

Summer Company

Guidelines



Want to start your own business this summer? Be your own boss?

Then Summer Company is for you!

If you've got a winning idea for starting a new business and are a student who is not afraid of hard work, then you should consider applying to our 'Summer Company' program.

If your application is accepted, you will be eligible to receive an upfront Award of up to \$1,500 to help put towards start-up costs and up to \$1,500 upon successful completion of the program. Successful completion of the program requires that the applicant/recipient:

- implement his/her project substantially in accordance with their business plan
- participate in coaching and training
- meet with the local business mentors as specified
- provide documents related to the experience and business operations as required in the guidelines, and
- meet all program requirements for establishing and operating the business

Summer Company is a great opportunity for enterprising young people who want to start and run their own summer businesses. The program provides hands-on business coaching and mentoring from local community business leaders who will work with you to make your Summer Company a reality.

And, you never know. One day your summer experience may lead to an exciting career.

All interested students are invited to take advantage of business consulting services and resources available through our network of Program Providers. A list of Program Providers is available through our website at www.ontario.ca/summercompany. It is strongly recommended that you attend an orientation session at the Program Provider nearest you.

Applying to Summer Company is a competitive process. Space is limited and the program reaches capacity quickly — APPLY EARLY.

For an update on program status, please visit the Ministry website.

Am I eligible for Summer Company?

You are if you're:

- a student 15–29 years of age as of April 30th, 2008; applicants under 18 years must have a parent or guardian sign the application
- proposing a new business
- attending school and returning to school in the fall
- a resident of Ontario
- a Canadian citizen or a landed immigrant
- not operating an existing or previously existing business venture or employed elsewhere (working for more than 12 hours per week) during the term of the operation of the Summer Company program, and
- prepared to commit a minimum of 35 hours a week, on average, for a minimum of 8 weeks to the experience (as defined in the business plan)

If you have any questions about your eligibility call us at 1-800-387-5656.

What type of business can I start?

Almost any type—as long as it:

- is an independent business venture
- fits the Canada Revenue Agency definition of being self-employed (FORM RC 4110 through the website www.cra-arc.gc.ca)
- operates at arms length from family business ventures
- operates in Ontario
- operates full-time as defined in the business plan
- maintains its own books and records
- maintains a separate business bank account, and
- follows government rules and regulations for operating a business

You are Not Eligible for Summer Company if you are:

- a partnership
- a franchise
- a distributorship
- an incorporated business that is controlled directly or indirectly by a person that would not be eligible for the Summer Company Award
- a business venture that is a subsidiary or division of an existing business
- a business venture that is a continuation of an already existing commercial endeavour
- a commissioned salesperson
- a not-for-profit or charitable enterprise
- a multi-level marketing venture
- a musical venture such as bands, DJ's, dance/party events
- a 1-900 business
- a past recipient of the Summer Company Award
- have a My Company loan, or have an outstanding Student Venture loan or a Young Entrepreneurs Program loan

Note: The Ministry may, at its sole discretion, determine a particular business is inappropriate for the Summer Company program.

How do I apply for Summer Company?

To apply you must:

1. Prepare a comprehensive business plan—business consulting and resources are available through our Program Provider.
2. Fill out the attached application form or go to the website **www.ontario.ca/summercompany**
3. Submit your application, together with your business plan to the Program Provider nearest you, a list is available on our website through **www.ontario.ca/summercompany**

How does Summer Company Work?

Your application will be reviewed and evaluated by your local Program Provider, and the local business mentoring group—a group of successful business people who volunteer their time to assist you in making your summer experience a reality.

If your business plan is sound and meets the program's criteria, you may qualify for the next step. Leading candidates will be invited for an interview with the Program Provider consultant and the local business mentoring group.

If—after the interview—your application is recommended by the Program Provider and approved by the Ministry, you will be required to comply with the following conditions:

- sign an agreement with the Ministry outlining each party's rights and responsibilities
- agree to comply with the guidelines and application and implement the project substantially in accordance with your business plan described in the application
- provide a copy of the business name and licensing registration, required by provincial and local authorities
- open and operate a separate business bank account for the business
- operate your business on a full-time basis, an average of a minimum of 35 hours a week for a minimum of 8 weeks
- meet with your local Program Provider/Mentor every two weeks for a minimum of four structured meetings in an eight week period to review and track your progress
- maintain a journal outlining business tasks, operations and marketing activities including time allocations
- maintain appropriate business records of income and expenditures including receipts, and
- participate in business training provided by the Program Provider
- the amount of your initial award (up to \$1500) will be based on the start-up costs identified in your business plan

To be eligible to receive the balance of the Award of up to \$1,500 you must:

- have implemented your project substantially in accordance with your business plan described in the application
- submit a signed proof of your return to school in the fall
- submit in a professional and business like manner:
 - a) a Cash Flow Record of your business operations
 - b) copies of all your bank statements
 - c) copies of all business receipts and invoices organized, totalled and reconciled to the Cash Flow Record and Award Allocation and Expenditures Report
 - d) all Bi-weekly reports
 - e) all Weekly Journals, and
 - f) Award Allocation and Expenditures Report: Projected and Actual
- complete a final report on your experience and attend an exit interview at the end of the summer, and
- satisfy the Ministry and the Program Provider, that you have fulfilled all program requirements

Training

It is recommended that you participate in the business and tax training offered by your Program Provider before you launch your business. A list of Program Providers is available on our website www.ontario.ca/summercompany.

Tax Treatment of Award

Money received from this Award is considered taxable under the Canada and Ontario Income Tax Acts. A T4A slip will be issued to the applicant/recipient of the funds.

Term of Program

The Summer Company program must be completed between May 1 and the first Friday before Labour Day in the year the applicant was approved for participation in the program.

Note: Failure to successfully complete the experience will result in default of your agreement.

Guidelines for your business plan:

1. EXECUTIVE SUMMARY

The Executive Summary should be brief and provide key aspects of the business plan, including a brief financial outline.

2. BUSINESS DESCRIPTION

Description in detail of the product or service you are offering, and place of business. Service businesses should outline their service area. If you are a home based business please identify which area of the house you will be allocating for working space.

a) Regulations and Insurance

- i) You will be required to provide a copy of the Business Name Registration if you are approved for the program. Most Program Providers will be able to assist you with registration and provide you with information on regulations, taxes and insurance.
- ii) Are any other permits or licences necessary for your business (e.g. renovator's permit, health permit, cartage licence)? Contact your Municipal Licensing Commission office for any of the above licenses.
- iii) Will you be obtaining insurance for your business? Please indicate what insurance you intend to purchase and the cost, e.g. third party business liability (property damage and/or personal injury), contents, commercial, vehicle, etc.
- iv) Are you planning to hire employees? If you are, you will need to apply for an employer number. Are you aware of the deductions you must make? Contact your nearest Canada Customs and Revenue Agency (blue pages of your telephone book). If you have employees you should contact the Workers' Safety and Insurance Board (blue pages of your telephone book). Program Providers have information on all these topics.

3. MARKETING PLAN

a) Customers

- i) What are the characteristics of your potential customers (i.e. location, income levels, homeowners vs. renters, age etc.)?
- ii) Estimate the number of these customers in your target area.

b) Costs and Prices

- i) Who are your suppliers, and what do they charge? What, if any, credit terms do you have with them?
- ii) What are you charging for your product or service? Explain how you have calculated the price. Take into consideration your overhead, labour, rent and other expenses.

c) Sales Estimates/Forecasting

- i) How have you calculated your weekly/monthly sales in the cash flow forecast? Take into consideration market research, units sold per week/month, jobs completed, etc.

d) Competition

- i) Who are your major competitors and what do they charge for products/services similar to yours?
- ii) What advantage does your product/service have over theirs? (i.e. why will customers choose your product/service?)
- iii) Consider preparing a strengths, weaknesses, opportunities and threats (SWOT) analysis.

e) Advertising and Promotion

- i) How will you inform potential customers and generate awareness about your product or service, and at what cost?
- ii) When are you planning to advertise? You should investigate the costs and these should be reflected in your cashflow.
- iii) Please indicate the number of sales calls you intend to make on a weekly basis and how you intend to source these calls.

4. OPERATIONS AND MANUFACTURING

- i) Location of the business, including advantages and disadvantages, traffic patterns, visibility, etc. Issues such as hours of operation, personnel, suppliers and supplier agreements should be explored. Overhead, including labour and material costs should be determined.
- ii) If you are operating from home, please specify what part of the house you will be using as your working space. Will you have access to storage, a phone, fax or internet connection? Are you aware of local bylaws related to home business operations?
- iii) Summer Company projects typically have a duration of between 8 to 12 weeks. Your business plan should clearly specify the start date and completion date of your project. Any absences during the term of your project should be explained in your business plan. As a condition of successful completion your total experience cannot be less than 8 weeks during this time period.

5. MANAGEMENT

- i) Identify and describe your role, background, experience and other key personnel within the organization.

6. FINANCING AND PROJECTIONS

- i) Outline in detail how you intend to spend your Summer Company Award. The Award must be used to cover essential start up costs and working capital of your business and must be fully itemized and reflected in your cashflow forecast.
- ii) Will you be investing your own cash in the business? If yes, where will you get it?
- iii) Do you have access to existing equipment to carry on your business? If yes, from what source?
- iv) Will you be purchasing equipment from non-arms length parties (i.e. friends/family)? If yes, from what source(s)?

The Summer Company program will cover necessary start-up costs to a maximum as described below. These costs have been identified as integral part of a successful Summer Company experience.

- Licenses, business registration, local permits and bank charges (up to \$250)
- Equipment (up to \$600)
- Advertising (minimum of \$200 start-up budget recommended)
- Insurance and start-up working capital should be investigated and addressed with the Program Provider to assess business requirements and allocation of the Summer Company Award.
- The maximum allowable for a cell phone is \$100

Your business plan may vary and other financing may be required. This financing should be identified as part of your plan.

Please note the Award cannot be used to purchase one single item or for personal drawings.

Business Plans are evaluated on their own merits and even if approved may not receive the maximum award.

For purposes of equipment expenditures, equipment is defined as those assets necessary to carry on the proposed business that the applicant is not reasonably expected to have access to.

A sample cash flow is provided for your convenience.

7. PLEASE PROVIDE SUPPORTING APPENDIXES AND EXHIBITS

The applicant should note that the business plan is the basis upon which the initial disbursement is made and should be prepared in a business-like and professional manner. Elements of the business plan in particular expenses should be carefully explored and investigated in order not to inflate projections or create unrealistic expectations.

Recipients of the Award should recognize that one part of assessing successful completion of the experience requires the recipient to implement the project substantially in accordance with the business plan. Although business plans may be flexible, any material changes to your business plan should be addressed with the Program Provider throughout the term of your project.

Cash Disbursements (Money Business Pays Out)

The Start-Up Budget column is the amount of money you need to start operating your business. In most cases this amount will be spent in the first two weeks of business operation.

Cash Flow Forecast

NOTE: This is a **sample** cash flow forecast similar to what you will be required to fill out online. Please use this sample to understand the level of detail required for the cash flow forecast section of your Summer Company application.

Business Name: Karen's Fancy Pants Clothing

Business Type: Retail store for women's clothing

Business Operations

Date You Plan to Start Your Business (MM/DD/YY)
 Date You Plan to End Your Business (MM/DD/YY)

Money Business Receives (Revenue)

Cash Receipts	May Forecast	June Forecast	July Forecast	Aug Forecast	Sep Forecast	Total Forecast
Estimated Sales	1,100.00	1,500.00	2,800.00	2,800.00		\$8,200.00
Expected Summer Company Award	1,500.00					\$1,500.00
Owner Cash Contribution	1,038.00					\$1,038.00
Total Cash Receipts	\$3,638.00	\$1,500.00	\$2,800.00	\$2,800.00		\$10,738.00

Money Business Pays Out (Expenses)

The Start-Up Budget column is the amount of money you need to start operating your business. This money will be covered mostly by the Summer Company Award, but any funds required over \$1500 will need to be covered as "Owner Cash Contribution" provided by you at the business start date.

FULLY COVERED EXPENDITURES:

(Maximum Ministry Award for this category \$250.00)

Examples: Business Registration, Licenses, Internet Domain Name, Bank Fees, Return to School Form. Ensure that you fill out the detailed description for each item.

Expenditures	Start up Budget	May Forecast	June Forecast	July Forecast	Aug Forecast	Sep Forecast	Total Forecast
Business Registration— Online Fee	68.00	68.00					\$68.00
Bank Fees— Startup and ongoing monthly charges	20.00	20.00	20.00	20.00	20.00	20.00	\$100.00
TOTAL	\$88.00	\$88.00	\$20.00	\$20.00	\$20.00	\$20.00	\$168.00

EQUIPMENT EXPENDITURES: (materials and inventories are excluded in this category)

(Maximum Ministry Award for this category \$600.00)

Examples: Equipment for starting and operating your business (other consumables such as materials, supplies and inventory should go into "Other" category), Computer Hardware and/or Software required for business operation

Expenditures	Start up Budget	May Forecast	June Forecast	July Forecast	Aug Forecast	Sep Forecast	Total Forecast
Cash Box— used for storing cash received from clients	30.00	30.00					\$30.00
Booth— to store inventory	200.00	200.00					\$200.00
Display Unit— equipment to display clothing and other materials	200.00	200.00					\$200.00
Table— table to display materials in booth	200.00	200.00					\$200.00
Cell Phone— primary business phone	100.00	100.00					\$100.00
TOTAL	\$730.00	\$730.00					\$730.00

INSURANCE EXPENDITURES:

Examples: Rider on Vehicle Insurance, Business Insurance, Worker's Insurance (WSIB), Liability Insurance. Include specific description and details on each item.

Expenditures	Start up Budget	May Forecast	June Forecast	July Forecast	Aug Forecast	Sep Forecast	Total Forecast
Business Insurance— Insurance against theft, burglary, fire	250.00	250.00	100.00	100.00	100.00	100.00	\$650.00
TOTAL	\$250.00	\$250.00	\$100.00	\$100.00	\$100.00	\$100.00	\$650.00

ADVERTISING/MARKETING EXPENSES:

Examples: Community Newspaper, Signage, Business Cards, Display Signs, Brochures/Flyers, Internet Advertising

Expenditures	Start up Budget	May Forecast	June Forecast	July Forecast	Aug Forecast	Sep Forecast	Total Forecast
Newspaper— Community Newspaper ad for 4 months, bi weekly	50.00	50.00	100.00	100.00	100.00		\$350.00
Signage— Sign for “Fancy Pants” clothing	200.00	200.00					\$200.00
Business Cards— custom cards printed at local copy shop	100.00	100.00	100.00				\$200.00
Flyers/Brochures— flyers to put up and distribute around town	50.00	50.00	50.00		100.00		\$200.00
TOTAL	\$400.00	\$400.00	\$250.00	\$100.00	\$200.00	\$0.00	\$950.00

OTHER EXPENDITURES:

Examples: inventory, rent, monthly expenses such as utilities, cell phone, phone charges, Internet charges, website setup, office supplies, labour expenses, gasoline

Expenditures	Start up Budget	May Forecast	June Forecast	July Forecast	Aug Forecast	Sep Forecast	Total Forecast
Inventory— materials to create clothing for shop	800.00	800.00	1,200.00	1,200.00			\$3,200.00
Rent— deposit plus monthly charges for space	80.00	80.00	250.00	250.00	250.00		\$830.00
Cellular Phone Charges	60.00	60.00	60.00	60.00	60.00	30.00	\$270.00
Office Supplies	30.00	30.00	30.00	30.00	30.00	30.00	\$150.00
Gasoline	50.00	50.00	50.00	50.00	50.00	50.00	\$250.00
TOTAL	\$1,020.00	\$1,020.00	\$1,590.00	\$1,590.00	\$390.00	\$110.00	\$4,700.00

TOTAL EXPENDITURES	\$2,488.00	\$2,488.00	\$1,960.00	\$1,810.00	\$710.00	\$230.00	\$7,198.00
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Net Cash

	May Forecast	June Forecast	July Forecast	Aug Forecast	Sep Forecast
Monthly Surplus or Deficit	1,150.00	-460.00	990.00	2,090.00	-230.00
Cumulative (to date)	1,150.00	690.00	1,680.00	3,770.00	3,540.00
Personal Drawings	0.00	0.00	1000.00	1000.00	1000.00
Net Profit	\$1,150.00	\$690.00	\$680.00	\$2,770.00	\$2,540.00

