



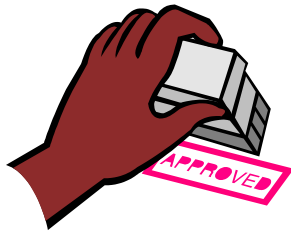
BUSINESS MANAGEMENT
QUARTERLY

FALL 2003
(VETERINARY EDITION)

INCORPORATION – NOT A QUESTION OF “IF”, RATHER, “WHEN”

It's still a hot topic, and will continue to be until professionals are incorporating with regularity, as they have been in Nova Scotia, Alberta and BC for quite some time.

It is our belief all professionals legally eligible to incorporate should do so at some



point. As was mentioned in the special edition Fall 2002 newsletter, the question is not whether one should incorporate, but

rather, when one should incorporate.

Depending on your individual situation there are short term and long term consequences of the timing and structure of the incorporation process. Therefore, it is vital that an analysis be done prior to the process so that you have a complete understanding of how this will affect your pocket book in the short and long terms.

Having said that, we have helped incorporate many professionals over the past year and the results have been excellent. In each case we have been able to improve cash flow and improve the opportunities for long term personal financial planning.

Therefore, if you are earning, or have taxable income, from a sole proprietorship or partnership of greater than \$100,000, you should be seriously considering incorporating. The significant benefits can be achieved with either a Professional Corporation or a Technical Services Corporation. In some cases, depending on the income level with which we are dealing it is extremely advantageous to use a two corporation set up.

One of the question most asked regarding the incorporation process is “doesn't a corporation just make things really complicated and expensive”. Unequivocally, the answer is “no”. You will be able to proceed as you would normally do so. The only difference is you will probably be added to payroll and in addition to your personal tax return, the corporation will also need to file a tax return.

In terms of costs, depending on how you incorporate and who sets up the corporation, the costs can vary. The initial set up costs will be most expensive, but your savings in the first year should more than offset the initial costs. The corporate tax return is no more than a nominal charge.

If anything, incorporating simplifies the business aspect of your practice. Norma Jean and/or I (Frank) will meet with you at your convenience to go over your particular situation.

Hope to hear form you soon.

RRSP NEWS

As a reminder, this year's (2003) maximum deduction limit has increased to \$14,500. Therefore, if you have not adjusted your contribution schedule, now would be a good time to do so. Please let us know if you'd like our help.

SPECIAL ARTICLE FROM DR. JAMES KERR

From time to time we will present articles of interest from our network of resources. In this particular case, Dr. James Kerr (a



dental client) felt it was important to share an experience he encountered regarding health insurance while vacationing. His story appears below.

I receive, as many of you might, "Out of Country" Extended Healthcare coverage through an ODA sponsored program. While on vacation in Florida I had the misfortune of having to use the coverage. I say misfortune for two reasons. First, no one likes to have their vacation cut short. Secondly, diplomatically speaking, my insurance did not meet my expectations. The purpose of this article is to make you aware of the pitfalls you may encounter if you ever have to use your "out of country" Extended Healthcare coverage.

My accident occurred on a tennis court. As a result of my injury I:

1. Saw a physician;
2. Partook in physio for two weeks;
3. Had spinal x-ray;
4. Visited a chiropractor six times;
5. and, Saw an Orthopedic Surgeon twice.

As you can surmise, there were significant charges and I was glad I had my coverage...or so I thought.

My insurance provider (initials GWL) insists on receiving original receipts not copies. Unbeknownst to me, they also required a standard insurance form (called HCSA). If that form is not provided by the insured, the insurance company will contact the healthcare provider in question, and ask them to fill out the form. However, the healthcare providers with which I dealt would not fill out the form. As it turns out, I was informed many US medical

offices will not fill out the form. If this form is not filled out and submitted to your insurance company, the claim will not be honored.

In a best case scenario, if you have the original receipts and the HCSA form is filled out properly the claim is handled in six to eight weeks.

The moral of this story is if you have "out of country" Extended Healthcare coverage and get hurt while out of the country, remember two things:

1. First, before accepting treatment or medical counseling find out if the healthcare provider is willing to fill out the HCSA;
2. Secondly, ensure to keep your original receipts.

Good luck. I hope you never have to experience what I did.

DID YOU KNOW...

Business Affairs provides Payroll and Bookkeeping services.

Our Payroll service places the onus with us in formulating the pay for your employees, as well as keeping their records. The process is



quite seamless in that you can fax us the employee's information and we will fax back their respective payment details.

Our monthly Bookkeeping service can free up a significant amount of your time enabling you to concentrate on your high pay off activities. We'll take your shoe box and transform it into pertinent financial management data.

Contact us for details.

THANKS MICHELLE...WELCOME SHELLEY

It is with mixed feeling that we announce Michelle Maurice is no longer with Business Affairs. We have mixed feeling because she was an important member of our team and a good friend. On the other hand we are extremely happy for her. She is pursuing a career in purchasing with the local school board in Barrie. Thank you for all of your contributions Michelle. Your laugh is missed.

As we say goodbye and good luck to one team member, we also so welcome to a new team member. Welcome to Shelley Sauvé. Shelley's brings a wealth of financial services experience to our family having worked in the insurance industry. She's only been with us one month and has already started to contribute nicely to the team. We had no doubt she would. After all, what are the chances we could have hired someone whose first and last name share the same first letter to replace someone whose first and last name shared the same first letter. Good karma.

BABY NEWS

In addition to Shelley the Business Affairs family has grown by two.



Lisa Sander (our Monthly Report Generator) and husband Kelly become proud parents (for the second time) to Owen Paris Sander on Wednesday, August 13th. Owen weighed in at 8 pounds, 14 ounces. The best part was Lisa was thankful because big

brother Kyle was over 10 pounds. Mom, Dad, Kyle and Owen are all doing extremely well.

Allison, my wife, gave birth to our third child (three boys), Alexander Michael, on Thursday, August 28th. Apparently, Allison and I have taken the idea of efficiency to a whole new level because Alexander was 8 pounds, 3 ounces, which also happens to be the birth weights of his older brothers, Dawson and Zachary. Dawson and Zachary love holding their little brother, which makes Mom and Dad a little nervous.

NEW COORDINATES FOR MISSISSAUGA OFFICE

For those of you who visited us at our old office on Derry Road in Mississauga, you will be happy to hear we have now moved to an office on the ground floor in the Dixie Road Highway 401 area.

The new Mississauga address is:

5510 Ambler Dr. , Unit 2
Mississauga, ON
L4W 2V1

The new phone numbers are:

Local	905-629-0375
Toll Free	866-322-7022
Fax	905-629-1706

TAX, TIPS AND TRAPS

For your review and general understanding, we have enclosed two issues of T, T and T.