

# Decision Tool for Entrepreneurs, Social Innovators and Changemakers

Which structure will create the  
most impact for your next big idea?

**Thrive**

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*This document and the information it contains is not intended to constitute legal advice. It is strongly recommended that you consult with legal, accounting and other professional advisors when considering which business structure is best suited to your needs.*

## When Typically Used / Context For Use

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) ("NFP")	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• Small business owners.</li> <li>• Generally for short-term, low risk business ventures.</li> </ul>	<ul style="list-style-type: none"> <li>• For larger, for-profit businesses seeking to limit owner liability.</li> </ul>	<ul style="list-style-type: none"> <li>• Where two or more people (or corporations) wish to combine resources in a business to make a profit without incorporating.</li> <li>• When tax / liability flow through to the partners is desired.</li> </ul>	<ul style="list-style-type: none"> <li>• When one or more of the partners wishes to take an active role in managing the business and the others wish to only invest and limit their liability.</li> <li>• For tax planning purposes.</li> </ul>	<ul style="list-style-type: none"> <li>• For NFPs that want to run programs to raise funds (e.g., running a second hand store to raise money) for operating expenses.</li> </ul>	<ul style="list-style-type: none"> <li>• When an NFP is for any benevolent, philanthropic, charitable, provident, scientific, artistic, literary, social, educational, agricultural, sporting or other useful purpose.</li> </ul>	<ul style="list-style-type: none"> <li>• When an NFP is national in its activities and operations.</li> </ul>	<ul style="list-style-type: none"> <li>• When providing services to members at the lowest possible cost.</li> <li>• When meeting economic or social needs that cannot be met by individuals acting alone.</li> </ul>

# Unique Features

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) (“NFP”)	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• There must be a sole owner of the business.</li> <li>• A sole proprietorship is not a separate legal entity from the individual who owns the business (i.e., the sole proprietor).</li> <li>• Registration of a sole proprietorship name is required with the Alberta government using the “Declaration of Trade Name” form.</li> </ul>	<ul style="list-style-type: none"> <li>• A corporation can have one or more owners or investors, who are referred to as shareholders.</li> <li>• A corporation is a legally recognized entity that is separate from the shareholders.</li> <li>• The corporation has similar rights as individuals (and is legally considered a “Person”).</li> <li>• Shareholders have certain rights which may include the right to vote on important matters or receive dividends from the business.</li> <li>• Shareholders elect directors to supervise and manage the business of the corporation.</li> <li>• Officers are appointed by the directors to manage the day-to-day business of the corporation.</li> </ul>	<ul style="list-style-type: none"> <li>• A partnership is not a separate legal entity from the partners who own it.</li> <li>• All contracts are entered into by one of the partners for, and on behalf of, the partnership.</li> <li>• The property used in the partnership is bought with money from the business but is owned by any one or more of the partners and is held in trust for the partnership.</li> <li>• A Partnership Agreement sets out the rules for governing the business.</li> <li>• The partnership is governed by the legislation and regulations in each of the provinces.</li> </ul>	<ul style="list-style-type: none"> <li>• A limited partnership is not a separate legal entity from the partners who own it.</li> <li>• A limited partnership has both General Partners (GP) and Limited Partners (LP).</li> <li>• The GPs manage the business.</li> <li>• The LPs invest and cannot have an active role in managing the company.</li> <li>• A Limited Partnership Agreement sets out the rules for governing the business.</li> </ul>	<ul style="list-style-type: none"> <li>• This is a common way to incorporate an NFP.</li> <li>• It allows an NFP to be involved in business operations that are of a permanent nature and generate significant revenue.</li> <li>• An NFP can be either public or private.</li> <li>• Two or more people are required to form a private company.</li> <li>• There are restrictions on private companies such as the number of members or shareholders and the number of share or membership transfers.</li> <li>• Three or more people are required to form a public company.</li> <li>• Public NFPs do not have the same restrictions as private NFPs.</li> <li>• Surplus cannot be distributed to members.</li> <li>• An NFP may be able to register as a charitable organization under the <i>Alberta Charitable Fundraising Act</i>.</li> <li>• An NFP may be eligible to become a registered charity if it meets CRA requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporated under the <i>Societies Act</i>.</li> <li>• Five or more people can form a society.</li> <li>• A society must register as a charitable organization.</li> <li>• Societies cannot issue shares, declare dividends, or distribute property amongst the members during the lifetime of the society.</li> </ul>	<ul style="list-style-type: none"> <li>• Three or more people may incorporate under the <i>Canada Not-for-Profit Corporations Act</i> for the purposes of carrying on objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional or sporting character or, similar objects</li> </ul>	<ul style="list-style-type: none"> <li>• Three or more persons who are above the age of 18 (or one or more cooperatives) may form a cooperative either with or without share capital.</li> <li>• A cooperative is a business organization started by people who want to use services or buy goods as a group, have an equal say in how the business is run and share in any profits the business makes.</li> <li>• The cooperative may decide not to distribute surpluses and may meet the definition of a non-profit organization.</li> <li>• A cooperative can be NFP or for-profit.</li> <li>• Generally, it needs to be stated in the Articles of Incorporation if it will be an NFP cooperative.</li> <li>• If it is an NFP, it may also obtain registered charitable status if it meets all of the necessary requirements.</li> </ul>

# Requirements

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) (“NFP”)	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• The proposed name (referred to as “Tradename” in Alberta), a description of the business, the date the business was commenced and contact details relating to the individual or the corporation registering the tradename must be filed with the Alberta Registrar.</li> <li>• The filing must be processed by an authorized Corporate Registry service provider (private registry office or law firm).</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial or federal NUANS report (name reservation).</li> <li>• Information pertaining to authorized share capital, restrictions on transfers of shares, minimum/maximum number of directors, restrictions on business and any other provisions considered relevant to the corporation in accordance with the provisions of the <i>Business Corporations Act</i> or <i>Canada Business Corporations Act</i> must be electronically filed with the Alberta Registrar, together with the names and addresses of the directors and an address for service.</li> <li>• For Alberta, the filing must be processed by an authorized Corporate Registry service provider. For Canada, the filing can be processed by any individual through the use of the Corporations Canada website. The use of a law firm is recommended for both.</li> </ul>	<ul style="list-style-type: none"> <li>• Formed by a Partnership Agreement.</li> <li>• The name of the partnership, a description of the business, the names and addresses of each partner and the date of termination (or a statement that partnership will exist for an indefinite period) must all be electronically filed with the Alberta Registrar.</li> <li>• The filing must be processed by an authorized Corporate Registry service provider</li> <li>• Use of a law firm is recommended.</li> </ul>	<ul style="list-style-type: none"> <li>• Formed by a Limited Partnership Agreement.</li> <li>• A Certificate of Limited Partnership containing all of the information required in accordance with the provisions set out in section 52(1) of the <i>Partnership Act</i>.</li> <li>• Limited Partnership Certificate is electronically filed with the Alberta Registrar by an authorized Corporate Registry service provider.</li> <li>• A signed, original Certificate of Limited Partnership must be submitted to the Alberta Registrar immediately following electronic registration.</li> <li>• Use of a law firm is recommended.</li> </ul>	<ul style="list-style-type: none"> <li>• NUANS report (name reservation).</li> <li>• Formed by filing Articles of Association and Memorandum of Association with the Alberta Registrar.</li> <li>• Cannot be processed electronically – original documents must be submitted to the office of the Alberta Registrar in Edmonton.</li> <li>• Use of a law firm is recommended.</li> </ul>	<ul style="list-style-type: none"> <li>• NUANS report (name reservation).</li> <li>• Formed by filing application and bylaws with Alberta Registrar.</li> <li>• Cannot be processed electronically – original signed documents must be submitted to Alberta Registrar in Edmonton.</li> <li>• Use of a law firm is recommended.</li> </ul>	<ul style="list-style-type: none"> <li>• Federal NUANS report (name reservation).</li> <li>• Name should also be pre-approved by submitting NUANS report to Corporations Canada for final decision.</li> <li>• Information pertaining to province or territory where registered office will be situated; minimum/maximum number of directors; statement of purpose of the corporation; restrictions on activities that the corporation is engaged in; the classes (or regional or other groups) of members that the corporation is authorized to establish; statement regarding the distribution of property remaining on liquidation, must be electronically filed with Corporations Canada, together with the names and addresses of the directors and an address for service.</li> <li>• The corporation’s bylaws must be prepared by the Directors or Officers, approved by its members and electronically submitted within one year following member approval.</li> </ul>	<ul style="list-style-type: none"> <li>• NUANS report (name reservation).</li> <li>• The type of cooperative must be determined, and article information must be prepared in accordance with the type of cooperative and the <i>Cooperatives Act</i>, including a summary of objectives, classes of shares and certain conditions attached to those shares, restrictions on share transfers, minimum/maximum number of directors, restrictions on business being carried on, together with the names and addresses of the directors and an address for service.</li> <li>• The applicants have additional legal requirements such as provision of an affidavit and statutory declaration to the Registrar to complete incorporation.</li> <li>• An incorporation meeting must be held by applicants to finalize article information. The date of the meeting is provided in the articles prior to filing.</li> </ul>

# Requirements (continued)

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) ("NFP")	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
	<p><b>ADDITIONAL CANADA INCORPORATION REQUIREMENTS</b></p> <ul style="list-style-type: none"> <li>• Name should be pre-approved by submitting NUANS report to Corporations Canada.</li> <li>• A federal corporation is required to register extra-provincially in its home jurisdiction and all other provinces in which it carries on business.</li> </ul>					<ul style="list-style-type: none"> <li>• The filing can be processed by any individual through the use of the Corporations Canada website, but use of a law firm is recommended.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• A federal not-for-profit corporation is required to register extra-provincially in its home jurisdiction and all other provinces in which it carries on business.</li> </ul>	<ul style="list-style-type: none"> <li>• Cannot be processed electronically – original signed documents must be submitted to Service Alberta, Director of Cooperatives in Edmonton.</li> <li>• Bylaws must be prepared within 180 days of the issuance of the Certificate of Incorporation. The bylaws must then be filed within 60 days of coming into force by the directors and members, with Service Alberta, Director of Cooperatives in Edmonton.</li> <li>• Use of a law firm is recommended.</li> </ul>

# “Pros”

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) (“NFP”)	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• This is the simplest business structure.</li> <li>• The sole proprietor makes all of the decisions for the business.</li> <li>• This structure gives the sole proprietor a lot of freedom to make decisions regarding the business with minimal administrative burden.</li> <li>• The sole proprietor keeps all of the profits of the business.</li> <li>• This is the lowest cost business structure; however, the pros are likely outweighed by the cons and by the benefits received by employing a different business structure, such as a corporation.</li> </ul>	<ul style="list-style-type: none"> <li>• The corporation owns or leases all of the business assets and property.</li> <li>• The corporation enters into all of the contracts.</li> <li>• The shareholders “own” the corporation, but are not responsible for the debts of the corporation.</li> <li>• There is limited liability for shareholders - only liable for the amount they invested.</li> <li>• Corporate deductions are available (i.e., tax deductible expenses which may include management and administration costs, start-up costs, office expenses, etc.).</li> <li>• A corporation provides perpetual existence.</li> <li>• The corporation can raise funds through equity financing.</li> <li>• Transferability of ownership and shares.</li> <li>• The benefits of incorporating tend to outweigh any cost or complexity drawbacks as compared with operating as a sole proprietorship, such as the corporation assuming all debt and liabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Equal participation by all partners is possible.</li> <li>• All profits go to the partners directly - there is equal share in the management, profits and the assets (i.e., flow-through; partners taxed individually for profits).</li> <li>• It is fairly inexpensive to create a partnership.</li> <li>• There are tax advantages.</li> </ul>	<ul style="list-style-type: none"> <li>• A limited partnership limits the liability of the LPs to the amount that they have contributed to the partnership.</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation under this Act allows the organization to engage in business activities.</li> <li>• Even when the organization will operate in other provinces, it can be incorporated in Alberta and registered to do business in other provinces, which is quicker and often simpler than incorporating under federal law (i.e., under the <i>Canada Not-for-Profit Corporations Act</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation under the <i>Societies Act</i> is the simplest way to become incorporated.</li> <li>• There is limited liability - a member cannot be held responsible for the debts or liability of the society.</li> <li>• This structure provides formality and a basic framework when incorporated.</li> <li>• The society enters into contracts in the name of the organization.</li> <li>• The society can buy, sell and own property, including land.</li> </ul>	<ul style="list-style-type: none"> <li>• This structure allows an NFP to operate on a national level. However, registration is still required in each of the provinces that the NFP operates.</li> <li>• The governing legislation is very similar to corporate legislation, making it familiar from a governance perspective.</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperatives are democratically owned and operated.</li> <li>• The cooperative can determine the requirements for membership within its bylaws.</li> <li>• An application is made to the Board of Directors to become a member.</li> <li>• Members can voluntarily withdraw in accordance with the bylaws.</li> <li>• The surpluses generated by the cooperative can be used to create reserves, pay interest or dividends on member loans or shares and can be used for distribution to members in proportion to patronage.</li> </ul>

# “Cons”

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) (“NFP”)	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• The sole proprietor must enter into all contracts personally (and is liable personally for the performance of the contract).</li> <li>• The sole proprietor assumes all debts and liabilities (i.e. the personal assets of the sole proprietor may be seized where payments for debts are not made).</li> <li>• There is no system to prevent others from using the same or a similar business name.</li> <li>• Should others have the same or similar business name to your business, your only remedy is through a court action.</li> </ul>	<ul style="list-style-type: none"> <li>• Compared to a sole proprietorship, requirements to be a corporation are more prescriptive, as a corporation must follow the requirements set out in the <i>Alberta Business Corporations Act (ABCA)</i> or <i>Canada Business Corporations Act (CBA)</i>.</li> <li>• There are costs involved with incorporating and completing periodic filings as required by the <i>ABCA</i> or <i>CBA</i>.</li> <li>• Corporations are closely regulated and require extensive record keeping.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlimited liability for each and every partner.</li> <li>• The acts and omissions of any partner bind the partnership and each partner is then liable for those acts and omissions.</li> <li>• There are costs involved in forming the partnership and creating a Partnership Agreement.</li> <li>• Finding a good partner may be difficult (i.e., it requires a certain degree of trust in one’s partners).</li> <li>• There is no system to prevent others from using the same or a similar business name</li> <li>• Should others have the same or similar business name to your business, your only remedy is through a court action.</li> </ul>	<ul style="list-style-type: none"> <li>• The GP still has unlimited liability for the debts and obligations incurred by the other partners.</li> <li>• The LPs are prohibited from being involved in the management of the business. The GP controls the management of the partnership.</li> <li>• There are costs involved in forming a limited partnership and creating a Limited Partnership Agreement.</li> <li>• There is no system to prevent others from using the same or a similar business name</li> <li>• Should others have the same or similar business name to your business, your only remedy is through a court action.</li> </ul>	<ul style="list-style-type: none"> <li>• There are costs associated with incorporation.</li> <li>• It is more complicated than the <i>Societies Act</i>.</li> <li>• An NFP must be prepared to resolve its own internal disputes as the corporate registry does not supervise the conduct of companies (it is highly recommended to include bylaws prescribing how the NFP will manage conflicts, such as mediation or arbitration).</li> <li>• The Alberta Gaming and Liquor Commission is responsible for issuing gaming licenses for charitable organizations. This means that formal fundraising opportunities such as Casino Nights and 50/50 events are limited by the AGLC.</li> </ul>	<ul style="list-style-type: none"> <li>• There are costs associated with incorporation.</li> <li>• An organization incorporated under the <i>Societies Act</i> cannot incorporate for the purpose of carrying on a trade or business (it must operate under a different structure if this is the purpose).</li> <li>• The board members of a society may be personally liable for certain decisions.</li> <li>• A society must be prepared to handle its own internal disputes as the corporate registry does not supervise the conduct of societies (it is highly recommended to include bylaws prescribing how the society will manage conflicts, such as mediation or arbitration).</li> <li>• A society is subject to the <i>Charitable Fund-Raising Act</i>, which imposes some key responsibilities on the society, including a requirement to disclose information to donors, prepare financial statements and keep proper records.</li> <li>• The Alberta Gaming and Liquor Commission is responsible for issuing gaming licenses for charitable organizations. This means that formal fundraising opportunities such as Casino Nights and 50/50 events are limited by the AGLC.</li> </ul>	<ul style="list-style-type: none"> <li>• There are costs associated with incorporation.</li> <li>• This structure is more complicated than the <i>Societies Act</i>.</li> <li>• Unless the NFP is national, it is preferred to incorporate in a province and then register in other jurisdictions.</li> <li>• In Alberta, the Alberta Gaming and Liquor Commission is responsible for issuing gaming licenses for charitable organizations. This means that formal fundraising opportunities such as Casino Nights and 50/50 events are limited by the AGLC.</li> </ul>	<ul style="list-style-type: none"> <li>• There are costs associated with incorporation.</li> <li>• Must record each member and their shares or member loans (i.e., administrative burden).</li> </ul>

# Tax Considerations

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) (“NFP”)	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• All revenue of the business is reported to the CRA by the sole proprietor.</li> <li>• Accounting advice should be obtained to determine if this model creates any negative tax implications for the sole proprietor.</li> <li>• Able to claim all expenses incurred in order to earn an income on T1 income tax and benefit return.</li> <li>• Net income forms part of the sole proprietor’s overall personal income for the year.</li> <li>• Advisable to set some income aside to pay for taxes.</li> <li>• The sole proprietor is required to register for a GST / HST account where sales or supplies exceed \$30,000, if providing taxable supplies in Canada.</li> </ul>	<ul style="list-style-type: none"> <li>• A corporation is generally subject to tax rates that are lower than tax rates paid by individuals.</li> <li>• Availability of Small Business Deduction (on income 0 - \$500k)</li> <li>• Income is taxable and dividends are paid from after-tax income.</li> <li>• Canadian government is currently in the process of proposing tax changes, including certain favourable changes applicable to small corporations.</li> <li>• Losses cannot be personally claimed.</li> <li>• There is a requirement to register for a GST/HST account where the corporation is providing taxable supplies in Canada in excess of \$30,000.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-taxable entity. Income flows through the partnership to the partners pro-rata (based on partnership interest).</li> <li>• Net income is allocated between the partners. Partners record and are taxed individually on their share of the partnership’s income.</li> <li>• There is a requirement to register for a GST/HST account where providing taxable supplies in Canada in excess of \$30,000.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-taxable, flow-through entity. However, any losses or gains can be passed on to the limited partners. This is a decision that is made by the business.</li> <li>• Income flows through the partnership to the general and limited partners.</li> <li>• “At-Risk Rules”: prevents the limited partners from writing off more than the amount they have invested in the partnership as business losses.</li> <li>• There is a requirement to register for a GST/HST account where providing taxable supplies in Canada in excess of \$30,000.</li> </ul>	<ul style="list-style-type: none"> <li>• NFPs do not pay taxes, but must file a return annually with the CRA.</li> <li>• Eligible to register as a charity with the CRA (the robust CRA compliance and application process makes it difficult to gain approval).</li> <li>• There is a requirement to register for a GST/HST account where providing taxable supplies in Canada in excess of \$50,000.</li> </ul>	<ul style="list-style-type: none"> <li>• NFPs do not pay taxes, but must file a return annually with the CRA.</li> <li>• Eligible to register as a charity with the CRA (the robust CRA compliance and application process makes it difficult to gain approval).</li> <li>• There is a requirement to register for a GST/HST account where providing taxable supplies in Canada in excess of \$50,000.</li> </ul>	<ul style="list-style-type: none"> <li>• NFPs do not pay taxes, but must file a return annually with the CRA.</li> <li>• Right to issue tax receipt if registered as a charity (the robust CRA compliance and application process makes it difficult to gain approval).</li> <li>• There is a requirement to register for a GST/HST account where providing taxable supplies in Canada in excess of \$50,000.</li> </ul>	<ul style="list-style-type: none"> <li>• If For-Profit income is taxable; patronage dividends are deductible.</li> <li>• NFPs do not pay taxes.</li> <li>• Must file annually with the CRA.</li> <li>• Generally subject to same taxes as other business types.</li> <li>• The requirement to register for a GST/ HST account where providing taxable supplies in Canada will vary depending on if cooperative is for or not for profit (in excess of \$30,000 or \$50,000).</li> </ul>



# Principals' Liability Considerations

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) ("NFP")	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• Unlimited liability for the sole proprietor.</li> <li>• The sole proprietor assumes all of the risks of the business.</li> <li>• It is generally advisable to mitigate this risk by using insurance or an alternative business structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited liability for shareholders.</li> <li>• Directors can be held liable by shareholders, the corporation itself or others in certain instances, e.g., personally liable for misrepresentations made in public disclosure documents and for employees' wages.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlimited liability for partners for the debts and obligations of the partnership.</li> <li>• This risk is generally mitigated through insurance.</li> </ul>	<ul style="list-style-type: none"> <li>• GP has unlimited liability for the debts and obligations of the partnership (can be mitigated through insurance).</li> <li>• LP has limited liability - only liable for the debts of the partnership up to the amount invested into the partnership.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited liability for shareholders.</li> <li>• Directors are subject to liability as described in the <i>Companies Act</i>, e.g., personal liability for wages.</li> <li>• Directors in NFPs are not held to a lower standard than Directors in for-profit corporations.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited liability for members of the society - no member of a society is personally liable for the debts or liabilities of the society.</li> <li>• Directors are subject to the common law fiduciary duty and the common law duty of care (no statutory duties spelled out in the Act).</li> <li>• Directors in NFPs are not held to a lower standard than Directors in for-profit corporations.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited liability for members/ shareholders - no member / shareholder is personally liable for the debts or liabilities of the NFP corporation.</li> <li>• Directors are subject to statutory duties as described in the <i>Canada Not-for-Profit Act</i>.</li> <li>• Directors in NFPs are not held to a lower standard than Directors in for-profit corporations.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited liability for members.</li> <li>• Directors are subject to statutory duties as described in the <i>Alberta Cooperatives Act</i>.</li> <li>• Directors in NFPs are not held to a lower standard than Directors in for-profit corporations.</li> </ul>

# Financing Options and Considerations

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) ("NFP")	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• Seek investment from family and friends.</li> <li>• Apply for Canada Small Business Loans.</li> <li>• Apply for grants through the provincial and federal government.</li> <li>• Open a business line of credit.</li> </ul>	<ul style="list-style-type: none"> <li>• The corporation may issue shares to raise capital from the shareholders.</li> <li>• Apply for bank loans.</li> <li>• Open a business line of credit.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash call clauses in the partnership agreement.</li> <li>• Investment from family and friends.</li> <li>• Apply for Canada Small Business Loans.</li> <li>• Apply for grants through the provincial and federal government.</li> <li>• Open a business line of credit.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash call clauses in the limited partnership agreement.</li> <li>• Investment from family and friends.</li> <li>• Apply for Canada Small Business Loans.</li> <li>• Apply for grants through the provincial and federal government.</li> <li>• Open a business line of credit.</li> <li>• GPs and LPs may provide additional funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to funding is greater for incorporated NFPs.</li> <li>• If a private NFP, there are restrictions on the number of members or shareholders, the number of shares or membership transfers and on invitations to the public to subscribe for shares or debentures of the company.</li> <li>• If a public NFP, you can issue shares to raise capital.</li> <li>• Apply for bank loans.</li> <li>• Apply for grants through the provincial and federal government.</li> <li>• Seek donations.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to funding is greater for incorporated organizations.</li> <li>• Apply for grants through the provincial and federal government.</li> <li>• Apply for loans.</li> <li>• Open a line of credit.</li> <li>• Seek donations.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to funding is greater for incorporated organizations.</li> <li>• Apply for grants through the provincial and federal government.</li> <li>• Apply for loans.</li> <li>• Open a line of credit</li> <li>• Seek donations.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to funding is greater for incorporated organizations.</li> <li>• Can raise capital through shares and contributions from members.</li> <li>• Apply for loans.</li> <li>• Open a line of credit</li> </ul>

## Approximate Costs to Consider

SOLE PROPRIETORSHIP	CORPORATION (Alberta or Canada)	PARTNERSHIP	LIMITED PARTNERSHIP	PART 9, ALBERTA COMPANIES ACT (Not-for-Profit) ("NFP")	SOCIETIES ACT (NFP)	CANADA NOT-FOR-PROFIT CORPORATIONS ACT	ALBERTA COOPERATIVES ACT (For-Profit or NFP)
<ul style="list-style-type: none"> <li>• Filing fee, name registration service fee and NUANS search approx. \$120.</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Varies depending on whether the company is named (NUANS search required) or numbered and federal or provincial.</li> <li>• Fees approximately \$500 - 900.</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Filing fee, name registration service fee and NUANS search approx. \$120.</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost to register as a society (cost of incorporation + NUANS search etc.) approx. \$100</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost to register as NFP (cost of incorporation + NUANS search etc.) approx. \$100.</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> <li>• Cost to register as a charitable organization is approx. \$50.00.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost to register as an NFP is approx. \$100. (cost of incorporation + name search etc.)</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> <li>• Cost to register as a charitable organization is approx. \$50.00.</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation is \$200.</li> <li>• Additional costs where seeking exemptions from disclosure requirements.</li> <li>• Additional cost for registration as a charity.</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Filing fee is \$100.</li> <li>• NUANS Search \$20.</li> <li>• Cost of legal advice is variable and can increase depending on a number of factors, including the relative complexity of the structure.</li> </ul>