



HOW TO START A SENIOR CARE BUSINESS

A QUICK GUIDE TO STARTING
A SENIOR CARE BUSINESS
IN BERMUDA



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A rest home, nursing home or adult day care program is subject to the the [Residential Care Homes and Nursing Homes Act 1999](#) and [Regulations 2001](#) and the [Code of Practice for Care Homes V. 1.1](#). The Common term for a Long term adult care facility is a "Care Home." There are three Care Home businesses that require licensing and registration through the Bermuda Health Council.

- A Rest Home: a rest home is defined as "a residential care home with a program that provides housing, health and support services for seniors. Residents require a low level of care (personal care). The facility design includes: shared bedrooms, living spaces and bathrooms and centralized dining." (Code of Practice for care home pg. 62)
- A Nursing Home: "A residential care home with a program that provides housing, health, and support services, typically for seniors. Residents require a higher level of care which requires RN oversight and intervention (intermediate care)." (Code of Practice for care home pg. 62)

- Adult Day Care: An adult day care program provides a safe environment, during the day, for adults who are no longer safe to remain at home alone. These programs are sometimes housed in a nursing or rest home environment but can also be found in community spaces that meet the regulatory requirements.

When considering starting a care home business or an adult day care program there are some questions you should ask yourself:

- Why do you want to start this business?
- Is there a demand for the service you intend to provide?
- Is there a shortage of quality care facilities?
- Do you have a passion for working with and caring for aging adults?
- Do you have the necessary management and administrative skills to pursue this business venture or will you need additional training?

- Are you familiar with the standards of practice, regulations and Acts related to opening a Care Home/Adult day Care?
- Can you handle the stress of competition, the costs of business and the potential stress of market changes? Low bed numbers, etc.
- Do you understand the requirements for policies and procedures, HR reporting, records, and staffing?
- Are you interested in improving Adults quality of life and ensuring their happiness with daily activities?
- Be advised that there may be some upfront costs that you may have to account for as you conduct your research.

If you're still wondering is this right for you BEDC has a course for you! [Think Like an Entrepreneur](#) is an 8-week challenging learning experience designed to reveal new opportunities, ignite your ambition and foster skills that will empower you to reach new heights as an entrepreneur. This course runs twice a year once in the spring and winter.

1 Matching Your Desire to the Market Demand

Conduct Market Research:

- [Department of Statistics](#)
- [Bermuda Health Council](#)
- [Hospitals Board](#)
- [Department of Health](#)
- Parish Councils – depending on where you would like to locate.
- [BEDC Business Register](#)

Gain experience – if you are new to this industry, consider working in a care home setting to learn what is required prior to starting your own. All Persons in Charge of a care home must meet the qualification requirements outlined in the [Code of Practice for Senior care homes](#) (pg. 73)

Mystery shop – visit other care facilities. Investigate their procedures and customer service so you can ascertain what opportunities may exist.

Review the [Residential Care Homes and Nursing Homes Act 1999](#), and the [Code of Practice for Care Homes](#) to find out what the minimum requirements are.

Get certified – Ensure you have the appropriate qualifications for your role in the Care home or Adult day care. The owner is not required to have experience in a care home, however the Person in Charge, Deputy and Staff are required to have an understanding and Education to work in a care facility. The Bermuda College has a [Registered Nursing program](#); and, a [Nursing Assistant program](#) that may be useful if you are interested in opening a Care home.

Identify the right Location – request a consult with the Bermuda Health Council if you have any questions and prior to signing a lease or buying

- Is the location you want easy to find?
- Are you located in the Parish that you are servicing?
- Is there access to a public road?
- Are there any competitors in the vicinity?

- How many adults? – A minimum of 25 sq ft is required per client for communal spaces inside, single rooms require a minimum of 120 square feet, and double or triple rooms must have at least 90 square feet per person.
- Is the facility a single level?
- Does the facility have a water source large enough to support all the clients being served?
- Will you be leasing or purchasing a property?
 - Use a real estate agent to help you identify available properties
 - If leasing, negotiate terms with the landlord regarding any modification of the space.

Identify the Strengths, Weaknesses, Opportunities and Threats of your Business.

1 Government Approvals

[Department of Planning](#)

- Will you have to modify your space? If so you will need planning approval.
- Confirm what type of zoning is in place. Residential 1 allows for usage of care facilities.
- Confirm if you will have to apply for change of use for the facility you choose.
- Ensure that you have a building permit once you get planning approval.

Bermuda Fire and Rescue Service (BFRS)

- Prior to renting or purchasing a building for your care home or adult day care, you will need to contact BFRS or another approved fire safety company to have the location inspected.
- A fire risk assessment will need to be completed prior to opening. You may schedule a Fire Risk assessment by emailing fireprotection@gov.bm.
- You should review the [Fire Safety Act](#) to understand the requirements for Care Homes

Bermuda Health Council (BHeC)

- You will need to register your care home with the Care Home Registry at the BHeC.
- A Care Home may not operate without a License from the BHeC.

Department of Health

- Before opening a care home it is important to contact the Department of Health Environmental Health Services prior to opening the home. The Environmental Health office can assist with advising on the numbers of residents allowed.
- They will also advise on health and safety risks within an existing Care Home; and, potential risks in a new/budding location.
- After the home is established you will need to communicate with the Department of Health regarding food safety, water quality, trash/waste disposal, safety and health issues.

Payroll Tax

All businesses are responsible for registering and paying Payroll Tax. Payroll Tax is governed by the [Payroll Tax Act 1995](#) and is a tax payable by employers on the total salary, wages and benefits paid out to employees and self-employed persons.

You will need to complete a [Registration form](#) to get a Payroll Tax ID # and this is what you will use to make your quarterly payments. If you have any questions about this process you can contact the [Office of the Tax Commissioner](#) and one of their Officers can assist you in completing your form.

Department of Social Insurance

Every employed or self-employed person who works more than four (4) hours a week is required to pay contributions into the Contributory Pension Fund (CPF). In most cases if you have ever been employed you and/or employees will already have a Social Insurance Number. If this is the case, you will have to contact the department to advise them that you will assume making the payments. Log on to their [website](#) to get the most current Social Insurance Rates.

Department of Immigration

If you are hiring foreign staff, you will need to apply for a work permit. You can get the Work Permit Policies Document from their [website](#).

Pension

As a Self-employed Person you must apply for registration of a Self-employment Pension Plan in accordance with the Act and the Regulations, if you:

- are Bermudian or the husband or wife of a Bermudian; and
- are between the age of 23 and 65; and
- have pension-able earnings from self-employment exceeding \$20,000, in a calendar year.

For more information on the requirements for establishing a pension visit the [Pension Commission](#) website.

Employment Act

Will you have employees? If so, then The Employment Act is the minimum standard of regulations governing employment in Bermuda. The Act sets out guidelines and sets out the minimum conditions of employment.

3 Additional Resources and Links

- [Residential Care Homes and Nursing Homes Act 1999](#)
- [Regulations 2001](#)
- [Code of Practice for Care Homes V. 1.1](#)
- [Fire Safety Act 2014](#)
- [Public Health Act](#)
- [The Occupational Health and Safety Regulations](#)
- [Adult Day Care Guide Document](#)
- [Bermuda National Standards committee – Resource for Future Accreditation](#)
(optional process for after licensing and operation has begun)

4 Application Process

Applications will not be processed without all information required and requested in each step outlined below.

Consultation Meeting

A consultation meeting is the necessary first step to identify requirements for a care home license. The purpose is to help ensure a viable proposal is being developed for application and prior to making financial commitments through the renting or developing of property.

At this point a licensing information package is provided to the Applicant to review the detailed information highlighted in the consultation meeting.

The application process for a care home license cannot proceed until a proposed building is identified.

Declaration of Interest to Proceed

A Declaration of Interest must be sent to indicate intent to proceed when the Applicant has:

- Reviewed all information provided by BHeC; and
- Has a proposed building location.

Notification is done via an email to the BHeC Program Manager. The email must include the address of the proposed location.

Initial Assessments and Gazetting

When a building is identified by the Applicant, the following assessments must occur before proceeding through the Planning permit and Building permit process.

- **Elder Care Team (ECT) Assessment** – The following inspectors must assess the proposed location to be used, developed or renovated:
 - BHeC Accessibility Officer
 - Environmental Health Officer
- **Fire Safety Self-Assessment**- Potential Applicants are required to do a self-assessment of any existing site or of plans to determine compliance with the Fire Safety Act. BHeC provides the self-assessment form as part of the information package under step 1.
- **Gazette for Objections**- BHeC must Gazette the name of the Applicant, proposed name of care home, address and number of care recipients (residents and day care attendees). Persons have 7 days from date of publication to send objections in writing to BHEC. Note- this does not replace any Gazetting required by Department of Planning.

Planning applications (Department of Planning)

- **Planning permit** - The Department of Planning authorizes approval of the concept and use of the building in the proposed location. These applications must be:
 - submitted directly to Planning and
 - include findings from 3.1 and 3.2 in their submission.

The ECT may be required to provide additional consultation to planning regarding the application.

- **Building permit** - The Department of Planning receives all building permit applications. These applications must be reviewed by the Elder Care Team and Bermuda Fire Services.

Note: Construction or remodeling may commence only **after** the issuance of a building permit.

Pre- Licensing Inspection

The Elder Care Team conducts a final inspection to ensure the facility is structured and outfitted in compliance with the legislation and any specific requirements stipulated during steps 3 and 4 by the Elder Care Team.

Submission of Application:

The following information must be submitted to the BHeC Program Manager:

- Operator information:
 - Resume
 - Declaration of any other business interests and any history of bankruptcy
 - Criminal record check
- Business plan with financial projection statements
- Operation information:
 - [Statement of Purpose](#) – see Code of Practice s.22
 - [Service Guide](#) - see Code of Practice s.3.3
 - [Service Contracts](#) - see Code of Practice s.4.2

If you still need assistance with your revenues and expenses, BEDC has a course for you! [Financial Statements Planning and Costing using QuickBooks](#) is an 8-week course focused on getting business owners to accurately price and cost their products and services, review and understand financial statement and to learn how to use basic QuickBooks functionality. This course runs twice a year once in the spring and once in the winter.



- [Draft Job Descriptions, terms and conditions of employment](#) – see Code of Practice s.19.8
- [Staff Orientation plan](#) - see Code of Practice s.19.15
- [Draft Policies and Procedures](#) – see Code of Practice s.25

Application Decision:

A License can be denied or issued with or without conditions. Reasons for refusal and conditions must be provided to the Applicant.

Approval to issue a license to a care home cannot be obtained without an Occupancy Certificate from the Department of Planning.

5 Knowing the Numbers

What are the costs to establishing your Care Home facility?

Consider the following:

- Equipment – Beds, Lifts, med carts, etc.
- Personnel expenses – qualified staff, benefits, etc.
- Licence or Registration Fees – Care Home/Day Care Licence, Fire Certificate
- Other fixed costs (Rent, electricity, insurance)
- Variable costs? (groceries, cable, Internet, etc)

You can use the [BEDC Sources & Uses of Funds Statement](#) to help tally these expenses.

When identifying your expenses, take account of your own personal financial situation. You can use our [Personal Financial Statement](#) to access your individual financial position at a given point in time.

- How many clients do you need to see to breakeven?
- Identify your worst-case scenario, so that you can plan for it.

- Prepare a [cash flow projection](#) that includes the assumptions that you make regarding your income and your expenses.

If you still need assistance with knowing the numbers BEDC has a course for you! [Financial Statements Planning and Costing using QuickBooks](#) is an 8-week course focused on getting business owners to accurately price and cost their products and services, review and understand financial statement and to learn how to use basic QuickBooks functionality. This course runs twice a year once in the spring and once in the winter.

6 Legal Issues and Insurance

Determine the structure of the company

- **Sole Proprietorship** - a sole proprietorship has only one owner. This is the simplest form of business. You are personally liable for the business' obligations. All debts are your debts. You own all the assets, but at your own risk.
- **Partnership** - involves more than one person or partner and requires a bit more formality. It can be either a general partnership or a limited partnership.

In a general partnership, partners manage the business and its obligations together. All general partners work in the business and share in its income and debts. Sample partnership agreements available at www.bedc.bm. In a limited partnership, general partners operate the business while limited partners are silent investors who retain no control over the way the company is run.

- **Limited Company (LTD)** - A corporation is an independent legal entity that is separate from its owner(s). There is a clear separation between the owners' wealth and the assets of the business. Filing with the Registrar of Companies is required, and annual filing fees are also required.
- **Limited Liability Company (LLC)** - A Bermuda LLC is a separate legal entity, and its members have limited liability, much like a corporation. In common with a partnership, however, the affairs of a Bermuda LLC are governed by an agreement rather than by statutorily mandated constitutional documents. This affords great flexibility.

[Health](#) – Health Insurance is a requirement for all businesses. Contact local providers to find out the best rates for your business. [The Health Insurance \(Standard Health Benefit\) Regulations 1971](#) requires all employed and self-employed persons to have a contract of health insurance either with a private insurer or with the Health Insurance Department (HID), which offers the Health Insurance Plan (HIP) or FutureCare,. The Act makes provision for all matters relating to health insurance in Bermuda.

Insurance – In addition to health insurance for you and your employees, you will also need to invest in General Liability Insurance to protect your customers and yourself. Liability Insurance is important for those who may be held legally liable for the injuries of others, like doctors or care providers, and business owners. You can contact any of the local insurance companies to get quotes on the cost for coverage.

Workers Compensation - a form of insurance that reimburses an employer for damages that must be paid to an employee for injury occurring during the course of employment

- Law requires that an employer (1) provide employees a safe place to work, (2) hire competent fellow employees, (3) provide safe tools, and (4) warn employees of an existing danger.
- If an employer fails to provide the above, the employer is liable for damage suits brought by an employee and possible fines or prosecution.

- **Financial Plan:** Include profit and loss, cash flow, balance sheet, break-even analysis, assumptions and business ratios, etc.

If you require additional help with formulating a Business plan BEDC has a course for you! [Entrepreneurship 101](#) is an 8-week course where you will learn how to take your idea and turn it into reality with the foundation of a solid business plan. Throughout the course there will be industry professionals who will give presentations to help you with important information to ensure small business success. This course runs twice a year once in the spring and once in the fall.

8 The Business Plan

Check out the [BEDC Government Incentive Guide](#) to see what might be available to assist you.

Loans - Do you need to get a bank loan? If so, be sure you are ready by making sure that you have:

- A detailed Business Plan
- Business Financial Statements
- Personal Financial Statements for the owners and/or guarantor
- Details of the collateral available to support the loan
- Documents that support the amount requested
- Any legal documents related to the business. (i.e. Lease, Incorporation Documents)
- Identification for individuals (proof of Bermudian Status)
- The 5 C's:
 - **Character:** What is your business experience? How have other loans been managed both business and personal? What is the reputation of the business?
 - **Credit capacity:** The bank will assess your ability to repay.

- **Capital:** What are the assets of the business and the guarantor?
- **Collateral:** What security can be put forward to support the financing?
- **Conditions:** The Bank will identify the main risks for the industry and the market it operates in and include financing terms to mitigate these risks.

BEDC Guarantee - The BEDC can act as a guarantor for up to 75% of a bank loan for small or medium sized businesses that appear viable and where the credit worthiness of the borrower is sound. As guarantor of last resort, the maximum BEDC guarantee amount is \$200,000. Any small or medium sized business with no other means of collateral (cash, real estate, equipment, vehicle chattel, inventory, etc.) may contact the BEDC and apply for the BEDC guarantee. Check out the [10 Step Guarantee Process](#) for more details on applying for the BEDC Guarantee.

BEDC Micro Loan - BEDC has allocated \$100,000 in funds to be used to facilitate small loans in amounts from \$2,500 up to \$30,000. The BEDC will offer a 100% guarantee on the loans to qualified applicants. Visit www.bedc.bm for more information on the Micro Loan.

Bootstrapping – is defined by Investopedia as “a situation in which an entrepreneur starts a company with little capital. An individual is said to be boot strapping when he or she attempts to fund and build a company from personal finances or from the operating revenues of the new company.” Can you start your business in phases, using your own personal funds and sweat equity?

7 The Business Plan

Take the information you have gathered and compile it into a written document that you can reference to help guide you. The plan can also be used to help you obtain financing if needed. You can use the [BEDC Business Plan Checklist](#) to help guide you; however, the components of most plans include the following 7 headings:

- **Executive Summary:** Write this last. This is a summary of your plan and quickly lets the reader know, what you need and why you need it.
- **Company Description:** Legal establishment, history, start-up plans, etc.
- **Product/Service:** Describe what you're selling. Focus on customer benefits.
- **Market Analysis:** Know your market, customer needs, where they are, how to reach them.
- **Strategy and Implementation:** Be specific. Include management responsibilities with dates and budget.
- **Management Team:** Include backgrounds of key members of the team, personnel strategy, and details.

NOTE: Any financial product that you may apply for, a credit check will be performed, so please ensure you are up to date with payments or payment arrangements for any debt referred to the credit association.

Bermuda Business starts here at BEDC and BEDC is the first stop for local business in Bermuda. For more information and assistance with getting your transportation business started, visit our website at www.bedc.bm, email us at info@bedc.bm or call 292-5570 to schedule an appointment to speak one-on-one with one of our dedicated officers.

9 Other Information to Note

EEZ Zones (St, Georges, North East Hamilton & Somerset)

What is an EEZ?

An EEZ is an area of land that the Minister of Finance has designated to benefit from economic empowerment under section 2A of the Act. Economic Empowerment is achieved by allowing duty concessions on certain goods to be used in the development of properties situated within an EEZ.

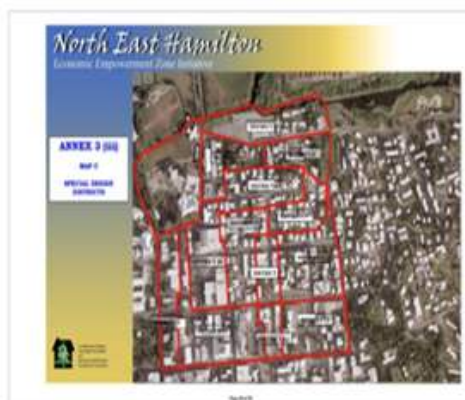
- **EEZ Payroll Tax Concessions-** Any business located in an EEZ zone can apply for BEDC for a Payroll Tax Relief Letter. The letter will only give the tax concessions (which is the lowest rate) for up to 9 tax periods from the commencement of the business.
- **NEHEEZ businesses-** can receive preferential rates and terms from Butterfield Bank on Small Business, Commercial and Residential Loans.

Duty Deferment- A deferment, or deferral of customs duty means that the payment of duty is made some point in the future and not at the time of importation. This is not an exemption of customs duty; the full duty is still charged and payable against the imported goods; but the full payment is simply delayed.

EEZ Boundaries St. George's



North East Hamilton



Somerset



Letter of Credit Programme

BEDC has partnered with the HM Customs and allocated \$200,000 in fund annually to be used to facilitate lines of credit in amounts up to a maximum of \$10,000 to assist businesses in importing goods for retail sale in Bermuda.

Educational Courses

Think Like an Entrepreneur - an 8-week challenging learning experience designed to reveal new opportunities, ignite your ambition and foster skills that will empower you to reach new heights as an entrepreneur.

Entrepreneurship 101- an 8-week course where you will learn how to take your idea and turn it into reality with the foundation of a solid business plan. Throughout the course there will be industry professionals who will give presentations to help you with important information to ensure small business success.

Financial Planning and Costing using QuickBooks- an 8-week course focused on getting business owners to accurately price and cost their products and services, review and understand financial statements and to learn how to use basic QuickBooks functionality.

Planning for Profit using Quickbooks - an 8 week course, participants will learn how to utilise the Quickbooks software to manage inventory, employees and run reports. Participants should have their business already set up in Quickbooks or have taken the Financial Statements, Planning & Costing Using Quickbooks course.

Adhoc Training and Seminars- BEDC offers monthly seminars based on feedback of topics from our users.

Global Entrepreneurship Week - GEW is the world's largest celebration of the innovators and job creators who launch start-ups that bring ideas to life, drive economic growth and expand human welfare. One week in November GEW inspires people everywhere through local, national and global activities designed to help them explore their potential as self-starters.

Signature Events of GEW

- **Rocket Pitch** - An island wide business plan competition for emerging entrepreneurs to submit a plan and present to judges and win cash and prizes to assist with their business start-up.
- **Women's Entrepreneurship Day**- Bermuda celebrates with over 144 nations in observing WED to celebrate the work of women entrepreneurs.
- **BEDC Business Awards** - these awards are a celebration of Small Business owners and local entrepreneurs. There are a range of categories and awards are distributed to the category winners during a night of elegance.

Enterprise Bermuda- [The Enterprise Bermuda Incubator](#) programme focuses on walking participants through an in-depth twelve-month development process, which ensures the entrepreneurs get beyond the idea stage and start to bring their businesses to fruition. the resources and support that is needed through, mentorship, inhouse courses, workshops and seminars, as well as advice and mentorship from professionals in the private sector to help develop the business over a 9-month period.

The programme is offered at the start of the year and applications open in November. Visit www.bedc.bm for more information.

[Vending License](#) - BEDC offers vending licenses to persons who sell, offer, or expose goods for sale in a public place. A vending license can be issued on an annual basis or a temporary basis up to 3 months.





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VISIT WWW.BEDC.BM FOR MORE INFORMATION