

HENRY BUSINESS LAW

# The Secure Startup Checklist

**BY ANDREA HENRY**



*SMART LEGAL  
SOLUTIONS  
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BUSINESSES*

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## Choose a business and a name

- Come up with a distinctive name for your business e.g. Terrific Tiles vs The Tile Store
- Search the internet thoroughly with your proposed name and type of business to see if anyone beat you to it
- Search all of social media but especially the big three- Facebook, Twitter and Instagram- to see if your handle is already taken
- Search the Canadian Intellectual Property Office's database for your proposed name to make sure it's not already been registered as a trademark by someone else
- Run a NUANS search to make sure your proposed name is available to be used as a business name
- Find out whether you require a specific licence from your province or municipality to carry on the business you have selected

## Set up your business

- Choose a business entity- sole proprietorship, partnership or corporation
- If choosing a sole proprietorship or partnership, register the business through your province's website
- If choosing a corporation, decide whether to incorporate Federally or Provincially and then file the Articles of Incorporation and Notices advising of the registered office and first directors of the corporation.
- If you have incorporated in British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, or Saskatchewan, or federally, your business number will be automatically generated. If you are in any other province or the Territories, register your business with the Canada Revenue Agency and obtain your CRA business number which will allow you to register for HST/GST and obtain a payroll account.
- File the appropriate forms and obtain necessary provincial or municipal licences.

## Set up your business (cont.)

- Calendar the dates on which you have to remit tax or other payments to the CRA.
- Calendar any annual filings required by your province.
- Open a business checking and savings account to maintain your business funds. From now on, do not mix personal and business funds.
- Decide on the methods of payment you will accept and set up business accounts for PayPal, Square etc. if you will be using them.
- If incorporated, prepare your organizational documents such as your Bylaws, Resolutions of the Directors and Shareholders and issue shares. Many entrepreneurs get the Certificate of Incorporation and never do anything else but that's ridiculously dangerous.
- If you are not the sole owner of your business, for the love of all that's good, get an agreement to govern co-ownership. This is not an area where you can DIY it.

## Set up your business (cont.)

- Start an electronic file for all your corporate documents and back it up regularly. If you're like me and just love paper, keep the paper file in addition to the electronic one. Your incorporation, CRA, organisational and financial documents should be kept here.
- Hire a bookkeeper or set up a bookkeeping system such as Quickbooks or Freshbooks; regularly input your financials and keep ALL your receipts.
- Hire an accountant to help you maximise your deductions and optimize your business' tax treatment.
- Purchase business insurance.
- Take a deep breath. You got this. Ok, let's move on.

## Formalize your relationships

- Draft a Client Service Agreement to govern your relationship with your clients
- Draft agreements for every other relationship in which money passes into or out of your business' hands for services/goods including licensing agreements, distribution agreements, affiliate agreements, speaking agreements etc.
- Where possible, include an Alternative Dispute Resolution clause in your agreements. Require everyone who has signed the agreement to go through certain steps instead of or before heading to court.
- Have a lawyer review your Commercial Lease before you move in to your new office, warehouse or retail space
- If you're worried about clients balking at signing agreements, consider putting the entire agreement on your website and incorporating the agreement by reference in shorter document that your client signs. Be careful though, there are specific phrases that must be used to ensure that your client's signature or click is taken to apply to the entire agreement.

## Get a compliant website

- Create and post a Privacy Policy that is compliant with PIPEDA (the Personal Information Protection and Electronic Documents Act)
- Follow the Privacy Policy you have created- safeguard any personal information you obtain from clients
- Ensure that you comply with the requirements of Canada's Anti-Spam Legislation in your e-mail marketing
- Create and post Terms and Conditions on your website
- Be careful with images you post on your website- ensure you have waivers from clients to post their images and that you have the necessary permissions to use images created by someone other than you. Use a free image service like Pixabay or a paid image service like Shutterstock but DO NOT just post an image culled from a Google search
- Post a disclaimer to explain the manner in which your products or services should be used and explaining the limits of your service/product

## Build your team the right way

- Determine whether your workers are employees, independent contractors, interns or volunteers
- Draft and execute an Employee Agreement, Independent Contractor Agreement or Intern Agreement as necessary.
- Draft Workplace Policies and ensure that all your workers read and comply with them. You must provide information on what a terminable offence is and guidelines on how reprimands will be given and recorded.
- Create and maintain a system to keep up-to-date records on employees.
- Set up payroll and register with the CRA (if you haven't already under Setup Your Business above)
- Register for worker's comp. insurance, such as the WSIB in Ontario, for your employees.
- In Ontario, register with the Ministry of Health for the Employer Health Tax.
- Familiarize yourself with anti-discrimination legislation and ensure that you do not run afoul of this.

## Protect your intellectual property

- Create a list of all your business' intangible assets
- Keep your trade secrets on a need-to-know basis and require workers that know them to sign a non-disclosure agreement.
- Apply to register your trademark with CIPO. You can trademark your business name, your logo, taglines and any other important elements of your business' branding.
- Reserve all rights and assert your copyright wherever you content appears. You can also register your copyright.
- If you have a unique physical product, apply for a patent with CIPO.
- Set a reminder to run a thorough search every few months to determine if someone else is using your intellectual property. You can also create a Google alert.

...and that's it!

**Were there any steps you felt unsure about?**

**Reach out to us at [henrybusinesslaw.com](https://henrybusinesslaw.com) to schedule a chat - we'd love to work with you!**



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