

Business Record Keeping

If you operate a business or you are self-employed, you must keep a complete set of business records which record your revenues/income and expenses. This is a requirement to determine the amount of income support/financial assistance you are entitled to receive. You may decide how to set up your own business records but your records must include the following information:

1. Daily Cash Receipts

This record shows the cash taken in by the business on a daily basis. This includes cheques, money orders and bank drafts. Post-dated cheques and Accounts Receivable are not considered cash until they are credited to your account. Show a cash value in the Daily Cash Receipts record for any sales activity involving "in-kind", bartering or an exchange of goods or services. This record looks like this:

Daily Cash Receipts		
Date	Description	Amount Received
May 1	In-kind - cleaned Mr. XXX home	\$35.00 (in-kind value)
May 8	Cleaned Mrs. YYY home	\$55.00
May 15	Receivable - Mrs. DDD, February 19	\$45.00
Total Amount Received		\$135.00

2. Daily Cash Payments

This record shows the cash taken out of the business on a daily basis to pay for business expenses. For example, cash withdrawals or cheques that are used to buy or pay for equipment, supplies or inventory are recorded in the daily cash payment record. Accounts Payable are recorded in the Daily Cash Payments on the date that they are paid. This record looks like this:

Daily Cash Expenses/Payments		
Date	Description	Amount Received
May 2/96	Cleaning Supplies	\$26.00
May 4/96	Loan repayment	\$180.00
May 22/96	Payable - carpet cleaner, May 8	\$230.00
Total Amount of Expenses Paid		\$436.00

3. Accounts Receivable

This record shows the amounts that are owed to the business by customers who bought goods or services on credit. For example, credit sales, IOU's and promissory notes are recorded in the accounts receivable record. This record looks like this:

Accounts Receivable		
Date	Description	Amount Owed by Customer
Feb. 19/96	Cleaned Mrs. DDD home	\$45.00
March 8/96	Cleaned Mrs. DDD home	\$45.00
March 2/96	Cleaned Mr. EEE home	\$50.00

4. Accounts Payable

This record shows the amounts that the business owes to others for items or services bought on credit. This record looks like this:

Accounts Payable		
Date	Description	Amount Owed to Others
Jan. 2/96	Cart	\$20.00
Feb. 4/96	Vacuum cleaner bags	\$13.00
May 6/96	Cleaning supplies	\$75.00
May 8/96	Carpet cleaner	\$230.00

Business Assets

You are allowed to have up to \$10,000 in business assets which are separate from your personal liquid assets. These business assets must be necessary to the operations of your business. Your business must be active and you must have sales activity during the last 12 months. Any outstanding loans on these assets are deducted from the value of the asset. Your worker will request a list of your business assets and tools of the trade shortly. Your business assets will be reviewed at least once a year. If you have any major changes to assets during the year, you must report these changes immediately to your worker.

Business Income and Expenses Report

All income and expenses from the business activity are reported on the "Business Income and Expenses Report". This report establishes your net business income. The net business income combined with any other income you are receiving determines your financial assistance cheque.

If you receive Ontario Works financial assistance:
Complete the Business Income and Expenses Report each month and attach it to your monthly Income Reporting Statement.

It is very important that you establish accurate bookkeeping practices for your business, as they will be used to verify any expenses claimed against your business income. If business records do not provide the information in accordance with the outlined instructions, expenses could be disallowed against your income. Please see "Instructions - Business Income and Expenses Report" for further information.

Using your Ontario Works Payments in the Business

Because you must account for all income/revenues and expenses in the business, you should not use your Ontario Works payments to carry the business. This money is intended to support your basic living costs only.

Separate Business Account

You must keep your business revenues/income in an account (e.g. bank, trust company, credit union) that is separate from your personal account. All business revenue/income deposits and expenses payments must be made using your business account, not your personal account.

If you have any questions, please contact your worker.

Notice with Respect to the Collection of Personal Information
(Freedom of Information and Protection of Privacy Act)
(Municipal Freedom of Information and Protection of Privacy Act)

This information is collected under the legal authority of the *Ontario Disability Support Program Act*, 1997, sections 5, 10, 45 & 46 or the *Ontario Works Act*, 1997, sections 7, 8, 15, 57 & 58 for the purpose of administering Government of Ontario social assistance programs. For more information contact

_____ at () _____ ,
in your local Ontario Works or ODSP office.