Families Arising
Resource Centre Edmonton

FREE WOMEN IN BUSINESS GUIDE

Business or Non-Profit? Choosing the Right Structure

Compare your options before you register, so the structure you choose fits your goals, your funding and your future.

Before you register anything, ask one question: **who is this for, and where will the money come from?** Your answer shapes whether a business, a non-profit or a registered charity is the right fit. Many founders choose the wrong structure and spend time and money changing it later.

Your options at a glance

Structure	What it is	Good to know
Sole proprietorship	You and the business are the same. Simple and low-cost to start.	You are personally responsible for debts. Income goes on your personal tax return.
Partnership	Two or more people own the business together.	Put a written partnership agreement in place from day one.
Corporation	A separate legal entity, incorporated provincially or federally.	Limits personal liability, but costs more and has more paperwork and tax filings.
Non-profit organization	Exists for a social, community or similar purpose, not to make profit for owners.	Can earn revenue, but surplus must go back into the mission. Cannot issue charitable tax receipts.
Registered charity	A non-profit with charitable purposes, registered with the Canada Revenue Agency (CRA).	Can issue tax receipts, but has stricter rules on activities, spending and reporting.

Five questions to help you choose

1. **Do you want to earn personal income from profits?** If yes, a business is usually the right fit.

2. **Is your main goal community benefit?** If yes, a non-profit may fit, and any surplus goes back into the work.

3. **Will most of your money come from grants or donations?** Many grants are only open to non-profits or charities. Donors who want tax receipts need a registered charity.

4. **Are you ready for a board and governance?** Non-profits and charities are governed by a board of directors with bylaws, meetings and records.

5. **How much risk are you taking on?** If you will sign leases, hire staff or borrow money, consider a structure that limits personal liability.

A real example: Families Arising is an incorporated non-profit, not a registered charity. That lets us apply for many grants and deliver community programs, while keeping administration lighter than a charity. The trade-off is that we cannot issue charitable tax receipts.

What about a social enterprise?

A social enterprise uses business methods to create social impact. It can be a business with a strong mission, or a non-profit that earns revenue through paid programs or products. Many founders start with one structure and add the other later.

Registration basics in Alberta

- [ ] **Business name:** sole proprietorships and partnerships usually register a trade name, and corporations incorporate, through an Alberta registry agent or online
- [ ] **Business Number:** get a Business Number from the CRA for tax accounts
- [ ] **GST/HST:** you must register once your taxable sales pass $30,000 over four consecutive calendar quarters. You can register earlier by choice
- [ ] **Licences:** check your city's business licence rules and any industry permits

- [ ] **Non-profits in Alberta:** can incorporate as a society under the Alberta Societies Act, or federally under the Canada Not-for-profit Corporations Act
- [ ] **Charities:** apply to the CRA for charitable registration after you incorporate

My decision notes

Question	My answer
Who is this for?	
Where will the money come from?	
The structure I am leaning towards, and why	
Questions for an accountant or lawyer	

Ready to go further? The Mom Accelerator Program (MAP), powered by Mom Youniversity, is a six-month accelerator for women launching and growing businesses and non-profits. Open to all women. Visit familiesarising.ca/accelerator to join the waitlist.

This guide is general information, not legal, tax or financial advice. Rules change, so please confirm with the official source or a qualified professional.

Families Arising is here to help

Families Arising Resource Centre Edmonton is a registered non-profit that supports Black, immigrant, newcomer and multicultural families with programs for mothers, fathers, children and teens.

- **Mom Youniversity:** mentoring, peer support and coaching for mothers and women
- **Intentional Parenting Course:** summer cohorts for parents
- **Junior Youniversity:** Royal Tots, Royal Readers and Teen Pulse for kids and teens
- **Free webinars, guides and events** for families

Visit familiesarising.ca · Email info@familiesarising.ca · Call 780-900-1450 · Instagram @familiesarising.edmonton

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