

Business Income and Expense Report Instructions

Ontario Disability Support Program (ODSP) recipients who are self-employed or operate a business must submit a Business Income and Expense Report at least once per year. You may also choose to submit the Business Income and Expense Report monthly.

To calculate your income from business or self-employment, report only the business income/cash that you have already received, and any business expenses where the bill has been paid.

Business Income / Cash Receipts

All cash income or revenue coming into the business must be reported in this section. This can include cash, cheques, money orders, bank drafts, etc. immediately credited to your account. Do not include accounts receivable, credit sales, IOU's or promissory notes (include these when the money is received).

Business Income / Cash Receipts includes the following:

- sale of goods or services
- commissions, fees
- sale of business assets
- cash value of goods or services received in-kind, bartering or exchange of goods and services (where no money is exchanged).
- cash owed to the business but paid to a third party
- income from renting out the business assets
- any other business income

Business Expenses / Cash Expenses

To be approved as an allowable business expense, the expense must be necessary to the operation of the business, must maintain or increase the income earned from the business, and any items purchased must be at a fair market value (e.g. on a "best buy" basis). You may be required to verify your expenses at any time. Please keep accurate records and receipts.

Business expenses that may be deducted are as follows:

- cost of goods purchased for sale less the GST/HST paid on these purchases (see exception*)
- business/office supplies and equipment (purchases or rentals)
- repairs and maintenance to equipment used in the business
- accounting, bookkeeping, legal fees
- advertising, business cards, etc.
- licenses, required fees for memberships in trade or commercial associations (not club memberships for personal or recreational use)
- delivery, freight, express costs to deliver or receive goods
- bank charges on business account
- Provincial Sales Tax (PST)
- income tax installment payments where required (verified by the notice sent by the Canada Revenue Agency stating the amount to be paid)
- repayments on business loans including the principal and interest (must be approved by ODSP staff before it can be claimed)
- transportation vehicle expenses ** (ODSP staff will provide you with further information on what expenses may be claimed, depending on the type of transportation used e.g. public transit, personal or business vehicle)
- re-investment in the business (must be approved by ODSP staff before it can be claimed)
- rent, mortgage, property taxes for business property (does not include use-of-home-for-business)

- heating, water and electric expenses (if the business operates from the home, only the increase in utility costs due to business use is allowed)
- telephone (if the business operates from the home, only the difference between the commercial and residential rate is allowed)
- business insurance
- in-kind and bartered items
- subcontracting (skilled and unskilled on an occasional basis) ***

Note: For the purposes of calculating your Income Support payment, business income and expenses will be averaged over a twelve month period, or the period your business was operating, whichever is less. Where average monthly expenses are less than \$100, a Standard Expense Deduction of \$100 will be applied for each month your business operated.

* Recipients operating small businesses (taxable gross revenues \$30,000 or less per year) who are not GST/HST registered because they are exempt, will be allowed to deduct the GST/HST they pay on business expenses.

** Vehicles driven for both personal and business purposes are allowed a vehicle expense deduction based on mileage -- only while using the vehicle for business. A vehicle log must be maintained in order to qualify for this expense. ODSP staff will provide you with the mileage rate.

Vehicles used exclusively for business purposes are allowed the cost of licence and registration fees, fuel costs, insurance, leasing/loan repayments, maintenance and repairs.

*** Subcontracting expense must be approved by ODSP staff before you claim this expense.

Net Business Income

The total business/cash expenses are subtracted from the total business income/cash receipts. This is your Net Business Income.

Business Expenses not Approved

The ODSP is not intended to support business enterprises. Therefore, not all business expenses are approved as allowable expense deductions when determining net business income. Recipients are expected to make their own decisions on how to operate their businesses including what expenses the business will incur. ODSP staff will provide information on how business income and expenses are treated when determining entitlement to benefits.

The following expenses are not approved:

- wages paid to employees and employer's payroll deductions
- depreciation on business assets
- entertainment and gifts
- conventions, conferences or similar events including travel, hotels and meals
- long distance travel (ODSP staff can provide information on exceptions)
- business losses (e.g. Under ODSP, a business loss is equivalent to a net income of \$0.00. Business losses, determined at year end, cannot be carried forward to offset business income in future periods)
- GST/HST on purchases for the business (see exception*)
- personal draws & owner's withdrawals
- municipal property tax (if using principle residence)

If you have any questions please contact _____

at _____ in your local Ontario Disability Support Program (ODSP) Office.

Last Name	First Name	Member I.D.
Name of Business		Report for Period

Before completing, see Business Income and Expenses Instruction Sheet.

Business Income / Cash Receipts:	Total Amount <input type="checkbox"/> Month <input type="checkbox"/> Year	Office Use Only
sale of goods	\$	
service income	\$	
commissions, fees	\$	
interest income	\$	
PST collected	\$	
other Business Income	\$	
Total Income	\$	
Are you collecting GST/HST? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
If Yes, amount of GST/HST collected		
Business Expenses / Cash Expenses: (* less GST/HST paid, if applicable)		
* cost of goods purchased	\$	
* supplies and equipment	\$	
* repairs and maintenance	\$	
* accounting, bookkeeping, legal fees	\$	
* advertising, business cards	\$	
* licences, fees	\$	
* delivery, freight, express costs	\$	
bank charges (other than NSF cheques)	\$	
PST submitted to Minister of Finance	\$	
mandatory income tax installments (current year)	\$	
approved business loan repayments	\$	
* vehicle expense number (#) of business kilometers _____	\$	
approved reinvestment	\$	

* rent, mortgage, taxes (business only)	\$	
* utilities e.g. heating, water, hydro (business only)	\$	
* telephone	\$	
business insurance	\$	
other expenses (specify) _____	\$	
Total Expenses	\$	
Note: For the purposes of calculating your Income Support payment, business income and expenses will be averaged over a twelve month period, or the period your business was operating, whichever is less. Where average monthly expenses are less than \$100, a Standard Expense Deduction of \$100 will be applied for each month your business operated.		
Net Business Income (Total Income/Cash Receipts less Total Expenses)		\$ _____

Were any of the above expenses paid for, using money received from a loan or from re-investment savings?

☐ No ☐ Yes, specify ▼

Child Care and/or Disability-Related Work Expenses

Child Care Expenses	Number of Children	Amount	Child care and disability expense receipts must be attached.	
Licensed		\$	Expenses	Amount
Unlicensed		\$	Disability-Related Work Expenses	\$

I declare the information given here to be accurate and complete.

Signature of Recipient	Date (yyyy/mm/dd)
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Notice with Respect to the Collection of Personal Information

(Freedom of Information and Protection of Privacy Act)

(Municipal Freedom of Information and Protection of Privacy Act)

This information is collected under the legal authority of the *Ontario Disability Support Program Act, 1997*, sections 5, 10, 45 & 46 or the *Ontario Works Act, 1997*, sections 7, 8, 15, 57 & 58 for the purpose of administering Government of Ontario social assistance programs. For more information contact

_____ at _____,
in your local Ontario Disability Support Program (ODSP) Office.

Office use Only

Trans. Type	Today's Date	Office I.D.	Caseload	Case Identification	Reference Number
<input type="text"/>	D M Y 	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Effective Date of Change		Net Business Income	Child Care Expenses	Child Care Type	Disability Expenses
M Y 	3 0 4	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>