

# Business Matters

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## TECHNOLOGY

### Security Cameras

**A video surveillance system may be a good investment for the security of your business.**

It may sometimes seem that nearly every aspect of our lives is recorded. Although we may choose to record and share some of our moments on social media platforms, many more typically mundane moments are captured by security cameras that monitor the public and private spaces of our society. If you think your business could benefit from a surveillance system, take care to consider your options before making a purchase.

#### Advantages

There are two key elements to a video surveillance system: the recording system and the cameras themselves. As an owner or manager of a business, there are plenty of advantages to considering a video



surveillance, or closed-circuit television (CCTV) system as a part of your business' security. Some of the benefits may include:

- deterring crimes such as theft and vandalism
- protecting employees
- monitoring key entry points, areas and assets
- monitoring machinery and production processes
- providing evidence in the event of an incident

## Cameras

A higher resolution camera, such as high definition (HD) 1080p will produce much more detailed images than a lower resolution camera. The ability to make out a face, or a licence plate clearly could be quite important. Many security camera models capture 15-30 frames per second (fps); a higher frame rate will provide smoother video. While a higher resolution and frame rate are clearly better both require more storage capacity.

If you have a large area to cover, you might consider cameras with a wide-angle lens. You may also want to consider zoom lenses to allow close up videos when required. Be sure to use outdoor cameras for outdoor installation; indoor models may not be sufficiently resistant to the elements, or durable to vandals.

## Recording System

Secure storage of the recorded images is the heart of your surveillance system. Security images can be recorded using a dedicated appliance such as a Digital Video Recorder (DVR) or Network Video Recorder (NVR), a PC or even in the Cloud. The number of cameras the system can support may be limited by the hardware, software or even licences; whichever type of system you choose, be sure to leave room to expand.

Traditional CCTV systems are simpler to set up and more secure than their networked cousins because they use dedicated analogue coaxial cabling to transmit their images. A DVR receives the camera signals, processes the images and stores them in a compressed digital format that can be retrieved for later playback. A PC with both video-capture hardware and recording software can also perform the same task. In both cases, the hardware physically limits the number of video feeds that can be recorded.

Digital IP-based cameras can be more complex to set up, but the use of Internet standards provide for greater flexibility; IP cameras use Ethernet cables, or even WiFi, just like the other devices on your network. Aside from technological differences, an NVR serves much the same purpose as a DVR; the hardware may,

however, limit the number of video signals it can receive and store. A PC with the right software can also be used to receive, store and play back video from your IP cameras; specialized hardware is not required. Many IP systems also allow live or stored video to be retrieved remotely, commonly via a web interface or even a mobile app.

### *An IP-based camera system can be recorded in the Cloud for a subscription fee.*

If you prefer a more hands-off solution, an IP-based camera system can be recorded in the Cloud for a subscription fee. Keep in mind that this may require a lot more Internet bandwidth than if you just store your video locally. IP-based systems do require extra security – like the rest of the computers and devices on your network, they can be hacked.

Regardless of whether you choose CCTV or an IP-based system, storage capacity is an extremely important consideration. The video resolution, frame rate, number of camera feeds and length of time you need to keep your recordings will dictate the minimum amount of hard drive space you need. When the storage runs out, older recordings will be replaced by new ones; more capacity to start with is better.

## Do Not Do It Yourself

The many technical, mounting, transmission and security issues that accompany installation of surveillance cameras suggest hiring outside experts to install the equipment is the preferred way to go. When one considers camera requirements, weather conditions, positioning for maximum transmission and recording along with wiring, DVR/NVR placement, not to mention a service contract and warranty, spending a few dollars for installation is a smart expenditure.

## Legal Issues

Even though the use of surveillance cameras in the workplace is quite common, Canadian courts are not in favour of the frivolous use of surveillance that infringes upon an employee's right to privacy. The key question that must be answered before installing

surveillance cameras in the workplace is: “Should the employee have a reasonable expectation of privacy?” As such, constant monitoring in the workplace may be frowned upon. Where cameras are installed in general areas, consider posting notices in conspicuous places to indicate the area is monitored. Such signs remove any doubt as to the expectation of privacy. If in doubt, it may be prudent to seek legal advice before installing a new surveillance system.

## MANAGEMENT

### If Tomorrow Never Comes

**Attention small business owners: are your affairs in order in case death takes you by surprise?**

About 150,000 people around the world die every day; of these, about 730 are Canadians. Even though death is still inevitable, life expectancy for Canadians has risen significantly in the last hundred years and continues to rise. A male born in Canada in 1911, for example, could expect to live for 47.1 years and a female for 50.1 years. A male born a century later in 2012 can expect to reach 79.8 years of age and a female to reach 83.9. This dramatic extension of life expectancy is largely attributable to a sharp reduction in infant and child mortality rates through medical intervention (e.g., vaccinations), improved sanitation and a better quality of life through the elimination of child labour, improved education, and better diet.

#### Changing Statistics

In the years between 1979 and 2009, the percentage of deaths due to diseases of the heart declined sharply to 22% from 35% for men (to 20% from 34% for women) while the number of deaths attributable to malignant neoplasms (i.e., malignant tumours that spread to other parts of the body) rose to 31% from 22% for men (to 29% from 24% for women).

#### Unexpected Death

If death comes unexpectedly, are your business and personal affairs in order so your business associates and family can move forward with the minimum of

#### Plan Ahead

Before making a decision to buy a surveillance system, consider the needs of your business, your budget limitations and the legal aspects of installing cameras. If you decide to proceed, get equipment designed for commercial use. Avoid consumer-grade components which may be less durable and provide less flexibility. Buy the best you can afford.



problems? As a test of your preparedness, ask yourself the following questions. Your answers will indicate what you need to do to be ready in case the unthinkable happens. Discuss the results with the appropriate individual and document as required.

- As a starting point, consider what information should be up to date.
- Who has signing authority on business and personal bank accounts?
- Who is your second to take over operations?
- Is key man insurance in place?
- Are financial statements current for valuation purposes?
- Have you established protocols and the format of notification of your death to clients and suppliers? (email? text?)
- Is there a (prewritten) letter to all clients and suppliers assuring them that the business is still viable and that named individuals will be looking after their accounts and business?
- Does the company have a corporate lawyer and a corporate accountant who should be notified?
- Is there a summary of all business and personal passwords to access bank accounts, tax accounts, computer programs, Cloud applications, hard drive backup, and client accounts?
- Are the minutes of the company kept up to date?
- Do the registers of directors and shareholders reflect current appointments?
- Is there a listing of all business and personal insurance policies, RRSPs, TFSAs and other such investment vehicles that must be accessed?
- Is there a listing of financing arrangements for business and personal vehicles, and your residence?
- Is there a listing of all credit cards and required passwords to determine balances owing?
- Have you determined what, if anything, you wish to give to charities?
- Are survivors aware of who has the original will?
- Who is the executor(s) of the estate?
- Have insurance policies, RRSPs, TFSAs and the like been updated to ensure that the named beneficiary is correct?
- Have you reviewed personal and business debt to determine whether insurance coverage is adequate?
- Has a guardian for children or those with disabilities been named?
- Is access to safes and safety deposit boxes guaranteed with appropriate passwords, keys, and alarm codes?
- Have you considered meeting with funeral directors to discuss funeral arrangements (and payment) for a religious funeral service, cremation or burial to reduce the stress on survivors?
- Are family members aware that the Canada Pension Plan will pay a death benefit to the spouse and/or survivors in the event of your death?
- Have you considered a Statement of Wishes that outlines such issues as funeral arrangements, custody of children, and any other area that you would like to be in place upon your death? (Although not necessarily legally enforceable, it does provide guidance to survivors in times of stress.)
- **And finally...** have you made a list of the above-named items and provided those lists to the appropriate individuals who need to know how to act?

### *Is your will up to date to reflect changes in your personal life?*

- Is your will up to date to reflect a divorce, marriage, acquired children or other dependants who may have created claims on your estate?

### **Act Now**

We all put off what we should do today until tomorrow... but what if tomorrow never comes?

## TAXATION

# Registered Disability Savings Plan (RDSP)

**Registered Disability Savings Plans help persons with disabilities save for the future.**

Having a disability or caring for an individual with a disability can be emotionally and financially draining. The Canadian government, recognizing the need to assist in the future care of an individual with a disability, has created a vehicle for persons with disabilities and their families to save for the future.

### As a Starter

The first step is to open an RDSP in the name of the beneficiary who must be a Canadian resident under the age of 60. If the beneficiary is 59, the plan must be opened before the end of the calendar year in which the individual turned 59. Other requirements for enrolment include the need to have a social insurance number and be eligible for the disability tax credit. The program allows only one RDSP per beneficiary and only one beneficiary per RDSP.

### Determining the Holder

Once these criteria have been met, the RDSP holder (administrator) must be determined. The holder can be an individual or an organization. If the beneficiary is under the age of majority (the age of majority varies from province to province), the holder can be a parent, a legal representative or the provincial trustee.

If the beneficiary is over the age of majority but not capable of entering into the RDSP arrangement, specified family members may be able to open the RDSP on behalf of the disabled beneficiary until the end of 2018.

### Choosing the Financial Institution

The RDSP must be administered through a financial institution participating in the program. Most banks, as well as a number of credit unions and trust companies, offer this service.

*There is no annual contribution limit.*



### Contribution Limits

Unlike other savings plans, there is no annual limit on contributions to an RDSP. However, the lifetime limit of contributions is \$200,000 and the threshold must be met by the end of the calendar year in which the beneficiary attains 59 years of age. The federal government actively contributes to an RDSP plan based upon family income levels.

### Tax-Deferred Growth

Similar to the Registered Education Savings Plan (RESP), contributions made to the RDSP are not eligible for a tax deduction by the contributor(s) but income and capital gains within the plan grow on a tax-deferred basis. Once the funds are withdrawn, the amount is taxed as income in the hands of the beneficiary. Withdrawals include a blend of taxable and non-taxable amounts. Money that has been contributed to the RDSP is not included as taxable income when it is withdrawn. (The amount of non-taxable income is calculated according to a formula developed by

the Canada Revenue Agency.) However, investment income and capital gains, plus any Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB) amounts in the plan are included in the beneficiary's income for tax purposes when paid out of the RDSP.

## Contributions and Withdrawals

It may come as a surprise, but anyone can contribute to a specific RDSP as long as the holder approves the contribution amount in writing. Withdrawals must begin when the beneficiary turns 60. Annual withdrawals, Lifetime Disability Assistance Payments (LDAPs), continue until the death of the beneficiary. A beneficiary may make a one-time withdrawal under the Disability Assistance Programme (DAP).

## Investment Criteria

The investment criteria mirror those of an RRSP investment in that investments can be made in mutual funds, fixed income investments, GICs and Canadian, U.S. and foreign equities, including new issues.

## Canada Disability Savings Grant

The beauty of the RDSP is that the federal government will assist saving for the beneficiary by providing matching grants of up to 300% for every dollar placed into the account by contributors. The maximum grant provided through the Canada Disability Savings Grant tops out at \$3,500 per annum and has a ceiling of \$70,000 during the matching contribution period that ends when the beneficiary turns 49 years of age.

As can be expected, grant amounts are based upon the beneficiary's family income and inflationary factors but, if you meet the various criteria to apply for the grants, the rewards to the RDSP are as follows:

If family income is less than or equal to \$87,900:

- For the first \$500 you contribute each year to the RDSP, the federal government will deposit \$3 for every \$1 you contribute, up to \$1,500 a year.
- For the next \$1,000 you contribute each year to the RDSP, the government will deposit \$2 for every \$1 you contribute, up to an additional \$2,000 a year.

If family income is greater than \$87,900:

- For the first \$1,000 you contribute each year to the RDSP, the government will deposit \$1 for every \$1 you contribute, up to \$1,000 a year.

The government also contributes funds to low- and modest-income Canadians through the Canada Disability Savings Bond. Those who qualify can receive up to \$1,000 per annum to a maximum of \$20,000, depending upon family income. The government will make no more contributions after the year in which the beneficiary turns 49. Note that it is possible to receive the bond even if contributions are not made to the RDSP.

## Withdrawals from RDSPs

Because RDSPs are designed as long-term plans, withdrawal of funds from either the bond program or the grant program before the 10th anniversary triggers repayment requirements. Plan holders should be aware that the death of the beneficiary or a determination that the beneficiary may have a shortened life expectancy will create withdrawal or repayment requirements.

Because withdrawals or the death of the beneficiary will create different repayment or settlement terms, the beneficiary should understand the financial and income tax impact of early withdrawal, death or shortened life expectancy. Your CPA tax advisor, in conjunction with the financial institution representatives should be able to offer advice.

## Excellent Means of Saving

RDSPs are an excellent vehicle for individuals with disabilities or those responsible for their future financial security. As in any program designed to look after the future welfare of those we care for, the earlier the program is registered, the more opportunity is available not only for government contribution but for the RDSP to grow and provide that financial security.

## MONEYSAVER

# MedicAlert Bracelets

**If you have a medical condition that first responders need to know about, consider getting a MedicAlert bracelet or dog-tag.**

Canadian business owners do business all over the world. Most enjoy medical coverage from their respective province or territory and may carry additional travel and medical insurance when out of their province of residence.

Just as important as medical coverage, however, is the ability of emergency response teams or a foreign doctor, nurse or medical support worker to know immediately whether you have any special conditions that could determine how you need to be treated.

A MedicAlert bracelet or dog-tag lets first responders know that you have a specific medical condition or a specific allergy even if you are unconscious. (The bracelet/dog-tag can be easily identified by the symbol of a serpent-entwined rod known as the Staff of Asclepius, a Greek god associated with healing.) The MedicAlert Foundation is a non-profit, charitable, and membership-based organization founded in 1956 in Turlock, California, by Dr. Marion Collins. The Foundation's mission is to protect and save lives by serving as the global information link between members and emergency responders during medical emergencies and other times of need.

### The Bracelet/Dog-Tag

Each MedicAlert bracelet/dog-tag provides first responders with information regarding allergies, implants such as artificial heart valves, medical treatments such as chemotherapy and treatment wishes.

Each bracelet/dog-tag contains the wearer's unique ID number, medical condition and an emergency toll free number that connects to a live operator 24 hours a day seven days a week. As well, the organization provides a wallet card with emergency contacts and health information.



### Worldwide Information Network

In the event of a medical emergency, medical practitioners or first responders can call the emergency number and speak to a live operator who can reference your health records that may include your medical condition, types of medications and dosage, as well as past surgical history. If the emergency requires transfer to a medical facility, MedicAlert will transmit the information to that facility so the information will be available when you arrive. In the event your travel takes you out of country, the MedicAlert Foundation is present in more than 50 countries and translation service is available in over 140 languages.

### Low Cost

Firstly, let it be known that it is not possible to obtain a MedicAlert bracelet/dog-tag without becoming a member. Because the bracelet/dog-tag cannot carry all your medical information, you must become a member before the bracelet/dog-tag will be issued.

### *MedicAlert protection starts at \$39.*

According to their Canadian website, the cost of the MedicAlert ID starts at \$39. (For the fashion conscious, MedicAlert provides a catalogue of specialty wear that resembles jewellery with prices topping out at around \$2,700.) On top of the cost of the bracelet/dog-tag, a

\$24 fee is required to set up your medical profile and ensure the ID bracelet/dog-tag is properly engraved. The coverage after that is \$5 per month with small discounts provided for prepayments of 24 or 36 months.

Other services provided by the MedicAlert membership include:

1. online access to your medical information anywhere 24/7
2. notification of family members or other named individuals in the event of a mishap

MedicAlert offers an optional service plan that enhances the basic plan with additional personal information that includes for example DNR orders, X-rays, MRIs, or CAT scans. These documents are available to a designated proxy or medical practitioner as needed.

If you are a frequent flyer, an entrepreneur who has previous medical history or have employees who could benefit from wearing a MedicAlert bracelet/dog-tag, perhaps now is a good time to investigate membership. Unfortunately, the cost of membership is not a tax-deductible medical expense and thus, if management determined that membership should be paid by the business, that cost would possibly be considered a taxable benefit.

### **MedicAlert Reduces Risks**

The MedicAlert program is relatively inexpensive when one considers that information provided to first responders or medical practitioners provides knowledge crucial to your well being. That knowledge could reduce the risk of incorrect medical treatment as a result of a wrong diagnosis, may prevent unnecessary medical care, and ultimately just might save your life.

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