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## Questionnaire: Should I Incorporate??

Consideration	Yes	No
1. Will you make more than \$60,000 of <b>net income</b> (income – expenses) in your first year of incorporation?		
2. Will you be able to keep \$30,000 of profits in your corporation (i.e. not pull it out for personal use)?		
3. Do you anticipate selling your business in the future for a large return (over \$30,000)?		
4. Do you have significant personal assets that you would like to protect in the event of a lawsuit (i.e. real estate, personal investments, etc.)?		
5. Are you proactive and organized (procrastinators benefit less from corporations)?		
6. Are you able to manage additional administration requirements, multiple tax deadlines, and control over your financial situation?		
7. Are you prepared for additional accounting and legal fees (\$3,000+)?		
8. Do you anticipate exponential growth, making significant cash/loan investments, building a strong brand (business image / marking), or gaining significant long-term contracts?		
9. Will you have income from active business operations (i.e. not investment or rental income)?		
10. Will you be selling your products or services to non-related customers (i.e. not to family members or business partners if they are incorporated)?		
11. Will you be independent from your clients (i.e. no risk of being considered an incorporated employee)?		

If you have at least 8 ‘yes’ answers, you should consider incorporation. If you are on the fence, don’t worry, you can change the structure of your business as you grow – incorporation can occur at a later point in time as your business expands.

Keep in mind, that incorporation is considerably more complex than a sole-proprietorship and should not be entered into lightly. It can be expensive and difficult to close if things don’t go as planned.

Please see our general incorporation advice handout for further information if you are considering incorporation.