

CLIENT NAME
BUSINESS NAME
MONTH ENDED

## **INSTRUCTIONS**

This worksheet is for use by clients participating in an approved ministry Self-Employment Program. This worksheet is not a required form but is intended as a tool to assist those clients required to complete the Self-Employment Program Client Monthly Report. Any questions you have that are not addressed in this worksheet should be directed to your SEP Supplier.

When used, a copy of this worksheet may be submitted together with the client monthly report.

## **MONEY RECEIVED**

Clients must report all monies received by them during the month. Note: This only includes actual cash receipts, not accounts receivable. Each of items #1 through #5 below should be entered in the corresponding line on the monthly report and the total should be entered at line (A) of the monthly report.

1. Business cash receipts	\$
Business cash receipts include any cash, or other form of payment, received by you that relates to your primary business activity. Examples include fees for services that you have provided or money received for the sale of business inventory.	
2. Business loans received in current month	\$
(Only for clients with a business plan accepted by the Minister) Business loans include the total amount of any loans related to your business that you received during the month. This includes primary loans from financial institutions and does not include credit card debts incurred or other similar type business transactions.	
3. Withdrawals from cash reserve	\$
All clients are eligible to maintain a reserve account of up to \$5000. The reserve account must be a separate bank account from your personal account. Clients must report any withdrawals made from the reserve account each month.	
4. From business loans previously received (but not used)	\$
(Only for clients with a business plan accepted by the Minister) Clients who received a loan in a prior month but did not expend the loan in the prior month will have an asset recorded (similar to the reserve account but for your loan). Clients must report the amount of funds accessed in the current month from loans that were received in a prior month.	

5. Other

\$

Clients must report all money received during the month. Any money received by you in the course of your business that has not been recorded in items #1 through #4 must be recorded in item #5. Examples include proceeds from the sale of business equipment or assets that are no longer required for business purposes, refunds received from business equipment or inventory that was returned and Goods and Services Tax refunds received, or other money received that has not been recorded in items #1 through #4.

### **USE OF MONEY RECEIVED**

Clients must report all business expenditures incurred and paid during the month. Note: This only includes those expenditures actually paid for, not accounts payable. Each of items #6 through #11 below should be entered on the corresponding line of the monthly report, and the total should be entered on line (B) of the monthly report.

6. Deposited in cash reserve account

\$

All clients are eligible to maintain a reserve account of up to \$5000. The reserve account must be a separate bank account from your personal account.

7. Purchased permitted business assets (including equipment)

\$

Type 1 and type 2 clients may purchase eligible business assets including equipment necessary for conducting your business. In general, an asset is considered necessary if the asset is used in the course of carrying out business activity.

Type 1 clients must not purchase assets other than those identified in your approved business plan.

Type 1 and type 2 clients must ensure that their total business assets (assets, equipment and inventory) do not exceed \$50,000.

8. Purchased permitted business inventory

\$

Type 1 and type 2 clients may purchase eligible business inventory for the conduct of your business.

Type 1 clients should not purchase inventory beyond the level established in your approved business plan.

Type 2 clients should not purchase inventory that is not reasonable for operating their business.

Type 1 and type 2 clients must ensure that their total business assets (assets, equipment and inventory) do not exceed \$50,000.

9. Retained loan funds received but not used for future asset purchases \$

(Only for clients with a business plan accepted by the Minister)

Business loans include the total amount of any loans related to your business that you received during the month. This includes primary loans from financial institutions and does not include credit card debts incurred or other similar type business transactions.

10. Expended on other permitted business expenditures (i.e., not assets or inventory) \$

Type 1 and type 2 clients may expend cash generated by a business on permitted business expenditures, as outlined below.

Only include those expenses incurred by yourself for the purposes of the operation of your business.

Do not include wages paid to yourself or to a person in your family unit.

Do not include rent and utilities for the place of residence of yourself or a person in your family unit unless (i) there is an increase for rent or utilities and the increase is attributable to the business, and (ii) the increase is not provided for in the calculation of your family unit's shelter allowance under Schedule A of the Employment and Assistance Regulation or the Employment and Assistance for Persons with Disabilities Regulation (whichever is applicable)

Permitted business expenditures are established by regulation and include the following:

- Business supplies and products
- Accounting and legal services
- Advertising
- Taxes, fees, licences and dues
- Business insurance
- Interest and bank charges
- Loan repayments (type 1 clients only and related to the purchase of approved business assets)
- Maintenance and repairs to equipment
- Gross wages paid to employees
- Motor vehicle expenses
- Premiums for employment insurance or Workers' Compensation benefits
- Employer contributions for employment insurance, Workers' Compensation or the Canada Pension Plan.
- Rent and utilities
- Office expenses
- Equipment rentals

11. Loan Payments \$

Principal and interest paid; includes credit cards and a line of credit.

11a. Other (please describe) \$

Clients must report all money expended for business purposes during the month. Any money expended by you in the course of your business that has not been recorded in items #6 through #10 must be recorded in item #11a. For example, the costs of renovations to your place of residence.

Type 1 clients may expend \$5,000 in total during the period of self-employment as long as the renovations were included in your business plan accepted by the Ministry.

12. Personal amount retained

\$

All clients must calculate and report the amount of cash from your business that is retained by the client for non-business purposes. This includes both personal and business expenditures that are not permitted business expenses (e.g., hospitality, entertainment, travel). This amount is calculated by subtracting line (B) from line (A) on the Client Monthly Report. This amount must be entered on line (C) of the monthly report. (A-B=C)

The amount reported on line (C) is the amount that must be reported as earned income on form HR81 for the applicable month and will not compromise your eligibility for monthly benefits as long as the amount does not exceed your allowable exemption. (Remember to consider whether you have other sources of income that will count towards your exemption).

### ASSET POSITION AT END OF MONTH

Clients must report the value of their business assets at the end of each month. This is important because there are limits on the value of assets that can be accumulated without compromising your eligibility for monthly benefits. Each of items #13 through #16 below should be entered on the corresponding line of the monthly report.

13. Amount retained in cash reserve account

\$

All clients are eligible to maintain a cash reserve account with a balance of up to \$5,000. The reserve account must be a separate bank account from your personal account.

14. Business assets (including equipment)

\$

For clients with a business plan accepted by the Minister, the business plan provides a guide for business equipment value that should be followed.

For type 2 clients without a Ministry accepted business plan, the level of business equipment purchased should be reasonable in the circumstances.

Type 1 and type 2 clients must ensure that their total business assets (includes equipment and inventory) do not exceed \$50,000, unless they have a Minister accepted business plan which authorizes a higher amount.

15. Business Inventory

\$

For clients with a business plan accepted by the Ministry, the business plan provides a guide for a business inventory amount that should be followed. For type 2 clients without a business plan accepted by the Minister, the level of business inventory purchased should be reasonable in the circumstances.

Type 1 and type 2 clients must ensure that their total business assets (includes equipment and inventory) do not exceed \$50,000, unless justified in a business plan accepted by the Minister.

16. Loans received but not yet used

\$

(Only for clients with a business plan accepted by the Minister)

Business loans include the total amount of any loans related to your business that you have received, either during the month or previously, but have not yet expended. This includes primarily loans from financial institutions and does not include credit card debts incurred or other similar type business transactions.

### **CLIENT DECLARATION**

You are responsible for making a written declaration that the information reported in the monthly report is true and correct, is based on actual transactions of your business and includes all transactions for the month.

This declaration is very important. Be sure to review the information in your monthly report to ensure that your declaration is accurate. You are accountable for any errors or omissions identified in your monthly report.