, provincial, and federal forms, licenses and permits are required. A license is a privilege granted by a legislative body at its discretion while a permit is a right that anyone can obtain if the requirements of the granting agency are met.

Be specific about what kind of business you are opening. In addition, although you are not expected to be a lawyer, you

*Although you are not expected to be a lawyer, you should have a basic knowledge of the laws affecting your business.*

should have a basic knowledge of the laws affecting your business. Some of the legal matters you should be acquainted are listed below and explained in greater detail later on in this Guidebook:

- Are you aware of: regulations covering hazardous material; local ordinances covering signs, snow removal, etc.; federal tax code provisions pertaining to small businesses; federal regulations on withholding taxes and UIC; and Provincial workmen's compensation laws?
- Do you know the business laws within your industry that you will have to obey?
- Do you have a lawyer who can advise you and help you with legal

documents?

- Do you know which licenses and permits you may need to operate your business?

## Registering a Sole Proprietorship

A sole proprietorship can be operated under the name of the individual owner. In this case, just open your doors and start, as no government approval is needed to begin operation. However, if the name you select isn't yours, you will need to register the business name with the *Central Registry*, Consumer and Corporate Affairs. When selecting your business name, make sure it is not the same or similar to the name of another business.

*A sole proprietorship can be operated under the name of the individual owner.*

Other start-up procedures frequently required by a sole-proprietorship include obtaining any necessary zoning permits, occupancy permits or special business licenses and registering with federal tax authorities. Also, if you plan to hire employees, you will need to obtain an *employer's account number* from Revenue Canada.

For more specific information regarding registration and licensing procedures, contact your local small business government office.

## Registering a Partnership

As with the sole proprietorship, a partnership often uses the name of its partners as the name of the business. However, if none of the partners' names are used, or if not all of the partner names are used, like

a sole proprietorship you will have to register the partnership with the *Central Registry*, Consumer and Corporate Affairs).

**NOTE** Although not legally required it is advisable for all partnerships to have a partnership agreement drawn up (refer to Guidebook #18 to review what a partnership agreement should contain).

## Registering a Canadian Corporation

If starting a corporation in Canada, you can incorporate either federally under the *Canada Corporations Act* or provincially under the *Business Corporations Act*. Both procedures are similar, however a company incorporated federally may have to register in each province in which it does business. A company incor-

porated provincially is restricted to operating within the province. It will have to register as an extra-provincial company once it decides to expand. All corporations must be registered with *Corporate Registry* of Consumer & Corporate Affairs.

*We do not get good laws to restrain bad people. We get good people to restrain bad laws.*

**G. K. CHESTERTON**

## Distributing and Non-Distributing Corporations – A

Canadian company can be incorporated either as a distributing or as a non-distributing corporation. A distributing corporation must file a prospectus with the Securities Commission. It must also employ outside auditors and publish yearly financial statements. The major advantage of a distribution corporation is that it can raise capital by selling shares to the public.

A non-distributing corporation can have

as many or as few shareholders as it likes (if there are 16 or more shareholders, additional requirements will have to be adhered to). However, a non-distributing corporation cannot issue an invitation to the public to purchase its shares or debentures. Because of this, incorporating as a non-distributing corporation is a much easier process than incorporating as a distributing corporation.

**Documents Required** – Typically to incorporate in a Canadian Province you need first have an incorporated name approved. You then must file the following documents with the *Corporate Registry* (along with any fees levied):

- Articles of Incorporation

*The more laws and order are made prominent, the more thieves and robbers there will be.*

**LAO-TZU**

- Notice of Address
- Notice of Directors

In addition, you may need to include a name search report as the *Corporate Registry* does not examine proposed corporate names. It is the responsibility of the applicant to determine the availability of a corporate name.

### **Extra-Provincial & Foreign**

**Companies** – If a company is incorporated elsewhere within Canada, and wants to do business in another province, it is necessary to register with *Corporate Registry* as

an extra-provincial company. This procedure is the same for a foreign company wanting to do business in a Canadian province.

**NOTE** A foreign company investing in Canada must also comply with the *Foreign Investment Review Act*. By this act, the federal government reviews potential investment in Canada to determine if the investment will offer significant benefit to Canada. This act does not apply to all foreign investments but it is best to contact the nearest office of the federal Department of Industry, Science & Technology Canada to avoid any problems.

*A foreign company investing in Canada must also comply with the Foreign Investment Review Act.*

**Obligatory Annual Reports –** *The Business Corporations Act* requires that an annual report must be filed with *Corporate Registry* each year within one month of the anniversary date of incorporation. The form and content of these reports are outlined in the *Business Corporation Act Regulations*.



## LICENSING & REGULATIONS CHECKLIST

- **Municipal** Licenses, Regulations & Requirements
- **Rural (County)** Licenses, Regulations & Requirements
- **State/Provincial** Licenses, Regulations & Requirements
- **Federal** Licenses, Regulations & Requirements

IN GENERAL, business licenses and regulations serve to protect the public and established business from unfair trade practices, provide information for tax assessment, assist with labor and health regulation enforcement, and promote or-

*Each local government has the authority to issue its own business licenses within its jurisdiction.*

derly economic growth in municipalities. For some businesses, more than one license is required, as there could be more than two levels of government regulating different aspects of the business.

The following section outlines a checklist of various: municipal, rural, state/provincial & federal licenses, permits, regulations and other requirements you may need to look into depending on the type of business you plan operate. Run through the list and note those applicable to you and as well as those that might be and need further research.

### Municipal Licenses, Regulations & Requirements

Each local government has the authority to issue its own business licenses within its

jurisdiction. Since there is no uniformity throughout the states or provinces regarding municipal licenses for business, it would be wise to consult with the appropriate local officials to determine if your business is affected by local regulations, licenses or zoning requirements.

In general, city business licenses are required to control businesses which pose special problems to health, fire, safety, disturbance to the physical and social environment and so on.

Specifically, the municipality in which you plan to operate your business may require you to obtain the following licenses and/or meet the following regulations:

**Building Codes** – If you own or even

rent the building your business is operating in you will have to make sure it meets all municipal, state/provincial and federal building codes, as well as general safety standards and regulations.

To do this you may need to hire plumbing, electrical apparatus, equipment, boiler and pressure vessel, elevator and fixed conveyance, fire, and health hazards inspectors.

**Building Permits** – If you plan to build or modify your building or leasehold you will need a city permit to do so.

**Home Owner's Regulations** – Some condominiums, co-ops and homeowners associations have their own rules about business operations. If you

*If self-regulation worked, Moses would have come down from Mount Sinai with the ten guidelines.*  
**ANON**

plan to operate a home-based business, you will need to clarify these rules.

**NOTE** If you're worried about going over the line with your home-based business, arrange to meet clients at their office and get an outside post office box to handle your mail. If you live in a retirement community that frowns on business traffic, use a secretarial service to take client mail. As well to keep neighbors from complaining offer to keep an eye on their house during their day, remove mail and papers when their out of town etc. and promise them restrictions on your activities.

- ❑ **Local Ordinances** – Ordinances may include covering signs, snow removal

*Local Ordinances – Ordinances may include covering signs, snow removal etc.*

etc.

- ❑ **Occupant Permit, U.S.** – If you are operating out of your home, you may need an *Occupant Permit*. Each state has different rules.

**NOTE** In LA, it is illegal to operate a business out of your home.

- ❑ **Zoning Bylaws** – All business owners must check municipal land use regulations as well as check to see if they need any special zoning occupational licenses or if any special zoning restrictions apply to their business.

Zoning laws can be quite different in every single community and city in the U.S. and Canada. For example, some areas in the states prohibit all home-

based businesses; others limit the amount of traffic, the number of signs, or the type of business you can operate from a home. In fact, in some exclusive suburbs with gates and guards, a graphic artist with studio in the house could be in violation of the code and subject to a \$5,000 penalty.

By contrast, in the back counties of some states you could sell purebred horses out of your living room with no problem – at least no zoning problem.

Because of this national variation, it is important to get the facts. Don't assume they are logical. Zoning is based on history, political structures and social perceptions, not logic or necessity.

*The great object of the law is to encourage commerce.* **JUDGE CHAMBRE**

To get good advice you should talk to a local person with policy and zoning experience and give a few facts and figures about your operation. These facts include how many people a week come to your house and where they park, how often you have UPS package pickups and deliveries and whether there will be any visible equipment used in your business such as a 300 foot antenna or an 18 wheel truck.

**NOTE** If what you do is not legal for the zone you live in, learn what the penalties are and then decide whether to ignore the law or not (many laws are old and need to be updated). However, always assume that at some time you will be reported, you don't want to have to move at a time not of your choosing. Also, ask at

your city hall, county clerk's office or public library to see a copy of the city or county zoning ordinance, but don't blurt out your plans; just see for yourself what you can and can't do. For further information regarding municipal business regulations, contact the secretary-treasurer (licensing division) of the city, town, village or rural municipality where the business will be located.

### Rural Licenses, Regulations & Requirements

Outside of all cities and towns, business development must confirm with zoning requirements. These requirements are administered by either the local county concerned, the municipal district, a regional planning commissions or the Pro-

*It is wise to obtain zoning and licensing approval for your business before signing a lease agreement.*  
**SUPERTIP**

vincial/State Planning Board land use regulations. Approval from one of these bodies is necessary to construct a commercial building in a rural area.

### State/Provincial Licenses, Regulations & Requirements

The State or Province in which you plan to operate your business may require you to obtain the following licenses and/or meet the following regulations:

- ❑ **Agricultural Licenses** – Most businesses dealing directly with agriculture require licenses.
- ❑ **Consumer Protection Bonds** – Some businesses (in particular mail order, financial and security businesses) require that you put up a bond or get

bond insurance to protect the consumer.

### ❑ **Environment Restrictions & Regulations** –

Any industry or business emitting waste materials into water or the atmosphere requires permits to construct and licenses to operate. Also, any industry withdrawing water from any natural source requires a license.

### ❑ **Highway Development** –

Land use along state/provincial highways is usually strictly controlled. A permit may be required for commercial development within a certain distance (e.g., one-half mile) of a highway outside of villages, towns or cities.

### ❑ **Limited Partnership & Trusts** –

*No one knows  
what he can do  
till he tries.*  
**PUBLILIUS  
SYRUS**

Limited partnership and business trusts, as well as corporations, must be filed with the Secretary of State. Business trusts may also need to be filed with a local government office.

❑ **Liquor License** – Before renting or building facilities to serve liquor, such as a motel, hotel, lounge or restaurant, contact your liquor control board for information, as there will likely be rigid requirements in regard to design and operation.

❑ **Registering for Sales Taxes** – Most states/provinces and some local governments, require you to apply for a permit to sell taxable products or services. This regulation can apply to wholesalers, retailers, or consultants.

You may even be required to make a security deposit against future payment for the taxes you are supposed to collect (see also *State Seller's Permit* and *G.S.T.*).

- ❑ **Retail Licenses** – Although most retailers don't need a license from the province or state in which they operate, some do. In Canada, retail licenses are available from Consumer and Corporate Affairs, licensing branch.
- ❑ **State Employers' Registration, U.S.** – Most States will require you to register as an employer only if you are going to hire someone besides yourself.
- ❑ **State Seller's Permit, U.S.** – In

*Don't just stand there – undo something.*  
**MURRAY WEIDENBAUM**  
*Economist on Government Regulation*

states with a sales tax, all sellers of goods designated for resale direct to the consumer (retail sales) must collect sales taxes and keep track of the sales taxes collected. In these states you

must have a *State Seller's Permit* or *Resale Permit*. This is an official permit to sell and automatically registers you as a collector of State sales taxes. It also enables you to buy goods for resale from a wholesaler without having to pay a sales tax yourself.

**NOTE** You will receive from the state a form (usually quarterly) that you must fill out and send back with the taxes you've collected. If your business is strictly a service business, you won't need this permit.

## ❑ Strategic Materials & Equipment

**Permits** – Certain materials and equipment are classified as being strategic and a permit is required for export. In Canada, for more information, contact the Department of Industry, Science & Technology Canada.

**NOTE** It should also be noted that exports to certain countries may require special permits.

❑ **Trade Names** – A trade name is the name of your company. In the U.S., the names of sole proprietorships, partnerships and corporations need to be filed with the local government or the Office of the Secretary of State (using a DBA statement). In Canada, sole pro-

*If you wish to operate your business using a name or title other than your own, a fictitious name, you will likely be required to file a fictitious business name statement.*

prietorships and partnerships must register their names at *Central Registry*, while corporations must register their names with the *Corporate Registry*.

❑ **Using a “Fictitious Name” (DBA Statement), U.S.** – If you wish to operate your business using a name or title other than your own, a fictitious name, you will likely be required to file a fictitious business name statement. The form used for this purpose is available at business stationery stores. It’s called a “Certificate of Doing Business Under an Assumed (or Fictitious) Name” or more simply a “DBA” statement.

This statement is required whether you are a corporation, sole proprietorship or limited partnership. It legally registers the name of your business and its function and registers you as its owner.

When registering, the county you are in, may charge you a small filing fee for this statement – a few dollars at most – and also require that the statement be published in a local newspaper four times at one-week intervals. This serves as a legal pronouncement that you intend to establish a business in the county.

**NOTE** New business entrepreneurs will soon find out that their published “fictitious

name” statement tend to attract other business services that will be contacting them by phone or mail.

*For some types of small businesses, filling out a DBA form and filing it in the county in which their business has its home office, will be all they need to do to register their business.*

**FUNFACT**

- ❑ **Worker’s Compensation** – If you hire employees you will have to register with your Worker’s Compensation Board.

## Federal Licenses, Regulations & Requirements

The federal government has wide licensing powers within the fields of agriculture, manufacturing, communication and interstate/provincial and international transportation. The following list contains some of the more pertinent licenses, permits, regulations and requirements of the Federal Government:

❑ **Agricultural Permits** – The federal government controls the manufacturing of fertilizers and pesticides and issues permits for the import and export of agricultural products.

❑ **BN Number, Canada** – *Licensing can be complex and vary tremendously from city to city, state to state and country to country. You may have to jump through many hoops before you can legally run your business.*

**POWERPOINT**

Each business is assigned a unique registration number that stays the same no matter how many or what types of accounts it has. The BN is used for the following four major Revenue Canada business accounts:

- corporate income tax
- import/export
- payroll deductions
- goods and services tax (GST)

If you need at least one of the four Revenue Canada business accounts listed above, you will need a BN. To complete the registration form you need to know the name of your business, its location, its legal structure, and its fiscal year end. You also need to estimate your business's sales.

**NOTE** If you are a sole proprietor or a partner in a partnership, you will continue to use your social insurance number (SIN)

to file your individual income tax return, even though you may have a BN for your GST, payroll deductions or import/export accounts.

- ❑ **Broadcasting Licenses** – Broadcasting stations, ham radios, two-way radios, and citizen band radios usually require special broadcasting licenses.
- ❑ **Employee Forms, Canada** – When hiring employees in Canada, you will need them to fill out a tax registration form (this form is used to calculate their income tax rate). At the end of the year, you will also be responsible for filling out T4 slips and submitting those slips to the government, as well as, copies to your employees.
- ❑ **Employee Forms, U.S.** – If hiring employees in the U.S., you will need to

have them fill out Form I-9 and Form W-4. If your employees qualify for advance payment of the earned income credit, they must complete Form W-5.

- **FORM INS I-9** – The *Immigration and Naturalization Service I-9 Form* is used to verify that each new employee is legally eligible to work in the U.S. Both you and the employee must complete this form. You can get the form from INS offices by calling the INS at 1-800-755-0777.
- **FORM W-4** – Each employee must fill out Form W-4 (*Employee's Withholding Allowance Certificate*). You will use the filling status and withholding allowances shown on this form to figure the amount of income tax to withhold from your employee's wages.

- **FORM W-5** – An eligible employee who has a qualifying child is entitled to receive the earned income credit (EIC) payment with his or her pay during the year. To get these payments, the employee must give you a properly completed Form W-5 (*Earned Income Credit Advance Payment Certificate*). You are then required to make advance EIC payments to employees. For more information, see Publication 15.
- **FORM W-2** – After the calendar year is over, you must furnish copies of Form W-2 (*Wage and Tax Statement*) to each employee to whom you paid wages

*Licensing can be complex and vary tremendously from city to city, state to state and country to country. You may have to jump through many hoops before you can legally run your business.*

### **POWERPOINT**

during the year. You must also send copies to the Social Security Administration.

**NOTE** Not providing correct W-2 information is a sure way to get into trouble with the IRS. Providing the correct information takes little time and prevents costly delays later.

### ❑ **Employer Identification**

**Number (EIN), U.S.** – As a sole proprietor a Social Security number is all the identification you or your business will need with the federal government. However, if you plan to

hire employees, start a Keogh plan, operate as a corporation or a partnership, or if you have to file any employment or

excise tax returns, you must fill out an application for a Federal Employer ID Number (EIN) form SS-4 with the Internal Revenue Service.

The IRS will then automatically send you quarterly and year-end payroll tax returns and deposit coupons for estimated tax payments that you must complete and return as required. You must then use this number (along with your social security number) on all returns or other documents you send to the IRS.

You must also furnish your number to other persons who use your identification number on any returns or documents they send to the IRS. If you

*You should apply for an EIN early enough to receive the number by the time you must file a return or make a tax deposit.*

do not furnish your identification number as required, you will be subject to penalties.

You should apply for an EIN early enough to receive the number by the time you must file a return or statement or make a tax deposit. If you apply by telephone, you can get an EIN immediately.

**NOTE** It is important to note that any payments you make to employees or non employees (including proprietors, partnerships and corporations) require you to get their SSN or their EIN.

**❑ Export/Import Permit** – Export and import permits will generally be required if you plan to import or export goods.

❑ **G.S.T., Canada** – In Canada, all businesses are required to collect the federal government's, *Goods and Services Tax*. Registration is required.

❑ **Hazardous Materials Regulations** – If your business uses toxic chemicals or even large quantities of oil you will need to research the regulations governing their use, handling and disposal.

❑ **Labor Union Regulations** – If you are planning to hire unionized employees you will have to obtain a copy of their policies and regulations.

*In Canada, employers are responsible for collecting Unemployment Insurance, Canada Pension Plan and income tax deductions from their employees and remitting them to Revenue Canada – Taxation. Employers are also responsible for collecting health insurance premiums and workers' compensation.*

### **POWERPOINT**

❑ **Occupational Safety & Health Requirements, U.S.** – Business owners must obtain OSHA standards that pertain to their business and incorporate them into a written document. Meetings with employees should be conducted regularly to ensure that all phases of the operation are in compliance with OSHA standards. Safety records and accidents requiring worker's compensation also will need to be documented and maintained.

❑ **Patents, Trademarks, Copyright & Industrial Designs Registration** – Make sure you register all important intellectual property to

maximize your protection.

- ❑ **Payroll Deductions** – If you hire employees make sure you have the necessary forms and tables to calculate monthly remittances to government. As a business owner, you must make monthly deposits for federal withholdings and other deductions. Government regulation makes this mandatory; there are penalties for not reporting accurately and in a timely fashion.
- **FORM 941, U.S.** – In the U.S., Form 941 is used to report quarterly the income tax and Social Security that you withhold from your employee's wages and the matching Social Security contribution you need to pay. Not filing this form as required by law is costly in terms of penalties and interest

## Important Numbers

An **SSN** is issued by the U.S. Social Security Administration and is in the following format:

**000-00-000**

An **EIN** is issued by the IRS and is in the following format:

**00-0000000**

A **SIN** in **Canada** is issued by Social Security Services and is in the following format:

**000-000-000**

assessed by the government.

- ❑ **Social Security Number** – If you don't have a Social Security Number (SSN), you simply can't start a business, legally. In the U.S., you will need to submit Form SS-5, *Application for a Social Security Card*. If you are under 18 years of age, you must furnish evidence, along with this form, of age, identity and U.S. citizenship. If you are 18 or older, you must appear in person with this evidence at a Social Security office. In Canada, this number is called your Social Identification Number (SIN).

*If you don't have a Social Security Number (SSN), you simply can't start a business, legally.*



## Basic Procedures for Registering & Licensing a Business in the U.S.

1. Develop a detailed business plan to determine the feasibility of your venture.
2. For individual counseling, contact your local SCORE office.
3. Use your business plan to shop for equity capital, venture capital, or financing.
4. Obtain financial commitments before incurring any start-up costs.
5. Obtain the proper state and federal licenses. For most businesses, this would mean contacting the licensing section of your local government or the Office of the Secretary of State.
6. If you intend to operate as a sole proprietor or partnership, file a “fictitious name” statement with your county office. If you plan to incorporate your business, contact your State corporate registration center.
7. Contact the local zoning or licensing authority in your city, town or municipality to obtain local operating restrictions.
8. Contact the IRS and file for an employer identification number (EIN). To do this you will need to fill out an SS-4 form.
9. If you plan to hire employees, register your company with the Workers’ Compensation Board.
10. Obtain any additional special licenses or permits that you may require.

## Basic Procedures for Registering & Licensing a Business in **Canada**

1. Develop a detailed business plan to determine the feasibility of your venture.
2. For individual counseling, contact your local Economic Development & Trade office.
3. Use your business plan to shop for equity capital, venture capital, or financing.
4. Obtain financial commitments before incurring any start-up costs.
5. Obtain the proper provincial and federal licenses. For most businesses, this would mean contacting the licensing section of the Consumer Relations Division, of Consumer and Corporate Affairs.
6. If you intend to operate as a sole proprietor or partnership, register your business name with *Central Registry*, Department of the Attorney General. If you are going to incorporate your business, contact the *Corporate Registry*, Consumer and Corporate Affairs.
7. Contact the local zoning or licensing authority in your city, town or municipality to obtain local operating restrictions.
8. If you plan to hire employees, register your company with the Workers' Compensation Board.
9. Contact Revenue Canada, Sources Deductions Section, to obtain an employer's account # (BN#) for Unemployment Insurance and Canada Pension Plan Deductions.
10. If you employ 5 or more people, register with the Health Care Insurance Commission.
11. Contact your provincial Employment Standards Branch to ensure that you comply with the pertinent labor regulations.
12. Obtain any additional special licenses or permits that you may require.

## Professions & Trades Frequently Requiring a License or Registration

Architects, landscape architects

Athletic trainers

Attorneys

Auctioneers

Audiologists

Auto body, motor & heavy duty mechanics

Barbers & hairdressers

Beauticians

Chiropractors

Cosmetologists

Dental examiners

Dispensing opticians

Electricians

Electrolysis

Engineers

Exterminators (insect)

Embalmers

Fortune tellers

Furriers and fur buyers

Guard and hearing dog trainers

Health officers

Insurance agents, adjusters, brokers, advisors

Land surveyors

Livestock brokers & medicine providers

Motion picture operators

Motor vehicle appraisers

Notaries public & justices of the peace

Nurses

Occupational therapists

Optometrists

Pharmacists

Physical therapists

Physicians

Pilots

Plumbers & gasfitters

Podiatrists

Private investigators & security guards

Public accountants

Psychologists

Radio technicians

Real estate agents & brokers

Refrigeration mechanics

Respiratory care therapists

Riding instructors

Sheet metal mechanics

Social workers

Speech pathologists

Steamfitters

Tanners

Taxidermists

TV technicians

Trapline operators

Veterinarians

Welders

Wildlife guides & outfitters

## Businesses Frequently Requiring a License or Permit

Alcohol – sale & distribution

Amusement park, carnival ride, music & dance bar operations

Appliance testing labs

Asbestos abatement

Auto body repair

Auto sales – new & used

Broadcasting stations

Cemetery operations

Child day care centers

Cigarettes – wholesale and retail

Collection agencies and finance companies

Commercial trucking and bus operations

Concrete technicians – testing labs

Dairy plants, operators and distributors

Dancing schools

Detective & security agencies

Drinking water supply facility operations

Elevators & operators, escalators

Employment agencies

Engine fuel and lubricants

Engineering and related fields

Farm implement dealers

Firearms seller

Fishing, hunting & trapping operations

Fishing vessel operations

Fish market & processing operations

Food or beverage seller or preparer

Funeral homes

Game or bird farm

Hawkers & peddlers of crafts, flowers balloons & souvenirs

Hazardous chemicals or flammable waste disposers

Junk dealers

Lodging – hotels, guesthouses, inns, motels, bed & breakfasts,

Mines, oil and gas drilling operations

Nursing home operators

Outdoor advertisers

Pet shops, riding schools, cattle dealers, & stables

Pipeline builders

Private school operators

Restricted pesticide dealers and applicators

Sanitarian operators

Sawmills & timber cutting operators