JA Central Ontario Company Program Fixed Costs & Profits Tax 2019-2020

Fixed Costs

During the 2019/2020 cycle each company program will be required to pay the fixed costs associated with running a business. Through the implementation of fixed costs students are given a real world perspective on the expenses associated with running and operating a small business. Companies should incorporate this cost when they plan their initial budget.

The total amount of the fixed costs per company is $200.00 - which will be invoiced in 2 installments.

The first installment for $100.00 is due on Friday January 31, 2020.

The second installment for $100.00 is due on Friday April 17, 2020.

Sales Profits Tax

All sales profits tax payments must be submitted no later than **Friday April 17, 2020.**

Calculation of Sales Profits Tax:

(Total Sales/Revenue) - (Total Expenses) = Income before Profits Tax

(Income before Profits Tax) x (10%) = **Profits Tax**

(Income before Profits Tax) - (Profits Tax) = Net Income

*Net Income is what is used to calculate final ROI figures.

Example:

$5400 (Sales/Revenue) – $4100 (Expenses) =$ 1300 (Profit)

$1300 (Profit) x 10% (Profits Tax Percentage Payable) =$130 (profits tax due)

$1300- $130 = $1170 (net income)

Total Expenses may include:

Salaries, Commissions, Marketing and Incentives, Office Supplies, Bank Charges, Shareholders Report, Charitable Donations, Other Expenses.

Both Fixed costs as well as Sales Profits Tax payments MUST be submitted by the appropriate due dates in order for companies to be eligible for any of the Company Program awards.

Fixed Costs can be submitted via cheque or Interac Email Money Transfer:

Cheques: Cheques should be made payable to JA Central Ontario and submitted to the attention of JA Company Program – 133 Richmond Street West, Suite 405, Toronto M5H 2L3. **Please include the name of your Company on the cheque** in the memo section on the bottom left-hand corner.

EMT: Here are the instructions to make an electronic payment:

1.) **Send E-Transfer to JA Key contact –** Jennifer James jjames@jacentralontario.org
2.) Utilize the following:
Security Question – What program are we participating in?
Answer – (case and space sensitive)
JAcompanyprogram

If a company has made less than $500 profit overall they will not be required to submit profits tax to JA Central Ontario. If you require clarification or further information please contact the Company Program team at companyprogram@jacentralontario.org