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**Esthetician – All Trades
Business Management – Part 4
Small Business Basics**

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Business Management – Part 4

Small Business Basics

Rationale

Why is it important to learn this skill?

Many tradespersons in Canada start a small business. Once journey person (JP) status is reached, many people have the technical skills to be self-employed. In fact, many apprentices begin the steps of running a small business while still in training. By the time they reach JP status, they have most elements in place, and the jump to full business ownership is quite small.

Outcome

When you have completed this module, you will be able to:

Describe the general steps to starting a small business in Canada.

Objectives

1. Describe the general steps to starting a small business in Canada.
2. Describe business plans.
3. Describe choosing a business name and registering a business.
4. Describe common types of business ownership.
5. Describe financing options.
6. Describe GST, PST, HST, and payroll.
7. Describe common small business insurances and liabilities.
8. Describe Workers Compensation and Occupational Health & Safety regulations.

Introduction

Technical skills alone do not make for a successful business. Starting and running a business requires another set of skills. This module will introduce apprentices to the general aspects of starting and running a small business in Canada.

All information is general, and may not apply in each municipality and / or Province and / or Territory. Seek professional help before starting a business.

Objective One

When you have completed this objective, you will be able to:

Describe the general steps to starting a small business in Canada.

Create a Business Plan

A business plan is a written description of a business' future. It conveys the business goals, the strategies used to meet them, potential problems and their solutions, the organizational structure, and finally, the amount of money and resources required to finance the venture and keep it going until it begins to make profits.

A business plan includes a vision statement and a mission statement. These two declarations help a business to attract and retain workers, and build a desirable culture. By providing guidance and inspiration, a vision statement creates a picture of what the business wants to achieve over time. A worker can use the vision statement to understand their job and how it contributes towards accomplishing the long-term goals of the business. A vision statement needs to be short and inspirational.

A mission statement provides a definition of the business' present state and/or purpose. It answers the questions: *what does the business do? Who are the customers?* and *How does the business 'do its thing'?* A mission statement is short and concise.

Choose a Business Name

A concise, memorable business name must be chosen and registered. It is most likely that a business license will be purchased at this point. While a license is not necessary for all businesses in Canada, many municipalities require one for operating within their boundaries.

Decide the Form of Ownership

The three most common types of business ownership in Canada are the

- Sole proprietorship.
- Partnership.
- Corporation.

Each type of business has its advantages and disadvantages. Careful research will help a prospective business owner make the best decision.

Select Financing

Many new small businesses are financed by their owners. Other financing options are available. Banks can provide loans or lines of credit, while governments can provide grants and other financial incentives. A business plan is required to secure financing.

GST, HST, and PST

The goods and services tax (GST), provincial sales tax (PST), and the Harmonized Sales Tax (HST) are taxes that apply to the supply of most goods and services in Canada. In general, a business collects these taxes from a customer, then transfers the money to the appropriate government.

Insurance and Liabilities

A liability can be a legal obligation that is payable to another person or entity. All businesses have liabilities; in order to protect themselves against liabilities, businesses purchase insurance. The esthetician industry has liabilities, and therefore, insurance is important.

Workers Compensation and Occupational Health & Safety

Workers' compensation is an insurance system that protects both employers and workers from the results of workplace injuries. Employers are protected against lawsuits and injured workers receive benefits. Most workers are protected by provincial health and safety legislation. This legislation is the Occupational Health and Safety (OH&S) system, a program concerned with the physical, emotional, and mental health of workers.

Objective One Self-Test

1) How many general steps are there to starting a small business in Canada?

2) In which step must one plan out the potential problems that the business could face?

3) What else is commonly done at the same time that a business name is registered?

4) What are the three common forms of businesses?

5) Name two types of financing available: _____

6) What is done after a business collects GST from a customer?

7) Business insurance purchased to protect against what?

8) Name two things that protect workers: _____

Objective One Self-Test Answers

- 1) There are seven general steps.
- 2) In the Business Plan step.
- 3) A business license is commonly purchased.
- 4) Sole proprietorship, partnership, corporation.
- 5) Loans and lines of credit from banks and government grants.
- 6) The business transfers the money to the federal government.
- 7) Liabilities.
- 8) Workers' Compensation and OH&S legislation.

Objective Two

When you have completed this objective, you will be able to:

Describe a business plan.

Business Plans

A business plan is a written description of a business's future, what a person plans to do, and how they will achieve it. A business plan can be simple or complex. If, throughout their apprenticeship, a person has been purchasing tools and building clientele, the business plan can be a simple outline. On the other hand, if a person is seeking financial support from a bank, the business plan must be thorough and written with the technical financial terms that a bank will want to read.

A business plan will generally be an outline of what the goals are, how they will be reached, potential problems and their solutions, the structure of the business, and the amount of resources needed to finance it until it makes profits. A business plan has three major sections:

Describes the industry, the business structure, the product or service, mission and vision statements, and how the business will succeed.

Describes and analyzes potential customers (target market). Describes the competition and how a new business will differentiate from it.



Describes operating costs, income, and profits.

A business plan will also include some or all of the following sections:

An ***executive summary***: a short document or section that summarizes the business plan.

A ***business description***: provides basic data about the business. This section can include the name of the business, its location, and the owner's name. It can also identify the general business type, such as retail or wholesale, and the business structure. A short history of the business can be included. The mission statement can be placed here along with details about the industry, such as the business atmosphere and future opportunities. This section can also describe the specific product or service provided, the competitive edge, and short-term and long-term goals.

A ***marketing strategy***: details how sales will be increased and a competitive advantage will be maintained.

The ***competitive analysis***: establishes what makes this product or service unique. The analysis will let others know how this business will attract its target market.

If a new business will be formed in order to create a new product, the business plan will need a ***design and development section***. This section will provide others with a **description of the product's design and its path to development**. This section may be broken into three pieces: product development, market development, and organizational development.

The length of a business plan depends on the business. The plan could be one page or one hundred pages.

Objective Two Self-Test

1) Which section establishes what makes a business' product or service unique?

2) Which section is a short document or section that summarizes the business plan?

3) Which section provides others with a description of the product's design and its path to development?

4) Which section provides basic data about the business?

5) Which section details how sales will be increased and a competitive advantage will be maintained?

Objective Two Self-Test Answers

- 1) The competitive analysis.
- 2) The executive summary.
- 3) The design and development section.
- 4) The business description.
- 5) The marketing strategy.

Objective Three

When you have completed this objective, you will be able to:

Describe choosing a business name and registering a business.

Choosing a Name

Consider two things when choosing a business name: the marketing potential and legal requirements.

A business name should maximize marketing potential. It should remain relevant over time and display the values of the business. The name should clearly transmit the nature of the business. It should also get across what is new or special about the business.

A business name should stand out. Wordplay is one way of achieving this. Some businesses use a well-known phrase, but apply it in a new way. The name should be simple, easy to spell, and easy to pronounce.

Do not name a business after a trend. Trends come and go, and after the trend has left, the business will appear behind the times.

Name Searches

After a business name is chosen, search the name and register it. Business name registration is a legal requirement for almost all businesses in Canada.

Business registration and incorporation fees are usually standardized, but fees vary for name searches and reservations. Fees depend on whether the search is local or Canada-wide, and the number of times a search is performed.

After the name is approved and all appropriate documents are received by the various levels of government, a Certificate of Registration containing a registration number is often issued. The business name will then be registered on the date that all correctly completed forms and fees were received.

Once registered, a business name is valid for use by its holder for a period of time, often a three-year period. Any changes in contact information for the operating business may need to be forwarded to various levels of government.

Registering a Business

Not all businesses need a business number (BN) and program accounts. The BN is a nine-digit identifier for businesses to simplify their dealings with federal, provincial, and municipal governments. A BN is needed if a business requires one or more program accounts. A program account is an account registered with the Canada Customs and Revenue Agency to deal with specific programs. The most common program accounts a business will need are GST/HST, payroll deductions, and corporation income tax.

How to Register a Business

Possible information that will be needed:

- Complete legal name of the business or, if registering under a partnership or proprietorship, the legal names of the partners.
- Physical address, mailing address, and contact information.
- Federal business number.
- The start date of operations and start date of the first worker.
- A payroll estimate.
- A list of contractors paid by the business in the previous year, including the type of work and contract amounts.

Who Must Register?

Generally, businesses must register if they:

- Employ and pay workers on a regular, casual or contract basis.
- Have a director that reports employment income on a Canada Revenue Agency T4 income tax slip.

Business Licenses

In many provinces, each business requires a municipal or city business license for each municipality in which it operates. Information can be found on the city or town's website, or in the blue pages of the phone book.

Objective Three Self-Test

1) Identify four requirements of a good business name.

2) Why would the fee for a name search change?

3) Why would a business need a business number (BN)?

4) What information is needed regarding contractors who are hired by a business?

5) If workers are employed on a casual basis, must a business register?

6) Where can information about business licenses be found?

Objective Three Self-Test Answers

- 1) A business name should remain relevant, display the values of the business, clearly transmit the nature of the business, stand out, be simple, easy to spell and pronounce.
- 2) Fees could change depending on the number of searches and whether a person wanted the name reserved.
- 3) A BN is needed if a business wants a program account such as for GST/HST, payroll deductions, and corporation income tax.
- 4) The type of work done by contractors and the contract amounts.
- 5) Yes.
- 6) On the internet or the blue pages of the phone book.

Objective four

When you have completed this objective, you will be able to:

Describe common types of business ownership.

Sole Proprietorship

A sole proprietorship is an unincorporated business that is owned by one person. It is the simplest kind of business structure. The owner of a sole proprietorship has sole responsibility for making decisions, receives all the profits, claims all losses, and does not have separate legal status from the business. The owner of a sole proprietorship assumes all the risks of the business. Risks extend to personal property and assets.

It is easy to set up a sole proprietorship. Simply operate as an individual or as a registered, unincorporated business. If operating as an individual, bill customers or clients in your own name. If operating under a registered business name, bill clients and customers in the business's name. If the business has a name other than your own, a separate bank account is needed to process cheques payable to the business.

Paying Taxes

A sole proprietor reports all revenue generated by the business and claims all expenses incurred to earn this income on their T1 income tax and benefit return. The net income (or net loss) forms part of the sole proprietor's overall income for the year.

A sole proprietorship must pay taxes if the owner wants to access employment insurance (EI). An income tax return must be filed if the owner claims an income tax refund, a refundable tax credit, a GST/HST credit, or the Canada child tax benefit. A return should also be filed if the owner is entitled to receive provincial tax credits.

Partnerships

A partnership is an association or relationship between two or more individuals, corporations, trusts, or partnerships that join together to carry on a trade or business.

Each partner contributes money, labour, property, or skills to the partnership. In return, each partner is entitled to a share of the profits or losses of the business. The business profits (or losses) are usually divided among the partners based on the partnership agreement.

Like a sole proprietorship, a partnership is easy to form; a simple verbal agreement is enough to form a partnership. However, most partnerships are governed by a written agreement setting out rules for partners entering or leaving the partnership, the division of partnership income, and other matters. If money and property are at stake, it is best to have a written agreement. The partnership is bound by the actions of any member of the partnership, as long as these are within the usual scope of the operations.

Paying Taxes

A partnership by itself does not pay income tax on its operating results and does not file an annual income tax return. Instead, each partner includes a share of the partnership income (or loss) on a personal, corporate, or trust income tax return. They do this whether they have received their share in money or as a credit in the partnership's capital account.

Corporations

A *corporation* is a separate legal entity. It can enter into contracts and own property in its own name, separately and distinctly from its owners.

A corporation may have some of the following features:

- It is a separate legal entity with a perpetual existence.
- The shareholders cannot claim any loss the corporation sustains.
- When forming a corporation, the owners transfer money, property, or services to the corporation in exchange for shares. The owners are referred to as shareholders.
- A corporation's shares can be bought and sold without affecting its existence.

Paying Taxes

A corporation has to file a T2 corporation income tax return no later than six months after the end of every tax year, even if it does not owe taxes. It must also attach complete financial statements and the necessary schedules to the return. The tax year for a corporation is its fiscal period. A corporation usually pays its anticipated taxes for the year in monthly or quarterly instalments.

Responsibility for Debt

The shareholders of corporations have limited liability. This means that shareholders are not responsible for the corporation's debts. As a caution, limited liability may not always protect shareholders from creditors. For example, if a corporation wants to borrow money from a bank, the bank may ask for the shareholder's guarantee that the debt will be repaid. If the shareholder agrees, they will be personally liable for that debt if the corporation does not pay it back.

This applies to taxes owing as well. If a corporation owes taxes and has obtained a loan or secured a line of credit, an advance under the loan or line of credit can be intercepted and used to pay the taxes. The corporation has still received the money from the lender and is liable to the lender for the money. Directors may also be liable to pay amounts owed by the corporation if it has failed to deduct, withhold, remit or pay amounts as required by the laws of Canada.

Objective Four Self-Test

1) In which form of business does the owner not have separate legal status from the business?

2) True / False. The net income or loss from a sole proprietorship does not form part of the owner's income for the year.

3) What is suggested to protect the partners of a partnership?

4) How does a partnership file its taxes?

5) Which business form is a separate legal entity that can enter into contracts and own property in its own name, separately and distinctly from its owners?

6) What is the maximum amount of time that a corporation has to file its taxes after the end of its tax year?

7) Identify two ways in which a shareholder is responsible for a corporation's debt?

Objective Four Self-Test Answers

- 1) Sole proprietorship.
- 2) False.
- 3) A written agreement.
- 4) Each partner files the business' taxes on a personal, corporate, or trust income tax return.
- 5) A corporation.
- 6) Six months.
- 7) A shareholder may be responsible for a corporation's debt if a shareholder has guaranteed the debt, and if the corporation owes money to the federal government.

Objective Five

When you have completed this objective, you will be able to:

Describe financing options.

Government Grants and Financing

Government grants, loans, and other financing are available for small businesses. Funding can take the form of: loans and cash advances, government-backed loan guarantees (to help attract creditors), tax refunds and credits, wage subsidies, and equity investments

Private Sector Financing

A small business may be eligible for different types of private sector financing, including debt and equity. Many different private sector lenders and investors offer different types of financing in order to earn a return on their money.

Financing From Non-Government Organizations

A large number of not-for-profit or community-based organizations can offer financing for a small business. For example, in Ontario, the ACCESS Community Capital Fund provides loans of up to \$5,000 to start a business in the Greater Toronto Area. In Nova Scotia, the Black Business Initiative offers financial support to African Nova Scotian entrepreneurs with loans of up to \$25,000 to start or expand a business.

Business Support

A variety of organizations offer business assistance in the form of business development, coaching services, or networking opportunities. These organizations often help access financing.

Crowdfunding

Crowdfunding is collecting financial contributions from strangers. It is usually done over the Internet through crowdfunding platforms and funding portals. Participating

in online communities dedicated to this type of fundraising can help collect donations, offer rewards, and take pre-orders.

Many factors contribute to a successful campaign. Telling a compelling story and raising awareness about your campaign are vital. Research the best crowdfunding platform to showcase an idea. Crowdfunding can be a way to test and promote ideas.

Equity Financing

Equity financing allows a business to stay out of debt, but give up a percentage of its ownership and / or profits to an investor. Some investors may want more control than others in exchange for their investment, depending on what expertise and connections they contribute and how much time they have to help run the business. Negotiate the extent of creative and strategic control your partner(s) before signing any contracts.

Personal Assets

Most new entrepreneurs use some of their own assets to start their business. Personal assets can include: money in savings accounts, stocks, mutual funds, bonds, and RRSPs. Personal property can be sold or used to begin the business. For example, a person can use their own computer to manage the books. Before transferring personal assets to a business, find out the rules and requirements for each type of business structure.

Objective Five Self-Test

1) Identify four ways that governments can finance a business.

2) Identify two ways that the private sector can finance a business.

3) True / false. Not-for-profit and community-based organizations cannot offer financing for small businesses.

4) Aside from financing, what other services can be offered to a new business?

5) Which type of financing can be done over the internet?

6) Which type of financing may help a business stay out of debt, in exchange for control of the business?

7) Identify three personal assets that can be used to help a business.

Objective five Self-Test Answers

- 1) Governments can provide grants, loans, cash advances, tax refunds and credits, Wage subsidies, and equity investments.
- 2) The private sector can provide debt financing and equity financing.
- 3) False.
- 4) Business development, coaching services, and networking opportunities.
- 5) Crowdfunding.
- 6) Equity financing.
- 7) Money, stocks, mutual funds, bonds, RRSP's, and personal property can be contributed to a new business.

Objective Six

When you have completed this objective, you will be able to:

Describe GST, PST, HST, and payroll.

What is the GST/HST?

The goods and services tax (GST) is a tax that applies to the supply of most goods and services in Canada. These goods and services also include real property and intangible personal property.

Generally, the harmonized sales tax (HST) applies to the same base of property and services as the GST. HST is imposed in provinces that have harmonized their provincial sales tax with the GST.

Some supplies of goods and services are **zero-rated**. **GST/HST is charged at a rate of 0% on these supplies.** Some common examples of zero-rated supplies of property and services are:

- Basic groceries such as vegetables.
- Prescription drugs.
- Medical devices such as hearing aids and artificial teeth.

Some goods and services are exempt from GST/HST. This means the GST/HST is not charged. Some common examples of exempt supplies of property and services are:

- Used residential housing.
- Most health, medical, and dental services performed by licensed physicians or dentists for medical reasons.
- Child-care services for children 14 years old and younger.

GST/HST registrants (businesses required to have a GST/HST registration number) must charge and account for the GST on taxable supplies of goods and services made in Canada. Registrants must meet certain responsibilities. Generally, they must file returns on a regular basis, collect the tax on taxable supplies they make in Canada, and **remit any resulting net tax owing**. A business that charges GST/HST to customers is responsible for collecting the tax and giving it to the federal government. Many businesses have ended up in financial trouble for not remitting the taxes they have collected.

Registering for GST/HST

A business must register for a GST/HST account if it meets both of these conditions:

- 1) It provides taxable (including zero-rated) property and services in Canada.
- 2) It does not qualify as a small supplier.

A *small supplier* is a business whose total worldwide taxable supplies of goods and services do not exceed \$30,000 in the current calendar quarter and over the preceding four consecutive calendar quarters.

Payroll

An employer, trustee, or payer is responsible for deducting Canada Pension Plan (CPP) contributions, Employment Insurance (EI) premiums, and income tax from remuneration or other types of income paid to employees. An employer, trustee, or payer must remit the money to the federal government and report it.

Provincial Sales Tax (PST)

Not all provinces have a PST. The following table shows the 2016 general rates of provincial sales taxes or HST for most purchases.

Prov / Terr	GST / HST	PST
AB	5% GST	n/a
BC	5% GST	7%
MB	5% GST	8%
NB	13%/15% HST ⁽³⁾	n/a
NL	13%/15% HST ⁽²⁾	n/a
NS	15% HST	n/a
NT	5% GST	n/a

Prov / Terr	GST / HST	PST
NU	5% GST	n/a
ON	13% HST	n/a ⁽¹⁾
PE	14%/15% HST ⁽⁴⁾	n/a
QC	5% GST	9.975%
SK	5% GST	5%
YT	5% GST	n/a

(1) Ontario still has retail sales tax on insurance and on private sales of used motor vehicles. (2) NL 2016 Budget announced that the HST rate will increase from 13% to 15% on July 1, 2016. (3) NB 2016 Budget announced that the HST rate will increase from 13% to 15% effective July 1, 2016. They will also introduce an HST credit for low to Middle income New Brunswickers. (4) PE 2016 Budget announced that the HST rate will increase from 14% to 15% effective October 1, 2016.

Businesses which sell taxable goods and/or services in each province are required to register as a vendor to collect the provincial retail sales tax where applicable. Each province determines to what their PST will be applied. Always check with each provincial government.

Objective Six Self-Test

1) How much GST/HST is charged on prescription drugs?

2) What must be done with the money after a business collects GST/HST from a customer?

3) Must a 'small supplier' register for GST/HST?

4) Identify two things that an employer must deduct from an employee.

5) How much is the PST in Manitoba?

Objective Six Self-Test Answers

- 1) No GST/HST is charged.
- 2) The money must be given to the federal government.
- 3) No.
- 4) An employer must deduct CPP, EI, and income tax.
- 5) 8%

Objective Seven

When you have completed this objective, you will be able to:

Describe common small business insurance and liabilities.

What is a Liability?

A **liability** is a legally binding obligation that is payable to another person or entity. A liability can be settled by the transfer of money, goods, or services. All businesses have liabilities, and the esthetics industry is no different. An esthetician may infect a client with a disease. A client may fall down on an esthetician's property. In each of these cases, the client may choose to sue the esthetician for damages. In order to protect themselves against liabilities, businesses purchase insurance.

Small Business Insurance

Business insurance (or commercial insurance) is a contract between the business owner(s) and an insurance company. The business policyholder(s) pays a set premium, and the insurance company agrees to pay for any related losses as outlined in the commercial insurance policy.

The type of insurance selected by a business depends on many factors such as the type of business, what work it performs, and where it is located.

The most common business insurance policies sought by business owners are

- Commercial Property Insurance.
- Commercial General Liability Insurance (CGL).
- Professional Liability Insurance.
- Accounts Receivable Insurance (AR).
- Crime Insurance.
- Errors and Omissions Insurance (E&O).

Commercial Property Insurance

Commercial Property Insurance includes building coverage, contents coverage, stock coverage, and equipment coverage against physical loss or damage. Commercial

property insurance is typically paired with Business Interruption coverage which can offset income lost while a business is shut down as a result of an insured loss.

Comprehensive Insurance or Commercial General Liability Insurance (CGL)

Commercial General Liability Insurance covers claims against a business for bodily injury or property damage to other people.

Accounts Receivable Insurance (AR)

Accounts Receivable Insurance protection provides coverage when business records are destroyed by an insured peril, and the business cannot collect money owed to it. The Accounts Receivable Insurance policy covers these uncollectible sums plus the expense of record reconstruction and extra collection fees.

Crime Insurance, Theft insurance, and Fidelity Bonds

Crime Insurance coverage protects your business from losses resulting from a burglary, robbery or theft. Fidelity bonds specifically cover theft perpetrated by employees who might steal money, equipment, or other assets from the business or a client.

Errors and omissions Insurance

E&O insurance is often called Professional Liability Insurance or Professionals Insurance. It is especially important to professionals who deal with clients that could claim that something done by a business owner or business on their behalf was done wrong, costing them money or causing them harm.

Objective Seven Self-Test

1) Define 'liability'.

2) Which insurance covers the loss or damage of equipment?

3) Which insurance covers losses resulting from burglary?

4) Which insurance covers claims against a business for bodily injury?

5) Which insurance is important for professionals?

6) Which insurance covers the expense of record reconstruction?

Objective Seven Self-Test Answers

- 1) A *liability* is a legally binding obligation that is payable to another person or entity.
- 2) Commercial property insurance.
- 3) Crime insurance.
- 4) Comprehensive or commercial liability insurance.
- 5) Errors and omissions insurance.
- 6) Accounts receivable insurance.

Objective Eight

When you have completed this objective, you will be able to:

Describe Workers Compensation and Occupational Health and Safety regulations.

Workers' Compensation

Workers' compensation is an insurance system that protects both employers and workers from the results of workplace injuries. Employers are protected against lawsuits and injured workers receive benefits.

Most employers who hire workers on a regular, casual, or contractual basis must register and create a Workers' Compensation account. Some industries are exempted. Estheticians are not exempted.

Independent Workers

Independent workers are people who do not hire other workers. To be eligible for Workers' Compensation, they must demonstrate they are working for multiple companies.

Not Registering

It is against the law to avoid registering. A business that doesn't register could be:

- Fined, even if a worker is not injured.
- Required to pay the total compensation costs of a worker's injury.
- Required to pay three years in retroactive insurance premiums, even if a worker is not injured.

Occupational Health and Safety

Most workers are protected by provincial health and safety legislation. This legislation is usually made up of *The Occupational Health and Safety Act*, and *The Occupational Health and Safety Regulations*. In general, the Occupational Health and Safety (OH&S) system is concerned with the physical, emotional, and mental health of workers. In this system, both workers and employers are responsible for a safe working environment.

Some form of a program is required under occupational health and safety legislation in most Canadian jurisdictions.

The Elements of an OH&S Program

Each business has different needs in their health and safety program. The following information should be considered by each business.

Individual Responsibilities

A *responsibility* is an individual's obligation to carry out assigned duties. Individual responsibilities apply to every employee in the workplace. All employees must know their responsibilities, have sufficient authority to carry them out, and have the required ability and competence to carry them out.

Workers are responsible for many things such as using personal protection and safety equipment, following safe work procedures, knowing and complying with all regulations, reporting any injury or illness immediately, reporting unsafe acts and unsafe conditions, and participating in joint health and safety committees.

Management Responsibilities

Responsibilities of management include: providing a safe and healthful workplace, establishing and maintaining a health and safety program, ensuring workers are trained or certified as required, reporting accidents/incidents and cases of occupational disease to the appropriate authority, providing medical and first aid facilities, ensuring personal protective equipment is available, providing workers with health and safety information, supporting supervisors in their health and safety activities, and evaluating health and safety performance of supervisors.

Joint Health and Safety Committees

An effective safety program needs the cooperative involvement of all employees. A joint health and safety committee requires the cooperative involvement of employees representing both labour and management. Committees are often statutory

requirements for organizations of a specified minimum size. The responsibilities of members are generally spelled out in the health and safety legislations across Canada.

Correct Work Procedures

Correct work procedures can include the safest way of doing a job, monitoring performance, and investigating an accident. Job safety analysis (JSA) or 'job hazard analysis', is the first step in developing correct procedures. Each task is examined to identify hazards and determine the safest way to do the job.

Employee Orientations

Employee orientations occur when an employee joins the business or is transferred to a new job. Inexperienced workers, in general, are involved in accidents at a higher rate than others. Orientations may include: emergency procedures, location of first aid stations, responsibilities, and the use of personal protective equipment.

Workplace Inspections

Workplace inspections help identify existing hazards so that appropriate corrective action can be taken. Health and safety legislation requires workplace inspections as a proactive action to ensure workplace health and safety. Supervisors and workers are responsible for reporting and taking action on unsafe conditions and acts as they are encountered. The frequency of planned formal inspections may be set out in legislation.

Reporting Accidents

Occupational health and safety legislation in all Canadian jurisdictions requires that specific injuries and certain categories of accidents/incidents must be reported. There may be minimum legal requirements for their investigation. At a minimum, the health and safety program should specify: what is to be reported, to whom it will be reported, how it is reported, which incidents are investigated, and who will investigate them.

Emergency Procedures

Emergency procedures are plans for dealing with emergencies such as fires, explosions, releases of hazardous materials, violent occurrences, or natural hazards.

The development of the plan follows a logical sequence. Compile a list of possible hazards or scenarios. Identify the possible major consequences. Determine the required countermeasures such as evacuation or firefighting. Inventory the resources needed to carry out the planned actions. Based on these considerations, establish the necessary emergency organization and procedures. Communication, training, and periodic drills will ensure adequate performance when the plan must be implemented.

Objective Eight Self-Test

1) True / false. Estheticians are not exempted from the Workers' Compensation system.

2) Identify one penalty for not registering a business with Workers' Compensation.

3) What are the three main concerns of the OH&S system?

4) Identify three things that workers are responsible for under OH&S legislation.

5) What is used to develop correct work procedures?

6) Identify two things that can be included in an employee orientation.

7) What will ensure adequate performance during an emergency?

Objective Eight Self-Test Answers

- 1) True.
- 2) Fines and retroactive premiums.
- 3) The physical, mental, and emotional health of workers.
- 4) Workers are responsible for: using personal protection and safety equipment, following safe work procedures, knowing and complying with all regulations, reporting any injury or illness immediately, reporting unsafe acts and unsafe conditions, and participating in joint health and safety committees.
- 5) A job hazard analysis.
- 6) An employee orientation can include emergency procedures, location of first aid stations, responsibilities, and the use of PPE.
- 7) Communication, training, and periodic drills will ensure adequate performance during an emergency.

Module Summary Self-Test

1) A business plan can be divided into how many major sections, and what are they?

2) How long can a business plan be?

3) What happens to a business name that is inspired by a trend?

4) True / false. A business must register if its director reports income on a T4.

5) Which type of business is the simplest to set up?

6) True / false. A shareholder can claim a loss that the corporation sustains.

7) What is, likely, the most common way that people fund all or part of their business?

8) What will contribute to a successful crowdfunding campaign?

9) True / False. Child care services for children under the age of 15 are exempt from GST/HST.

10) Not doing what, has led many business into legal trouble with the federal government?

11) How many types of common insurance exist for small businesses?

12) What type of insurance helps a business if its records have been destroyed?

13) In which case can an independent worker be eligible for Workers' Compensation?

14) True / false. Occupational health and safety legislation in some Canadian jurisdictions requires that specific injuries and certain categories of accidents/incidents must be reported.

Module Summary Self-Test Answers

- 1) Concept, marketplace, and finances.
- 2) From one to one hundred pages.
- 3) The name becomes 'behind the times.'
- 4) True.
- 5) A sole proprietorship.
- 6) False.
- 7) Personal assets, although this is not directly stated in the module.
- 8) A compelling story and awareness will contribute to a successful campaign.
- 9) False.
- 10) Not remitting the taxes that the business has collected.
- 11) Six.
- 12) Accounts receivable insurance.
- 13) If the worker can demonstrate that they work for multiple companies.
- 14) False.