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STEPS FOR REGISTERING AS A SOLE PROPRIETORSHIP IN B.C.

Starting a new business but not sure where to begin? Or maybe you're already operating but haven't completed all the steps to be a fully functioning and CRA compliant sole proprietorship.

Solopreneurship and small businesses are my passion. I love the freedom it can give you and the unique challenges it presents (sometimes on a daily basis!). The one thing that I have found to be universally true, no matter what industry, the most successful people know when to ask for help. They know that they don't know everything.

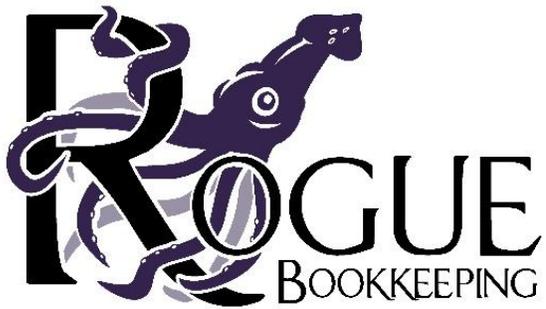
This information package was created to help reduce the stress of setting up a business. It aims to answer questions like, Where do I register my business? When and how do I apply for a GST number? What expenses can I write off? Or maybe you're ready to hire some employees and have questions about setting up payroll?

This package aims to help answer those questions and reduce the anxiety of trying to find information on how to do all these things. Before you begin, make sure that a sole proprietorship is the business structure best suited to you, other options include forming a partnership or establishing a corporation. There are pros and cons to each, which we recommend discussing with a qualified lawyer. Discussing with an accountant is also beneficial as they can advise on matters such as tax implications.

Ok, full steam ahead with registering a sole proprietorship! The first step is name reservation. A few things to consider when selecting a name:

- Is the domain name available? For example, before registering Rogue Bookkeeping, I went to Go Daddy and searched the availability of roguebookkeeping.com and it wasn't available. Roguebookkeeping.ca, however, was. I also reserved roguebk.ca and forwarded that domain to roguebookkeeping.ca (there isn't a section on websites in this package as that typically falls under the domain of marketing, for this we would recommend talking to a website developer or brand strategist).
- Are social media accounts available? For example, I have facebook.com/roguebookkeeping – if this had already been in use by someone else it would not have been available to me. Decide which social media platforms you would like to use (or may want to use in the future) and make sure your chosen name (or some acceptable variation thereof) is available.
- Be sure to keep your brand and brand consistency in mind while doing all this.

Quick note: Business plan somehow came in at number 11 in this package but it is certainly not 11th in importance. In many instances it's something that should be done first. Among (many) other things, it helps with market research and forecasting cash flow.



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Please note the following information and resources are current as of January 2020.

1. Submit a name reservation request.

Click here to [submit](#). Cost is \$30.00.

You may submit three names in one request; that's three names for one business, not three names for three different businesses. If the first name you request is not available, they will automatically move on to the second name and then the third.

A business name should have a distinctive element which can be "a coined word, a geographical location, or a personal name" and a descriptive element which describes the nature of the business. For example, in Rogue Bookkeeping, "bookkeeping" is the distinctive element, it describes the specific activity of the business. For more information on this, please read [this article](#). Please note, you cannot use "BC" or "British Columbia" in a name.

2. Register your business.

Once you have reserved a name you can register as a sole proprietorship. The fee for this is \$40.00. There are several ways to register but online is probably easiest and can be done through the OneStop Business Registry. OneStop also lets you register for other services or links you to the necessary service for registration, such as for GST, PST and payroll deductions.

Set up an account with [OneStop](#).

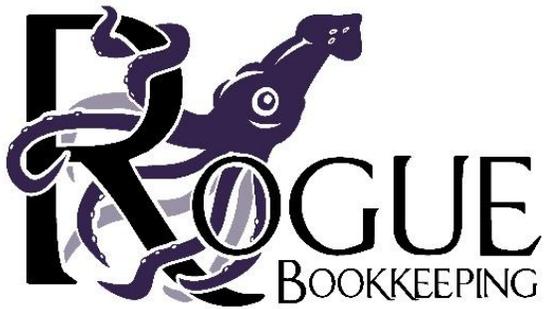
Select Sole Proprietorship and follow the steps.

Once your registration is complete you will receive an email confirmation including your registration number and business number. Be sure to keep this information somewhere safe. A business number is needed for tax related matters – such as GST, PST, payroll deductions, as well as for WorkSafe BC. You will also need this information if you would like to set up a bank account for your business.

3. Business Bank Account and/or Credit Card

Now that you have a business number, you can open a business bank account. This is helpful in keeping business transactions separate from personal, but is not strictly a requirement for a sole proprietorship.

Different financial institutions offer different accounts with varying fees and features. There are a lot of products out there and you may want to talk to several institutions. Rogue Bookkeeping (RBK) suggests



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determining what's important to you, what will help you run your business as efficiently and effectively as possible. Here are some common factors to consider:

- Bank hours and locations
- Business account manager – is there one point of contact? Are they helpful? Friendly?
- Mobile banking
- Transaction fees (do they charge per transaction or are you allowed X number of transactions/month and then charged a fee per?)
- Is a minimum balance required?
- Do they offer credit cards? Is there an annual fee? What sort of rewards do their credit cards offer?

4. Business License

Typically the municipality in which your business operates requires that you have and maintain a business license. You may need multiple licenses - for your business's physical location as well as for where it operates (does business). Please make sure to research this fully.

Here are links to a few. If your municipality isn't listed here, you can find it by googling "[municipality] business license".

[Victoria](#)

[Langley City](#)

[Kamloops](#)

[Township of Langley](#)

[Vancouver](#)

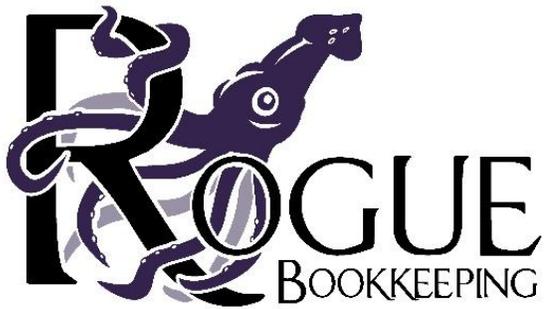
[Burnaby](#)

5. Online Presence

Once you've registered your sole proprietorship, it is generally recommended that you reserve social media accounts and a domain name with your business name.

RBK recommends waiting until you've received confirmation of your name reservation request before setting up these accounts. However, it's a good idea to make sure the name you are requesting to reserve is available on the various platforms you may want to use. This is an important part of brand identity and brand management.

Need help finding a web designer and/or brand strategist? We have a few we'd be happy to refer you to.



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6. Do you need to register for GST?

The Canadian government has an excellent webpage that outlines if and when you need to register for GST – [click here](#). If you are a “small supplier” you do not need to register for GST. You are a “small supplier” if “you do not exceed the \$30,000 threshold over 4 consecutive calendar quarters.”

However, if your total revenue from the sale of taxable goods and services is over \$30,000 in a quarter or if the sum of any four previous consecutive quarters is \$30,000, you *must* register for a GST number and “you have to start charging GST/HST on the supply that made you exceed \$30,000.”

Some other factors to consider when deciding when to register for GST:

GST is not paid by the business but rather by the consumer, you’re just collecting on the government’s behalf. However, when you purchase products and services for your business, you’re paying GST that you can claim back if you have registered for GST.

Another thing to consider is that it might be a shock for your customers to all of a sudden see that 5% tax on their bills – would it be better to charge from the get-go?

The downside, of course, to registering before you’re required, is that you will have to report and remit GST collected. This means your GST collected on sales and GST paid on purchases must be reconciled monthly, quarterly, or annually (usually annually for small businesses) and remitted.

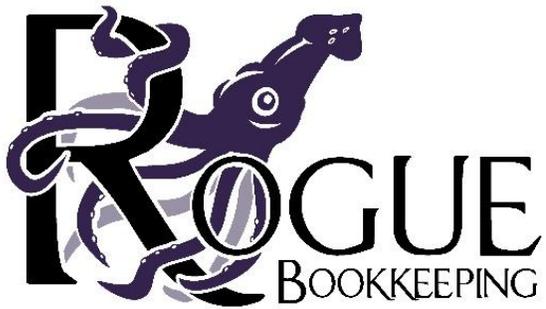
7. Payroll

Thinking about hiring your first employee? For information on whether or not you need to make payroll deductions, how to set up a new employee, and how to calculate deductions and contributions, [click here](#).

There are many program options for calculating and maintaining payroll records as well as for direct deposit payments. If you would like to explore these options RBK can help you choose one to best suit your needs.

8. Income tax for a sole proprietor

100% of income earned by your sole proprietorship is considered personal income and must be reported on a T1 form and will likely need to include financial statements and/or a T2125 Form. For more information and guidelines for your specific industry, please visit [this website](#). Currently, RBK does not offer income tax services but we’d be happy to refer you to an accountant.



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9. Business Expenses

The Government of Canada has an excellent webpage that lists and explains the various types of expenses that may qualify as operating expenses – [click here](#).

If you have a home office, you may be able to write off a portion of your home expenses (rent, utilities, etc). The portion you can write off is based off the percentage of your home used for business purposes. For example, if you use 200 sq ft of a 1000 sq ft space, you would be able to expense 20% of home-related expenses.

If you use your personal vehicle for business you may be able to write off a portion of your vehicle expenses (repair and maintenance, insurance, etc). There are a number of apps available that will automatically track every car trip you take by using your phone's GPS. You then can classify each trip as business or personal and at the end of each month the app will send you a mileage report. But, according to CRA, you should also make sure to note your mileage at the beginning and end of the year too!

A good rule of thumb for whether something is a business expense or not, is any expense that helps your business generate income qualifies as a business expense. However, it is always a good idea to check CRA's website for specific references or ask your accountant.

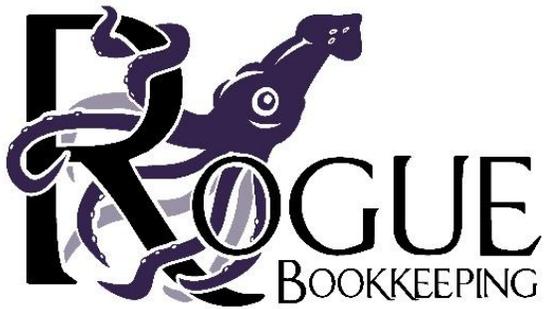
10. Record Keeping

You are required to keep records but the type of information needed in those records can vary dependent upon business type, whether or not you're involved in e-commerce, if you are registered for GST, etc.

Generally, records must be kept at your place of business or residence in Canada for 6 years from the end of the last tax year they relate to.

There are several apps available to help with receipt processing and storage. You can upload photos of the receipts to the app, email receipts to the app and in some apps you can even take a photo directly in the app and upload immediately.

Detailed information can be [found here](#), including [what are records](#), [business records](#) (for income, expense, and property), and [GST and payroll records](#).



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11. Business and Marketing Plan

A business plan helps organize your thoughts, ideas, and goals for your business. It forces you to really think about where you are, where you want to be, and how you're going to get there. Here are some common sections of a business plan to help you get started:

- Business overview
- Company description
- Industry analysis
- Target market
- Implementation timeline
- Marketing plan
- Financial summary
- Funding required

Not sure how to get started? RBK is here to help. We have a detailed business plan template and offer business plan writing assistance. We'll work with you to craft a workable plan with attainable goals.

And, because we're total number nerds, we would LOVE to help you forecast your future cashflow in line with your newly set goals as well as set a budget each month and help you stick to it. We do this by monitoring your revenue and expenses, analysing for any major discrepancies or large expenditures, and then going through everything with you on a periodic basis (weekly, monthly, quarterly, whatever works for you – and we can adjust as necessary).

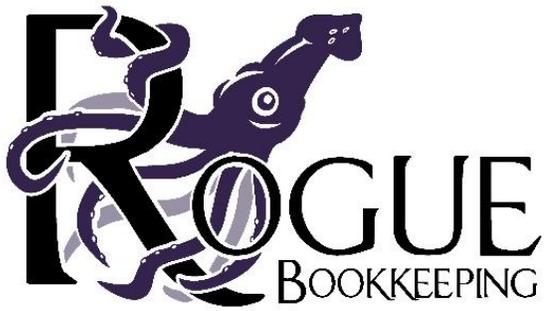
If you have any questions or need some clarification please contact us any time!

Shameless self promotion:

Rogue Bookkeeping (RBK) is a full-cycle, customer-centric bookkeeping company that also offers services on an a la carte basis. Our goal is to work with you to figure out what best suits your needs (and budget) and develop a plan from there.

Maybe bookkeeping is the biggest pain point in your business? -we can do monthly entries of all transactions, bank reconciliations, GST and PST reconciliations and filing when required.

Maybe you're a one person show and sending out timely invoices is your biggest hurdle? -we can help prepare and enter those invoices and distribute.



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Maybe you're looking to grow your company this year and want help developing a budget and cash flow forecast? -we can help set those up and even review those with you periodically and compare to how your company is actually performing so you know exactly where you are on your way to achieving your goals.

Check out our website for more information – www.RogueBookkeeping.ca or contact us directly to discuss what you need and how we can help.