

WMKL NEWSLETTER

Wormald Masse Keen Lopinski LLP

12/1/2017

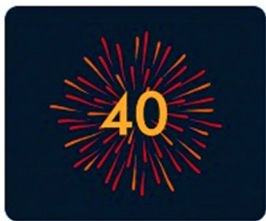
ISSUE 31

Firm Announcements

What's new with WMKL Partners and staff

Celebrating 40 Years

With 13 Partners, a growing staff of over 60 accounting and administrative professionals, and several renovations to our current office building, we've come a long way in the past four decades.



We are proud of our 40 years in service and the experience we have garnered to continue providing the trusted business advice our clients rely upon. Thank you for being a part of our continued success!

2017 CFE Results

Congratulations to Brittany Murphy on making the honour roll while successfully completing the Common Final Examination (CFE).



Brittany was in the top one percent of all CFE writers in Canada – a distinction only achieved by 32 individuals in Ontario!

Pay Your Invoice Online

We are pleased to offer our clients the convenient and secure option to pay their WMKL invoices online. You can find WMKL as a payee through your regular online banking with most major financial institutions. For more information, please contact our office at any time!

In our ever-changing business environment, our goal is to be the one constant that our clients can trust and rely upon to provide the business, financial and advisory services they need at an outstanding value to them.

In This Edition

...

Top Challenges: no matter the economic conditions, some business worries never go away. (See page 3)

Cannabis 101: revision of federal marijuana laws will affect the workplace. (See page 5)

Office Hours

...

Our regular office hours are
Monday to Friday,
8:30am to 5:00pm.
Please note our office will be
closed December 25 to 27 for
the Christmas holidays.



In The Community

Community Care School Supply Drive

In September, we held our first school supply drive benefiting Community Care. We were able to provide over 20 backpacks and other necessary supplies to local students in need.



Blood Donation Drive

Some of our more fearless staff gave life by donating blood at Community Blood Services, and are brave enough that they plan to do it again in the new year!



Angie, Christy, Beth & Brett



Melanie, Ryley & Trevor

Alzheimer Coffee Break

For Halloween, we held our annual Alzheimer Society Coffee Break & Bake Sale, supporting a cause close to many of our hearts while shamelessly judging our co-workers' costumes.



Best Costume Winner, Brittney R



Brittney, Trevor, Arin, Larissa, Brett, Matt P, Melanie, Brittany M & Michelle

Project Share

Every Christmas, we participate in Project Share's Christmas program, sponsoring a local family in need. WMKL's elves have

been busy finding and wrapping the perfect gifts to help make the holidays a little brighter for a family in the Niagara community.



Happy Holidays

From all of us at WMKL, we wish you a very Merry Christmas and a Happy New Year! Enjoy a safe and happy holiday season with your family and friends!



The following article is reprinted from the newsletter Business Matters with the permission of the Chartered Professional Accountants of Canada:

Top Challenges

The more things change, the more they stay the same.

No matter what the economic conditions, some business worries never go away. Here are a few tips on how to handle some of these eternal problems.

Cash Flow

Customers will continue to extend payments over 90 days.

Understand your cash flow. At the end of each week, review accounts receivable, and accounts payable and make sure you know what you must pay in withholding taxes. Do not use your source deductions to pay suppliers unless those deductions are actually in the bank. Send requests for funds to suppliers before the end of the month.

Owner-Manager Fatigue

Overworked and underpaid will continue to be the mantra.

Learn to pace yourself. Work to make money not save money. Work at what you do best and delegate the rest. Consider that if you work 2,000 hours per year and your business has sales of \$400,000, you are effectively generating \$200 of revenue per hour. Ask yourself why you are trying to learn how to do something a subcontractor can do in a day.

An Ounce of Prevention...

Should interest rates start to rise, the trend is likely to continue upwards. Owner-managers should start now to model their business activity

in potential future economic and credit conditions. Business plans derived from these models will help ensure the continued success of their business and family finances when the 2020 decade rolls around.



Maintaining Customer Base

Maintaining clients while working to get new ones is going to be a challenge.

In tough times, even long-time customers may ask you to cut your costs or they may cut back their orders. Review the profit on your best customers, not just their sales volume. Visit the customer and find out their expectations for the coming year. Consider limiting services to marginally profitable customers.

Employers

Finding and keeping good employees is never easy.

Older employees may retire and good employees may leave. New, inexperienced employees do not solve short-term problems.

Happy employees are loyal and productive. Be approachable. Let employees tell you what they need. Employees always appreciate a bigger pay cheque, but a good working environment and feeling valued will also go a long way to keeping employees.

Overhead

The cost of everything will continue to rise.

Capital asset costs, fuel, property taxes, light, heat, power, insurance, and maintenance will continue to rise and put pressure on your cash flow. The same cost pressures will also affect the standard of living of your own family and the families of your employees.

Evaluate all aspects of business costs and perks. Look at discounts, value added and other incentives provided to clients. Review perks to employees and determine whether there are more economical solutions that will retain the good will of the employees but not put more pressure on your cash flow.

Technology and Changing Demands

Keeping up with new developments will be a challenge.

Changes in technology, process, or client needs require training and financing to transition from the tried and true. Budget for the inevitable or you risk being outflanked by the competition.

Social media is changing the entire marketing process.

Marketing and Advertising

Connecting with customers will continue to be a challenge.

Maximizing your brand is difficult at the best of times; social media is making the entire marketing process even more problematic.

Analyze your market and decide whether the best way to reach potential customers is: one-to-one contact, social media, online advertising, television, radio, newspapers, or magazines. You

may find that more and more dollars have to be spent to create a cross-media presence that provides the same information without any guarantee of a return on investment.

Consider a short-term contract with a marketing specialist to review your company and its client base to help determine the best combination of media to reach your target market. Then, develop a plan to deploy your advertising budget to the appropriate media.

Maintaining Control

Managing all sectors of the business will continue to be a challenge.

Managing sales, manufacturing, ordering, marketing, human resources and administration as well as dealing with the considerable number of regulatory agencies will continue to become more complex. Trying to do everything yourself will undoubtedly lead to failure in one or more areas.

Control your business by managing rather than doing. Find the best person to run each particular part of the business. Define their responsibilities with a detailed and accurate job description and schedule regular reports. This will enable you to understand what is happening within the organization, solve problems and improve operations. Have faith in your subordinates.

Regulations

Red tape is and will continue to be the nemesis of small business.

Research suggestions that these compliance issues consume eight weeks of employment time per year.

Because collecting and providing information to governments and regulators cannot be avoided, owner-managers should institute in-house procedures and write manuals. Reduce the use of employee time and associated costs by purchasing reporting software. If you do not have in-house expertise, arrange for a third party to prepare regular reports. Filing reports correctly and on time eliminates the cost and stress that follows from non-compliance.

Plan Ahead

The size and complexity of these and similar issues will move forward in lockstep with the business. Analyzing each potential conflict area and developing a process to stave off potential problems is an excellent offensive tactic that will lessen the cost and uncertainty of moving forward for the balance of 2017 and beyond.



The following article is reprinted from the newsletter Business Matters with the permission of the Chartered Professional Accountants of Canada:

Cannabis 101

The pending revision of Canada's marijuana laws will affect the workplace.

Liberalisation of Canada's marijuana laws appears to be imminent. The *Cannabis Act* is currently expected to become law in 2018 and will decriminalize certain activities and make marijuana more widely available under a controlled production, distribution and sales

system. Whether or not you agree with the intent of the proposed *Cannabis Act*, the loosening of the laws governing the sale and use of marijuana raises important questions for businesses regarding health, safety and legal liability.

Employer Responsibility

All employers recognize that, if an employee is incapacitated to the extent that they cannot perform their assigned tasks, the employer is required to either allow a leave of absence or find a task within the organization that allows the employee to rehabilitate so as not to create safety

Employers may have to pay for medicinal marijuana.

or health issues for other works.

It may come as a surprise to employers to discover that, in the event an employee is injured on the job, the employer, as part of the restitution/rehabilitation package, could be required to pay for the employee's use of prescribed medicinal marijuana. This would not be dissimilar to the payment for any other medication that may be required to assist an injured employee in getting back to work.

Employment Agreements

Employment agreements usually address issues such as alcohol, the use of smartphones while driving and sexual harassment. These agreements reflect management's due diligence in acting to avoid or mitigate huge losses from lawsuits against the company. Even though both employees and employers have a responsibility to ensure a safe workplace, the employer, its

management and directors bear the ultimate legal responsibility.

In the matter of marijuana prescribed by a doctor for pain relief, employees may be unable to travel to jurisdictions with criminal laws for possession. Not only does this cause concern for the employer, but it may also jeopardize an employee's future if arrested, charged and convicted by a foreign government. A prohibition on future travel for work in such jurisdictions may never be lifted.

Drug Testing

The employer has a responsibility to establish the grounds for any proposed drug testing. Some businesses have employment agreements that require drug testing to ensure employees are not impaired. The liberalisation of the marijuana laws creates a whole new area of uncertainty as to whether an employee is impaired. Random drug testing of employees can become problematic. If the employee refuses and they are fired, they might sue for wrongful dismissal. Further, some chemical components of marijuana, as for some other drugs, may linger in the employee's system and be picked up by the test even though the person is no longer impaired.

Review Your Contracts

Your business may have employee contracts which stipulate that substance abuse is not allowed on the job site. What happens in the event one of your employees is on medical marijuana? Is this in violation of the contract? Is this in violation of safety regulations? Is it a violation of the Charter of Rights and Freedoms?

Owner-managers are well advised to seek professional assistance as well as legal advice to review all:

- contracts with companies and government agencies from whom they receive contract work
- employment contracts
- policies and procedures on the safe use of machinery and equipment
- protocols for detecting impairment and the penalties and/or sanctions that may need to be rewritten
- medical insurance policies
- insurance policies for third-party liability or vehicle insurance that may contain caveats that cancel payout in the event of drug use
- in-house education programs to make sure workers know how to recognize their impairment and when to communicate their inability to perform their tasks safely.

It is difficult if not impossible at the present moment to determine the consequences of legalizing marijuana and its impact on employers, employees and existing contractual arrangements with contractors, subcontractors, government and regulatory authorities, both within our borders and without.

Examine Procedures and Protocols

Good business practice suggests that owner-managers become proactive and educate themselves on the effects the pending legislation may have on their business. Procedures and protocols may have to be changed or new ones created to ensure a workplace that accommodates the health concerns of the workers without compromising the safety of the workplace.

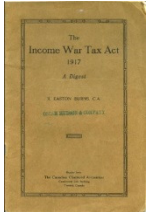
• • •

The Last Page

Quick Tips, News & Advice

100 Years of Taxes

Something only a Tax Accountant could get excited about – 2017 marks the 100th anniversary of the *Income Tax Act*! Originally titled, *The Income War Tax Act*,



1917, this 11 page document was meant to be a temporary measure to aid the government in supplementing revenues and funding their endeavors during the first World War. Although one of our Tax Partners keeps a copy of

this relic in his office, he would be quick to point out it's very different from the lengthy Act we use today!



Reader Photo Submission: Northern Lights over the Canadian Tire store in Dawson's Creek, BC.

Pay CRA at Canada Post Outlets

Businesses can now remit a variety of taxes and payments owed at Canada Post outlets across Canada, including individual tax, benefits and credits repayments, Part XIII – non-resident withholding tax, source deductions, T2 corporation tax and GST/HST. Payments, which can be made with cash or debit, require a personalized quick response (QR) code obtained through the Government of Canada website.

Ontario Accessibility Laws

Business and non-profits with 20 or more employees and public sector organizations must file an

Accessibility Compliance Report by **December 31, 2017**. Please visit Ontario.ca/AccessibilityReport for more information.

...

Reminder

Don't forget to check out the WMKL website under our Taxation News Quick Links. Each month we post articles involving tax updates and tips, as well as a Quarterly Newsletter for Personal and Corporate Tax.

Feedback

We encourage your feedback! Please send your comments or suggestions for future issues to: Michelle de Prinse at deprinsem@wmklca.com

Follow Us on Twitter, Instagram & LinkedIn

We invite you to follow us on Twitter (@WMKL_LLPL), Instagram (@wmkl_llp) and LinkedIn.



Disclaimer:

WMKL Newsletter deals with a number of complex issues in a concise matter; it is recommended that accounting, legal or other appropriate professional advice should be sought before acting upon any information contained therein. Although every reasonable effort has been made to ensure accuracy of the information contained in this letter, no individual or organization involved in either the preparation or distribution of this letter accepts any contractual, tortious, or any other form of liability for its contents or for any consequences arising from its use. WMKL Newsletter is prepared quarterly by Wormald Masse Keen Lopinski LLP for our clients.

This newsletter is designed to keep you current on events and information that may be relevant to your business or personal needs. You can contact Linda Pepin at pepin@wmklca.com or 905-937-7777 to unsubscribe at any time.