

## **JA Central Ontario Virtual Company Program Fixed Costs & Profits Tax 2021-2022**

### **Fixed Costs**

During the 2021-2022 cycle each virtual 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 **\$150.00** – which will be invoiced in 2 installments.

The **first installment** for **\$75.00** is due on **Friday, January 21, 2022**.

The **second installment** for **\$75.00** is due on **Friday, April 8, 2022**.

### **Sales Profits Tax**

All sales profits tax payments must be submitted no later than **Friday, April 8, 2022**.

#### **Calculation of Sales Profits Tax:**

$(\text{Total Sales/Revenue}) - (\text{Total Expenses}) = \text{Income before Profits Tax}$

$(\text{Income before Profits Tax}) \times (10\%) = \text{Profits Tax}$

$(\text{Income before Profits Tax}) - (\text{Profits Tax}) = \text{Net Income}$

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

Example:

$\$5400 (\text{Sales/Revenue}) - \$4100 (\text{Expenses}) = \$1300 (\text{Profit})$

$\$1300 (\text{Profit}) \times 10\% (\text{Profits Tax Percentage Payable}) = \$130 (\text{profits tax due})$

$\$1300 - \$130 = \$1170 (\text{net income})$

*Total Expenses may include:*

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

***If a company has made less than \$500 profit overall, they will not be required to submit profits tax to JA Central Ontario.***

## HOW TO SUBMIT YOUR PAYMENT

***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 and sales profits tax payments can be submitted via **Interac Email Money Transfer:**

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

**1. Send E-Transfer to JA Contact:**

Lucia Ly

[LLY@jacentralontario.org](mailto:LLY@jacentralontario.org)

**2. Utilize the following:**

**Security Question** – What program are we participating in?

**Answer (case and space sensitive)** – JAcompanyprogram

**We prefer all transactions to be made electronically this year and to avoid any payments made by cheques.** However, if you must send a cheque, please notify Lucia at [LLY@jacentralontario.org](mailto:LLY@jacentralontario.org) in advance and follow the following directions:

### **Cheques:**

**1. Cheques should be made payable to:**

**Junior Achievement of Central Ontario**

**2. Please include the name of your JA Company on the cheque in the memo section on the bottom left-hand corner.**

**3. Mail the cheque to the attention of JA Company Program:**

JA Central Ontario – 133 Richmond Street West, Suite 405, Toronto M5H 2L3.

If you require clarification or further information on the above, please email Lucia at [LLY@jacentralontario.org](mailto:LLY@jacentralontario.org)