

Entrepreneurs
Flourish



in
Meriwether County

Your Guide to Starting and Growing Your Small Business



Meriwether County Chamber of Commerce

Welcome:

Owning a business is a dream many of us share. The Entrepreneur Friendly Community (EFC) Team of the Meriwether County Chamber of Commerce supports your dream and we want to do everything we can to help you make your business successful.

Owning and operating a business is hard work. It takes dedication, patience, skills and resources. There are many challenges associated with starting and growing a business and we want to equip you with information we believe will be helpful to you. The information included in this document has been compiled to answer many of the questions that arise when a person begins to think about opening a business.

How can you become an entrepreneur? How can you start your own business? The EFC team of the Meriwether County Chamber of Commerce has designed this booklet to simplify transition into the role of an entrepreneur. Your Guide to Starting and Growing a Small Business will make establishing your own business easier by giving you “one-stop shopping” for the information you will need. Meriwether County is determined to promote economic growth and development. We believe this begins with you. By giving you the proper tools, we can help build a strong economic foundation. We hope this booklet will be of assistance.

This information may not cover all your questions or may lead to additional questions. The Meriwether County Chamber of Commerce is here to assist you in your business needs, so please call our office with any additional questions or resource needs you may have.

We ask your help in identifying additional topics that should be included in this guide. The more information we can provide, the better we can assist you and others.

Congratulations-deciding to open your own business is a commendable goal and we look forward to working with you and celebrating your success.

Please give us a call at 706-655-2558 if you have additional questions; or email us at meriwetherchamber@windstream.net

You may also find answers to your questions by visiting our web site at www.meriwethercountychamberofcommerce.com

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NOTICE: The contents of this publication are presented for informational purposes only and should not be considered in any way legal or professional assistance. We encourage you to seek the advice and counsel of a licensed professional when dealing with legal and financial matters. While care has been taken to provide accurate, up-to-date information, the information presented has been collected from numerous sources and is subject to errors and changes and should be further researched for updates and accuracy

I. Is Entrepreneurship for You?

1. What is an Entrepreneur?

- An innovator – one who recognizes opportunities and organizes resources to take advantage of the opportunity
- One who assumes the financial risk for the initiation, operation and management of a specific business or undertaking
- Someone who attempts to profit by risk and initiative
- A person who starts a business

2. Characteristics of Successful Entrepreneurs:

There is no way to eliminate all the risks associated with starting a small business. You can improve your chances of success with good planning and preparation. A good starting place is to evaluate your strengths and weaknesses as the potential owner and manager of a small business

- Entrepreneurs are self-starters. It will be up to you - not someone else telling you to develop projects, organize your time, and follow through on details.
- Entrepreneurs are able to get along with people with different personalities. Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, and professionals such as lawyers, accountants or consultants.
- Entrepreneurs are good decision makers. Small business owners are required to make decisions constantly, often quickly, under pressure, and independently.
- Entrepreneurs have the physical and emotional stamina to run a business. Business ownership can be challenging, fun and exciting. But it's also a lot of work. Can you face 12-hour work days six or seven days a week if necessary?
- Entrepreneurs are good at planning and organizing. Research indicates that many business failures could have been avoided through better planning. Good organization of financials, inventory, schedules, and production can help avoid many pitfalls.
- Entrepreneurs are strongly motivated. Running a business can wear you down. Some business owners feel burned out by having to carry all the responsibility on their shoulders. Strong motivation can make the business succeed and will help you survive slowdowns as well as periods of burnout.
- Entrepreneurs understand and can cope with family and financial challenges along the way. The first few years of business startup can be hard on family life. The strain of an unsupportive spouse may be hard to balance against the demands of starting a business. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

3. Self-quiz

To find out more about yourself relative to the challenges of starting and owning a small business, take this self-quiz:

MOTIVATION		Disagree										Strongly Agree									
1	I constantly see business opportunities or ideas with potential commercial value	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
2	I like growing or building businesses or taking ideas and making something of them	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
3	I regularly come up with new ideas on doing things better or more efficiently	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
4	I am able to find solutions to challenges or problems	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
5	I am able to find the help, assistance or resources I need to be successful	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
6	I am a dynamic person providing vision, hope and energy to those with whom I work and partner	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
7	I am a hard working person. I do what it takes to succeed	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
8	I am able to adapt to changes & surprises quickly and successfully	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
9	I am able to successfully manage risk associated with creating and growing a business	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
10	I thrive on learning. I am constantly seeking new information that can help me with my business.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
11	I am motivated by success and driven to do well	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
12	I believe in working with others who can help me make my dream a reality	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
BUSINESS SKILLS																					
13	Ability to assess market opportunities	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
14	Ability to develop products or services	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
15	Ability to provide products or services	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
16	Marketing and communications capacity	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
17	Fiscal management	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
18	Ability to acquire financial capital	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
19	Personnel or team, development & management	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
20	Ability to develop and sustain partnerships	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
21	Quality Control	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
NETWORKING AND PARTNERSHIPS																					
22	I am comfortable seeking information from others	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
23	I regularly network to gain information for my business	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
24	I have extensive resource network I am constantly building	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
25	I am comfortable with partnerships	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
26	I have two or more partnerships associated with my business	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
27	I have learned how to deal with the challenges of partnering	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
FAMILY AND COMMUNITY SUPPORT																					
28	I am challenged and happy in my work building a business	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
29	There is good balance between my work and personal life	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
30	Family and friends are supportive and encourage me	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
31	My community is supportive of me and my undertaking	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
32	My community is actively helping me build my business	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10

SCORE SELF BIZ QUIZ

Questions	Total Points		Value Factor		Points
1-2		X	1.0	=	
3-12		X	.25	=	
13-21		X	.25	=	
22-27		X	.25	=	
28-32		X	.25	=	

Total Points _____

Scoring:

0 - 25 points	Low Potential
26-50 points	Some Potential
51-75 points	Moderate Potential
76-100 points	High Potential

Source: Center for Rural Entrepreneurship

Section II. Feasibility Analysis

1. Market Analysis

a. Is Your Business Idea Feasible? How well can you answer the following questions regarding your idea? Give complete, well thought out answers to these questions. If you are unsure about, or answer no to any of the following questions, then you may need to rethink your idea or conduct more research.

- What type of business do you plan to start?
- What kind of product do you plan to offer?
- Will your product satisfy an unfilled need?
- Will your product have a competitive edge based on price, location, quality or selection?

b. Researching Your Markets -it is recommended that you research the potential market demand for your product or service. First, determine what questions you need answered. Questions may include:

1. Who would a typical customer be? (This determines your target market)
2. Where are they located and how many are there (this indicates your market size)
3. What are their needs?

4. Who are my competitors for this type business? Where are they located and what do they charge for this product or service?
5. How does my competition market and how can I take what they are doing and make it better?
6. How will I reach my customers? What methods will I use for advertising and promoting?
7. How will I distribute my product or services? Will I be selling via the Internet?
8. How much are customers willing to pay for this product or service?
9. What are the market trends relative to this product or service? This relates back to knowing your customers' needs.
10. What are the technological trends relative to my proposed business?

The following are ideas on where to find the information you need.

Primary Data:

- Your experience
- Experiences of people you know
- Conversations or surveys with potential customers
- Observations and conversations with similar businesses
- Interviews with suppliers, vendors and bankers

Secondary Data:

- Visit your public library
- Contact trade associations (i.e. trade shows and trade journals)
- Contact the SBDC and the Meriwether County Chamber of Commerce. See the Resource Directory for contact information.
- Use various search engines on the Internet (i.e. Yahoo, Google, MSN, Lycos, Alta Vista, etc.)

2. Demographic Data:

A variety of free demographic information is available on the Internet or through the local Chamber of Commerce office. This information breaks down population by different categories such as age, sex, race, income, and education. It can be used to help identify the number of people who may use your business or service.

- www.fedstats.gov
- www.factfinder.census.gov
- www.dca.state.ga.us
- www.georgiafacts.net
- <http://quickfacts.census.gov>
- www/nber.org

3. Financial Analysis:

How much cash will you need to start your business? Use this worksheet to determine how much money you will need.

a. Estimated Annual Sales/Revenue <i>(This is the Year One goal you have for yourself. Use this number as a basis for estimating the amount you'll need to bring in to meet this goal.)</i>	
b. Estimated Monthly Expenses:	
Salary of Owner <i>(how much will you make each month?)</i>	
All other salaries/wages <i>(will you have additional staff?)</i>	
Rent (Building and equipment)	
Advertising per month	
Monthly Office Expenses <i>(supplies, etc.)</i>	
Telephone and Fax	
Computers and Internet Service	
Utilities	
Insurance	
Taxes, including Social Security	
Maintenance/Repairs	
Legal/Professional Fees	
Loan Payments	
Miscellaneous	
Subtotal of monthly expenses	

c. Multiply the subtotal of your monthly expenses by the number of months in which you do not anticipate having enough income to cover your expenses for a month. If you estimate that to be three months, multiply the amount in your subtotal above by 3. If you estimate it to be six months, multiply the amount by 6. Remember to allow time to build a customer base, performing the service or selling the product and time for collecting payment from clients. **Insert that number here** _____

d. One Time Start-Up Costs:

To determine these amounts get specific estimates from suppliers, contractors, professionals and/or government authorities to ensure accurate amounts:

Fixtures and Equipment	
Decorating and Remodeling	
Installation of Fixtures/Equipment	
Starting Inventory	
Deposits for Utilities	

Startup Legal/Professional Fees	
Business Licenses & Permits	
Advertising/Promotion for Opening	
Other	
Subtotal start-up costs	

_____ **Total Estimate of Cash Needed for Start-up** *(add number from section c and subtotal of start-up costs to get this number)*

This total is the amount of cash you need on hand to start your business and be successful. If you don't have easy access to this amount of cash flow, you need to consider a small business loan or other funding. Talk to your Small Business Development Center for further assistance.

III. Business Plan

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. The basic components of a business plan include

- An introduction and overview of the business
- The skills and experience of the business owner
- Details on products or services offered
- A market analysis including competitor analysis
- Financial analysis
- Operational plans
- Summary of why the business is likely to be successful

The business plan guides you in organizing your thoughts and plans for the business and requires you to formalize your plans. It assists you in properly allocating resources, handle unforeseen complications and make good business decisions, while staying focused on the business goals. The plan can also be used as a communications tool with sales personnel, suppliers, and others.

Business plans are used to keep invested parties (yourself, your partners and/or investors) informed about the company's operations and goals. A business plan will be a crucial part of any business loan package. It provides specific and organized information about the company and can explain how a loan will eventually be repaid.

The following outline provides more details of a typical business plan and can serve as a guide. You should adapt this outline to your specific business. Breaking the plan into several components helps make drafting it a more

manageable task.

Introduction

- Give a detailed description of the business and its goals.
- Discuss the ownership of the business and the legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over your competitors.

Marketing

- Discuss the products/services offered.
- Identify the customer demand for your product/service. Who will buy it and why? What are the sources of this information?
- Identify your market, its size and locations. Will people have to come to you to access the product or can it be taken to them? How far will people come for your service? Will you sell via the Internet?
- Describe your customer base – demographic profile. How many of them are there in your target market area?
- Explain how your product/service will be advertised and marketed.
- Explain the pricing strategy and how you arrived at the pricing

Financial Management

- Explain your source and the amount of initial equity capital.
- Develop a monthly operating budget for the first year.
- Develop an expected return on investment & monthly cash flow for the first year. If someone lends you money, how soon will they be paid back?
- Provide projected income statements and balance sheets for a two year period.
- Discuss your breakeven point. At what point will you have recovered your own initial investment in the business, and at what point will others who provided funding recover their investment?
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide “what if” statements that address alternative approaches to any problem that may develop.

Operations

- Explain how the business will be managed on a day-to-day basis.
- Discuss hiring and personnel procedures. How many employees do you need? Will they be full or part time? Do you plan to outsource or contract for any of your operations?

- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your products or services.
- Account for production and delivery of products and services.

Concluding Statement

- Summarize your business goals and objectives and express your commitment to the success of your business.
- Once you have completed your business plan, review it with a friend or business.
- Make an appointment with your local representative of the Small Business Administration to review your plan
- When you feel comfortable with the content and structure make an appointment to review and discuss it with your lender. The business plan is a flexible document that should change as your business grows.

SOURCE: www.sba.gov

IV. Financing Your Business

1. Banks or Small Business Administration

When starting a business, one important consideration is where to obtain capital to ban your venture. Most start-up businesses require a capital contribution by the entrepreneur usually 20%. The remaining financing may be available from local banks or may require private investors. There are several Small Business Administration loan program available to businesses, all of which require bank participation. These loan programs however, are not guaranteed. They are all subject to change based on the SBA's current budget.

- **SBA Low Doc.** This program provides financing for small businesses through guaranteeing a percentage of the bank's loans to the business. The maximum loan is \$150,000 and not more than an 80% guarantee. The loan administered by the bank is termed "Low Doc" because documentation has been greatly reduced and red tape is at a minimum. Eligible expenditures are for land and building, machinery and equipment, inventory, and working capital.
- **SBA Guaranteed Loan Program 7 (A).** This program provides financing to small businesses through guaranteeing a percentage of the bank's loan to the business. Eligible expenditures are for land and building, machinery and equipment, working capital, and some restructure of existing debt. The maximum SBA will guarantee is \$750,000 and not more than 75% of the total loan.
- **SBA 504 Loan Program.** This program provides financing for small business through a low interest, fixed rate, long-term loan. The Small Business Administration takes a second lien position behind the bank. Eligible

expenditures are for land and building, long-life machinery and equipment. The minimum SBA will finance is \$125,000, and the maximum is \$1,000,000. Job creation is a requirement of the program.

While each of these programs has specific requirements for eligibility, there are certain standards that must be met for all loan programs. A loan applicant must be of good character; show the ability to operate a small business successfully, and have a reasonable amount of his/her own resources to invest to withstand possible losses. In addition, the following will likely be required:

- Credit Report
- Collateral adequate to secure the debt. List of collateral and its value
- Appraisals required on real property used as collateral
- Personal guarantees required of those persons (or companies with 20% ownership)
- Secondary collateral may be required
- Personal financial statements & financial statements of business (if applicable)

2. How to Apply

You must first seek financing from a bank or other private source. If that is available at reasonable terms, the SBA cannot make a loan. Take your business plan to your banker and discuss your financial requirements with him/her. His/her involvement is essential. Then, call the Small Business Development Center at 706-569-2654 to discuss the projects eligibility for SBA assistance.

3. Strengthen Your Chances of Securing Funding

In today's financial environment, banks have plenty of cash to lend but find themselves in a regulatory squeeze requiring that they issue loans only to the best applicants. "Best" is defined as being closest to zero risk. Gone are the days of the "character" loan to help you get over a crunch or a "confidence" loan to fuel projected growth. If you are going to obtain a business loan, you need now, more than ever, to do your homework. Do not try to take shortcuts with your friendly loan officer. Cover all the bases your first time out!

This is a quick list of seven principles which will strengthen your chances of securing funding:

- a. *Prepare a thorough business plan* (using the guidelines in Section III) to share with your bank. Many applicants have not prepared the required documentation to support the loan proposal, with the most common being the omission of a sound business or strategic plan. Not every business loan requires a business plan, especially if the business has a history of a strong cash flow. However, most banks require existing businesses to produce two or three years of financial projections along with a description of the project and history of the business. A new business will need a full business plan to explain the cash requirements and

management issues of the business. For existing and new businesses, if a loan officer asks to see a three-year plan and it is not available, management looks bad.

b. *Know exactly how much you need* -many small business owners actually go to a bank not knowing how much money they need to borrow. Nothing is more frustrating to a lender when he or she hears, "Well, how much can I get?" Always be specific about the loan amount and provide a detailed schedule showing how you intend to use the borrowed money and clearly demonstrate the need. Do not borrow more than you need.

c. *Prepare your cash flow projections to demonstrate how you will repay the loan.* If you do not document how you intend to pay the loan back, the deal is dead. Ordinarily, business loans must be paid back through continuing cash flow. To demonstrate repayment, three years of Historical Statement (Balance Sheet and Profit& Loss) are mandatory. Cash flow projections showing the impact of the loan for the first 12 months are a must. Make sure your financials are credible. Poorly prepared statements, especially internally prepared statements, are the kiss of death.

d. *Be prepared to offer your asset-based collateral*- many applicants are not realistic about how much and what type of asset-based collateral is needed to put their request over the top. Don't expect to obtain a long-term loan (five years +) secured by inventories or receivable (current assets). You must be prepared to reach into your personal net worth and put up the hard stuff, mostly real estate. If you show reluctance to offer what you have, lack of self confidence or lack of commitment to your business plan, the process gets tougher. Don't overstate the quick sale value of collateral; be realistic. Eventually, you will have to get appraisals, and if they come in short, you will have wasted everybody's time.

e. *Be completely accurate and ethical on all tax returns*- aggressive tax strategies that result in no year-end tax obligations because no profit is claimed by the firm will result in no evidence of repayment ability in your application. Federal tax returns, both personal and business are the final determinant of company performance and management integrity. Always claim 100 percent of your income, and whatever you do, don't plead to your banker, "It's done all of the time." You've just revealed that there is a huge contingent tax liability looming out there that could result in the business being closed when you're sent "up the river."

f. *Pay attention to the net worth component of the balance sheet* -you should not ask the bank to do it all. If the loan request puts the bank in over four times your net worth, the application is on shaky ground. High debt compared to your stake in

the business gives the bank excessive control over the operation, and they don't want to own your company anyway. Keep things reasonable in owner's draw or officer's salary. Don't raise the possibility that the company is being milked. Before you submit your loan application, go to the library or go to your local SBDC and find the latest edition on the Robert Morris and Associates' (RMA) Annual Statement Studies. The Statement Studies contain composite balance sheets and income statements for more than 360 industries. This is valuable information for comparing your company to the industry, and more than likely your banker will evaluate your business based on this book or another similar source such as Dun and Bradstreet.

g. Seek professional help in putting together a first class loan proposal - don't be reluctant to tap into the vast amount of help to get a first class loan proposal pulled together. A good loan package or accountant will charge for this service, but it will be money well spent if you're not sure you can tackle the job yourself. This statement is especially true if government programs are involved, i.e. the U.S Small Business Administration. Preparing and submitting a business loan proposal can be a complex process, but with a common sense attitude and help from the Small Business Development Center, it will be a fruitful experience. Banks are in the business of lending money; keep that in mind. If you get turned down, keep on trying. Your project may be the perfect loan for a banker down the street.

Adapted from: Tony O'Reilly, Executive Director of the Small Business Assistance Corporation in Savannah GA.

V. Legal Issues

1. Incorporating Your Business

Deciding what form of legal entity your business will take is an important decision. This will have an impact on the future of your business including your protection under the law, and the rules and regulations (for example: federal and state taxes) that will apply to you.

It is recommended that you contact an attorney, CPA, or other qualified individual before you enter into any of these four forms of business. Speaking with someone informed about the legal entities of business will reduce the risk of mistakes in the business set-up. You can probably do the necessary paperwork and procedures yourself, but it makes sense to leave it up to the professionals. Also, contact the Small Business Development Center for more information.

THERE ARE FOUR BASIC FORMS THAT A NEW BUSINESS CAN TAKE:

- Sole Proprietorship
- Partnership (General or Limited)

- Corporation (C or S)
- Limited Liability Company (LLC)

A **sole proprietorship** is usually owned and operated by one person. Under the law, it is not actually considered a legal entity. It is instead considered an extension of the person who owns the business. This individual has sole ownership of assets, but is also solely liable for the debts of the business. All personal assets are reachable by creditors or judgments.

A **partnership** can be formed in two ways. A general partnership is comprised of two or more individuals who join to start a business. Each person has proportional ownership of the business assets and proportional liability for business debts. Each person also has authority in running this business. A partnership agreement can be drawn up to address each person's particular liability. However, despite this document, creditors may collect from each and every member of the partnership (this may include personal assets).

A **limited partnership** is made up of one or more general partners as well as one or more limited partners. Limited partners contribute capital and share in profit/losses. These limited partners, however, take no part in the running of the business and are not held liable for the organization's debts.

Whether taking part in a general or limited partnership, it is advisable that you draw up a partnership agreement. This document will detail each partner's rights and responsibilities. Partnerships are required to file both federal and state income tax. While the partnership is not typically taxed, each partner reflects profits or losses for the partnership on his/her personal tax returns.

A **corporation** is an entity, which must be approved by the State of Georgia through the Office of the Secretary of State. A corporation must file federal, state, and local taxes on its operations. One advantage to a corporation is the protection from liability afforded to shareholders. However, when an organization is small, creditors may require personal guarantees of primary owners. Another advantage to the corporation is the ease of raising capital through the sale of common or preferred stock. There are two types of corporations: C and S.

The "C" corporations have their own tax identification numbers and pay their own taxes. The "S" corporation is the opposite. It is not taxed as if it is a corporation at all. Instead it is taxed similarly to a partnership. Its gains and losses are reflected on the personal income tax of the shareholder. The S corporation is a pass-through entity for tax purposes. (The distinctions between S

and C corporations can be complicated. It is very important that you consult with someone who is knowledgeable on the subject before making a decision.)

In order to incorporate your business, contact the Office of the Secretary of State. You will then reserve your corporation name. The incorporation process must be completed within 90 days. The Office of the Secretary of State will instruct you in the completion of all documents needed. You will be required to pay an incorporation fee every year by April 1.

The Office of the Secretary of State

214 State Capitol
Atlanta GA 30334
404-656-2881
www.sos.state.ga.us

This incorporation process includes publishing your intent to incorporate in the local newspaper's legal publication. To publish your intent to incorporate, contact:

Star-Mercury Publishing
3051 Roosevelt Highway
Manchester, GA 31816
706.846.3188

Email: starmercury@earthlink.net

An attorney can usually perform the necessary procedures for you for several hundred dollars. How much it will cost depends on the attorney and your business.

A **limited liability company (LLC)** is one that is owned by one or more persons known as members. It is a mixture of other forms of organization. This form combines some of the best features of partnerships, corporations, and S corporations. Similar to a corporation, you must reserve a name and file the articles of incorporation. You and your fellow members should write an operating agreement to control the conduct of the business.

An LLC shields the personal assets of members as if they were shareholders in a corporation. It also eliminates double taxation. Because an LLC is a somewhat new organizational form, it is unclear how the partnership tax rules will apply. You may not be able to conduct interstate trade as an LLC. Many state and foreign governments have not yet approved this form. In addition, an LLC may not have a perpetual life. While this form of organization is gaining popularity, you must take great care in the establishment of an LLC to ensure pass-through tax treatment.

2. Licensing and Permits

If you plan to operate a business in the state of Georgia, you must obtain a city or county business license (also called an Occupational Tax). You should discuss the details of your situation with the licensing department. The fee for a license is contingent on the location, type, and size of your business.

If your business will be located outside the city limits:

Meriwether County
Office of Building and Zoning
100 N. Court Square
Greenville, GA 30222
706.672.1283

If your business will be located within the Manchester city limits:

Manchester City Hall
122 2nd Street
Manchester, GA 31816
706.846.3141

If your business will be located within the Warm Springs city limits:

Warm Springs City Hall
3655 Whitehouse Parkway
Warm Springs, GA 31830
706.655.9096

If your business will be located within the Greenville city limits:

Greenville City Hall
101 N. Depot Street
Greenville, GA 30222
706.672.1216

If your business will be located within the Woodbury city limits:

Woodbury City Hall
30 Durand Street
Woodbury, GA 30293
706.672.5480

If your business will be located within the Gay city limits:

Gay City Hall
18762 Georgia Highway 85
Gay, GA 30218
706.538.6097

If your business will be located within the Luthersville city limits:

Luthersville City Hall

104 Wortham Road
Luthersville, GA 30251
770.927.6885

If your business will be located within the Lone Oak city limits:

Lone Oak City Hall
Lone Oak, GA

3. Building Construction/Renovation/Occupancy

A building permit must be obtained for both new construction and renovations of and additions to existing buildings. Before you may construct a new facility or renovate an existing one, you must have this permit. Once you have obtained a building permit, complied with the regulations pertaining to the area you are in, and construction is complete, your facility will be inspected. You will then apply for a Certificate of Occupancy. Without this certificate, it is illegal for your business to reside in the facility.

Meriwether County
Office of Building and Zoning
100 N. Court Square
Greenville, GA 30222
706.672.1283

4. Zoning

Once you have chosen a tentative location for your business, contact the Office of Building & Zoning to determine the permitted uses of that location. There might be special restrictions on that area. *Do not invest any money in a location until you have thoroughly researched all zoning regulations.*

The Office of Building & Zoning can help you determine if your location and type of business are in compliance with ordinances. You will be required to submit your business plans to the zoning office to determine if the business complies or can be adapted to comply with the following:

- a- Current zoning classification
- b- Building setbacks
- c- Off-street parking availability and service entrance requirements
- d- Buffer yards or required screening
- e- Lot area minimum
- f- Sign regulations

Sign permits are required for erecting and placing any mounted or freestanding signs. Applications are filed through the zoning office. For specific information

about signage, call the Office of Building & Zoning in the city you wish to locate in or the county if your business is outside the city limits. If your plans do not/cannot meet these specifications, you can discuss options with the zoning office. If you find the current zoning classification of your potential location does not allow for your business, you may file an appeal for rezoning. In order to file this appeal, contact the Building and Zoning Office. An answer on this appeal can usually be expected 4-5 weeks after submission of your application packet. See business license section above for contact information.

5. Trade Name Registration

In the State of Georgia, every person, firm, or partnership that conducts business has two options regarding trade name registration: 1) the business name must include the last name of the individual owner of the business. 2) If using a fictitious name (one not including the last name of the individual owner), the fictitious name must be registered in the office of the clerk of the Superior Court of the county where the business is located. A corporation or limited liability company will not need to file this registration, as it will already be registered with the office of the Secretary of State. The fee for Trade name registration is approximately \$10.00.

The Clerk's office will provide any paperwork that needs to be completed. Similar to publishing your intent to incorporate a business, you must publish a notice of your trade name registration in the local newspapers. You must also file the required affidavit. Notice of the filing of the trade name registration must be published once a week for two weeks in the legal section of the publication. Prices range \$10 to \$40. In order to run your legal advertisement, contact:

Star-Mercury Publishing
3051 Roosevelt Highway
Manchester, GA 31816
706.846.3188
Email: starmercury@earthlink.net

Failure to register a trade name will not nullify contracts signed by the unregistered entity. The court, however, is authorized to assess court costs against the parties who have failed to register the trade name or partnership name at the time an action is filed. Thus the trade name registration prevents a company from having to pay all court costs in an action by or against a company. If you have a question as to whether your business needs to register a trade name, contact the Clerk's office.

To file your Trade name registration, contact:

Clerk of the Superior Court
Meriwether County Courthouse
100 N. Court Square
Greenville, GA 30222
706.672.4416

6. Trademark and Service Mark

Trademarks and Service Marks may be registered, if desired. The registration is for 10 years and a small fee is required. These are also federal trademarks laws. These apply where interstate shipments are involved and are obtained from the U.S. Patent Office. A product must be sold, shipped, and invoiced interstate prior to getting such protection from the Patent office. Information and applications can be obtained from:

Special Services Division
Secretary of State
214 State Capitol
Atlanta GA 30334
404-656-2881

7. Federal and State Licensing

a. Federal Licensing

Most new small businesses most likely will not require any type of federal licensing to conduct business, unless you will be engaged in one of the following activities:

- Rendering investment advice
- Making alcohol products
- Making tobacco products
- Preparing meat products
- Making or dealing in firearms

You would also need a Federal permit to start large operations such as a television station, radio station, common carrier, or producer of drugs or biological products. The aforementioned businesses are all heavily governmentally regulated. For information on federal licensing for these types of businesses, contact:

The U.S. Department of Alcohol, Tobacco, and Firearms
2600 Century Parkway Suite 3430
Atlanta, GA 30345
404-679-5130

The U. S. Federal Drug Administration

60 8th Street
Atlanta, GA 30309

404-347-4265

The U.S. Federal Communications Commission

3575 Kroger Boulevard
Duluth,GA 30096
888-225-5322

b. State Licensing

Many licensing regulations should be considered when establishing a business or practicing certain regulated occupations in Georgia. Contact the Secretary of State's office for a listing of all occupations that require state licensing. You can find a complete list of occupations requiring state licenses in Appendix 1. Before applying, you would be well advised to check the current licensing regulations through the office of the Secretary of State, the county, and the city. For information, contact:

Georgia Secretary of State

Licensing Boards Division
166 Pryor Street SW
Atlanta GA 30303
404-656-3900

***The Office of the Secretary of State offers a timesaving booklet entitled Consolidated Registration Information for Businesses. This book is more familiarly known as the BLUE BOOK. This book contains important phone numbers, addresses, and Internet addresses of offices and departments essential to your business.*

8. Bulk Sales Law

If you plan to purchase an established Bulk Sales business, you as the purchaser must comply with the Bulk Sales Law. It is required that, at least five days before the actual purchase, each creditor must be notified personally of the proposed sale. In counties with populations of over 200,000, it is necessary to publish this intent to purchase one time, not less than seven days prior to the completion of the purchase. By all means, consult your attorney.

9. Health Permits

If your business is to involve food processing, handling, storage, or distribution, you must obtain permits from the Meriwether County Health Department, which handles the permits for the county. If you are unsure if your business needs a permit, contact the Health Department or the Ga. Dept. of Agriculture

Meriwether County Health Department
51 Gay Connector
Greenville, GA 30222
706-672-4974

Ga. Dept. of Agriculture
19 Martin Luther King Dr. SW
Atlanta GA 30334
404-656-3600

10. Patents and Inventions

Publications concerning patent laws, trademarks, and inventions are available at the Federal Bookstore and Department of Commerce. Patent attorneys and agents are listed in your local yellow pages. Patents are registered at:

U.S. Department of Commerce
Patent & Trade Marks Office
2021 Jefferson Highway
Washington DC 20230
703-557-3158

11. International Trade

International trade can be difficult, but also can provide tremendous opportunities. Most start-up businesses will not be participating in international trade. However, if you choose to export or import goods, the following contacts may provide you with valuable information. The United States Export Assistance Center can provide you access to all federal exporting resources. The Georgia Department of Economic Development has an International Trade office. You may contact them at the following address:

Georgia Department of Economic Development
75 Fifth St. NW
Suite 1200
Atlanta GA 30308
404-962-4114

United States Export Assistance Center

233 Peachtree St. NE
Atlanta GA 30303
404-657-1900

12. Procurement-Doing Business With the Government

Through the Governor's Small Business Center, learn how to become a registered vendor with the State of Georgia and its many agencies. Visit the Governor's Small Business Center website for more information, a list of current bid opportunities and to register online.

Source: Governor's Small Business Center – www.doas.state.ga.us

VI. Tax and Insurance Information

I. Sales and Use Tax

Every business that sells tangible personal property, such as merchandise, to customers is required to obtain a seller's permit. This is issued from the state sales tax agency. (There are some businesses, however, that are exempt from this requirement.) Typically, a separate permit must be obtained for every business in

which the property subject to sales tax is sold. If selling to a retailer, wholesalers and manufacturers usually do not have to collect sales tax on the goods they sell. This, however, is contingent on whether the retailer has a valid seller's permit and can provide you with a "resale certificate." Similarly, retailers are not required to pay sales tax on items you purchase for resale.

You may purchase blank resale certificates at office supply stores. If state law requires that your business collect sales and use tax, you must keep detailed records of your gross receipts from sales/rentals. These records must include all sales/rentals whether or not you believe them to be taxable. Your records must also include evidence of all deductions you claim on sales/use tax returns. In addition, you must record the total purchase price of all tangible personal property acquired for sale, lease, or consumption. Sales tax forms must be filed monthly. The taxes must also be paid on a monthly basis.

You can contact the Georgia Department of Revenue to petition for special permission to pay/file quarterly. Sales tax in Meriwether County is 7%. Of that, 4% is a state sales tax; 1% is a local sales tax with proceeds split between the county and cities; 1% is a special local option sales tax for the county school system and the other 1% is a special local option sales tax for specific county and city capital projects.

Georgia Department of Revenue
Sales & Use Tax Division
Atlanta GA 30303
404-417-3209

2. State and Federal Excise Taxes

In addition to federal excise tax, you may be responsible for collecting state excise tax as well. The categories are comparable to the federal categories. Alcoholic beverages, tobacco products, motor carriers, and trucks with more than two axles are included in the taxed categories. For more information on state excise taxes, contact:

Georgia Department of Revenue
Alcohol & Tobacco Division
Atlanta GA 30303
404-417-3206
800-659-1855

There are some forms of business for which the U.S. government requires federal excise taxes. This is a tax that you are responsible for collecting; but does not come out of your pocket. Typically, it is added to the sale price of your product or service. Form 720 Quarterly Federal Excise Tax Return is used to file most federal

excise taxes. Federal excise taxes can be broken into nine general categories of products and services, including:

- Motor vehicle use tax (vehicles greater than 55,000 lbs. gross weight)
- Retailers tax (certain types of fuels)
- Retail excise tax on the sales of the following: Heavy trucks/trailers, tires and tubes, recreation equipment (e.g. fishing/hunting supplies), firearms and ammunition.
- Air transportation tax (if you are transporting people by air, you have to collect this tax)
- Communications taxes (e.g. on telephone or teletype services)
- Wagering taxes
- Taxes on U.S. mined coal
- Environmental taxes (imposed on petroleum products, various chemicals, and hazardous wastes)
- Alcohol, firearms, ammunition, and tobacco taxes

Be sure to contact to IRS for complete information on federal excise taxes.

Internal Revenue Service
Atlanta District Office
401 W. Peachtree St. NE
Atlanta GA 30303
800-829-3676

3. State Unemployment Tax

This tax on payroll is payable on the first \$8,500.00. It applies to all businesses. Employers are classified in accordance with their actual experience in the payment of contributions and with respect to unemployment benefits charges against their accounts so that contribution rates will reflect such benefit experience. An employer rate for any calendar year shall be determined on the basis of his record as of the computation date for each calendar year. Quarterly unemployment reports must be filed and returned to:

Georgia Department of Labor
P O Box 740234
Atlanta GA 30374-0234
404-232-3001

Georgia Department of Labor
1002 Longley Place
LaGrange GA 30240
706-845-4000

4. Worker's Compensation Insurance

Firms with three or more employees must carry worker's compensation insurance either with a licensed insurance company or as a self-insurer. If you implement a Drugs Don't Work Program through the Chamber of Commerce, you are eligible for a 7.5% discount on your Worker's Compensation Insurance. For further information on worker's compensation insurance, contact

State of Georgia
State Board of Worker's Compensation
270 Peachtree St. NW
Atlanta GA 30303-1299
404-656-3818 or 404-656-3875 or 800-533-0682
www.state.ga.us/sbwc/

5. Property Tax

Property tax rates represent local tax liability per \$1000 of fair market value and apply to real and personal property. The millage rate for Meriwether County is 29.47.

6. Estimated State Income Tax

The State of Georgia also requires that you pay estimated state income taxes. The payment dates for estimated state tax are the same as those for federal payments (See #7 Federal Income Taxes below). Form 500ES should be completed for sole proprietorships or partnerships. A 9% per year penalty can be imposed for failure to file an estimated return or failure to pay the correct amount of tax.

7. Federal Income Tax

The amount and way you pay in federal income taxes will be dependent on the legal form in which your business is organized.

For a sole Proprietor or a member of a Partnership: In either of these arrangements, you will be required to make estimated federal income tax payments. These individual payments are due in four installments. These payment deadlines are April 15th, June 15th, September 15th, and January 15th, for one whose tax year is the calendar year. Any amount left unpaid will be due April 15th, of the following year. The Form 1040-ES is used to file these taxes. 90% of your estimated tax must be paid during the course of the year.

For a corporation: The Corporation is responsible for paying estimated corporate taxes if it has taxable income. These taxes can be due as soon as the fourth month of the corporation's first tax year. The proper form for filing these taxes is the Form 8109. You must deposit these payments in a bank licensed to accept federal tax payments. The corporation will be issued a coupon book. These coupons will carry the corporation's tax ID number and are to be used with all federal tax payment deposits.

All forms necessary to file any of the estimated taxes mentioned above are available at your local IRS office. A coupon book will be mailed to you upon receipt of your Form SS-4 (the form filed requesting a tax ID number).

For more information, contact:

Internal Revenue Service
Atlanta District Office
401 W. Peachtree St. NE
Atlanta GA 30303
800-829-3676

8. Employer Tax

There are taxes that as an employer you are responsible for both withholding from employee wages as well as paying yourself. For more complete information on employer taxes, see Labor and Safety Regulation Information in Section VIII.1

9. Federal Tax Identification Number

Your federal tax identification number is the number used to file your taxes. It acts in a similar capacity to your social security number on your personal income taxes. In fact, if you are a sole proprietorship you will probably use your social security number. In partnerships and corporations you will need a Federal Tax ID number. It should be acquired prior to opening a bank account. To determine whether you need a tax ID number, contact the Internal Revenue Service.

Internal Revenue Service
Atlanta District Office
401 W. Peachtree St. NE
Atlanta GA 30303
800-829-3676

10. Federal Unemployment Tax

Federal Unemployment Insurance Tax is the employer's responsibility. This is not withheld from employee wages. Consult the Employer's Tax Guide for more information on the various taxes that you will be required to pay. The Employer's Tax Guide is a booklet designed to help you with all aspects of taxation. Contact the Georgia and US Departments of Labor and Revenue to receive the Employer's Tax Guide and other relevant information. See contact information below.

If you are a sole proprietor, you are not required to pay withholding. You are however required to pay self-employment tax. Contact the Internal Revenue Service for complete details.

VII - Utilities and Telecom

To establish electric, water, sewer, and garbage service in an existing location within the city limits of any of the municipalities, you can contact the city halls of

the various cities. You will likely be required to sign a service contract and pay a deposit. This deposit is refundable at the closing of your final bill. The amount of your deposit is dependent on the size of your business and its estimated use. To sign up for service you must present a copy of your lease agreement or closing statement and Drivers License or valid Georgia ID with SS#.

While each provider in the county has specific policies and procedures, each system is similar. The minimum amount that you can expect to spend for a deposit is about \$50.00.

Please do not rely on this estimated figure. Contact the appropriate office for a better idea of a specific amount.

Georgia Power provides electrical services to most parts of Meriwether County. Georgia Power's office is located at 524 Atlantic Street, Manchester, GA 31816. You can contact them at 888-660-5890. Diverse Power also serves parts of Meriwether County. They are located at 1400 S. Davis Road, Lagrange, GA and can be contacted at 706-845-2000. Central Georgia EMC also serves parts of Meriwether County. Their mailing address is P.O. Box 31, Thomaston, GA and can be contacted at 706-647-5475.

VIII - Doing Business Online

1. Web Presence

You may have already decided you need some sort of web presence for the business you are starting - or you may be planning to conduct the majority of your business online. Remember that your web site should do more than just mimic any advertising or marketing you're doing. It should take full advantage of the Internet's capability for interactive shopping and globally convenient access.

Think of your website as a 24-hour sales force. The thought and care with which you design your site is the "sales training" you are giving your virtual sales force. Your web site should showcase information about your company and products, of course, but it should also include an efficient way of communicating and should, if at all possible, become an international marketplace through which to sell your products and services.

Always keep your ultimate consumer in mind as you begin creating your site. What does your customer want or need to see, hear or read? How do they want to be treated? What will make them remember you over the competition? How can you keep them coming back to your site?

2. Equipment and Software

Here are some initial recommendations, if you plan to have an active online presence:

- Computer with at least 4GB hard drive, 96Mg RAM, Pentium II processor and 56K modem
- Current browser and email program
- Website design program if you plan to maintain your own website
- Web host with secure server for taking credit card information online
- Merchant account so you can accept credit cards
- Scanner to copy and publish pictures or documents
- Fax machine/copier/printer
- Graphics program if you will be designing your own graphics
- Bookkeeping software to record your transactions
- FTP program to facilitate uploading files to your website
- Web statistics program to monitor your Internet visitors

3. Domain Name and Web Hosting

Selecting a domain name is an important part of developing an Internet business. While you will very likely want to secure a URL (web address) that is relevant or identical to your business name, it may not be in your best interest to use ONLY that name on the net. You may benefit from using two or more domain names, one with your actual business name for customers who would look for you online by typing your company name in their browser (like Microsoft.com or mcdonalds.com) and one for people who are looking for your actual product or service and would look for that product/service in a search engine (like software, or fast food).

If you would like to register a domain name for your company, but don't know where to start, use your search engine. Type "domain registration" into Google for instance and you'll find a number of domain registry services. Prices vary, so do some online shopping on your own before you buy that online address.

Many domain registry services also offer hosting services. Again, do a little research before you buy. Some hosting services have better reputations than others – some are more user friendly. If you're not sure, ask another business owner who they use and if they're happy with their hosting company.

The main things you need from your hosting company are reliability, access to customer support when you need it and an adequate amount of server space. Remember, a 15-page website with 1-5 graphics on each page would need between 120K and 3MB of space. Even if you have a much larger website with many more graphic, your website should be able to fit comfortably onto about 10MB of hard disk space. When web hosts offer you 400MB of hard disk space,

they do so knowing that the vast majority of users will not come close to using all that space.

4. Designing Your Site

You need to decide if you want to spend your time designing and maintaining your web site or growing your business. If you do not have the time, the inclination or the skills needed to design and maintain your own website, you will either need to hire someone to work in-house or hire an independent design firm. Unless you plan to have a highly active, involved and frequently updated (daily or hourly) website, it is generally much more cost-effective to hire a design firm. Be sure to shop around and ask an internet-savvy friend to critique any proposals you get from a web-design firm.

5. Marketing Your Website

Your website is of little use if no one uses it. Generally, your goal should be to generate traffic that will result in increased business. Using internet marketing tricks just to get more people to your site may not actually get you more business. And paying for advertising that does not deliver targeted traffic is not an effective use of your advertising budget. Consider utilizing the following tools: pay per click advertising, search engine listings, keywords and meta-tags, trading links with related businesses or organizations and listing your website on every piece of printed collateral you produce. If you're not sure what each of these terms mean, we suggest inputting the term into your search engine and reading up on the ever-changing opportunities of the web.

6. Web Site Interaction

The Internet offers such great potential for creativity and multi-level communication that your potential customers will expect you to take advantage of it. Don't leave them thinking that your website is just another version of the flat, printed brochure you use. Include interactive elements, such as clickable emails, on-line shopping, surveys or contests, maps, etc.

6. Building Your Customer Base

Every website you own should include a form where visitors can give you their email address. Of course, only a small percentage of visitors will share that information, but those who do can be developed into future customers.

7. Privacy Statements

Every website you own should also display your customer/user privacy statement. Start to notice these disclaimers on websites you visit and craft one of your own. It is important that you keep your word to your subscribers. That is, if you say you will not sell or distribute your email list to others, you **MUST NOT SELL OR SHARE** these email addresses. If you respect the privacy and wishes of your subscribers and provide useful information in your emails, your reward is

that you will have repeat visits from them and will have a loyal and ready audience for important announcements you need to make about your business.

IX - Human Resources

1. Labor and Safety Regulation Information

The Georgia Department of Labor is available to provide consultation to new businesses in the state. The local and state departments offer educational seminars and presentations throughout the year. These classes cover a wide range of labor-related topics such as labor laws, labor issues, prevailing wages, unemployment insurance, benefits, and employment services. It would be advisable to contact the local Georgia Department of Labor (GDOL) office regarding these classes. These seminars are intended to provide you with all the information you need to prepare you for the employment aspects of running a business. You should begin these classes up to one year before your intended start-up. At these seminars you will be provided with a section of the instructional workbook. After attending a certain number of these seminars, you will have the entire workbook. The Georgia Department of Labor or the U.S. Department of Labor can help walk you through all employment and labor issues and questions.

Georgia Department of Labor

1002 Longley Place
LaGrange GA 30240
706-845-4000

U.S. Department of Labor

Frances Perkins Building
200 Constitutions Ave., NW
Washington, DC 20210
1-866-4-USA-DOL
www.dol.gov

2. Minimum Wage and overtime Wages

Obtain federal and state regulations regarding the minimum wage law as well as overtime wage laws. Even if you don't fall under federal minimum wage and overtime law, you are still subject to Georgia minimum wage law requirements. Contact:

Georgia Department of Labor
1002 Longley Place
LaGrange GA 30240
706-845-4000

3. Where to Find a Labor Force

There are many resources through which one can find employees. Placing classified advertisements in local newspapers is typically utilized as a starting point. You can place ads in these publications for week-long and even month-long periods. Contact the publication you wish to use for more specific information. The Georgia Department of Labor is an agency that can assist you in finding employees (see contact information is VII.2 above). For more information on how the GDOL can help you, call 706-845-4000.

There are many temporary personnel agencies located in the area which also have access to employees. Consult the yellow pages for a list of these companies.

Other places you might contact are Columbus Technical College in Columbus and West Georgia Technical College in LaGrange.

Star Mercury Publishing
3051 Roosevelt Highway
Manchester, GA 31816
706-846-3188

3. Application, Hiring and Termination Process

There are basic ground rules to hiring and firing employees. There are legal requirements to acquiring or terminating employees. If handled incorrectly, personnel issues can result in legal problems. These legal problems can be large enough to close your business. It is important to make sure all your bases are covered. In addition to the do's and do not's listed below, contact the Georgia Department of Labor for more on correct hiring and firing policies.

Application and Hiring

DON'T:

- *Ask obvious questions.* Do not ask questions regarding sex, age, race, etc. or anything related to these areas. These are sensitive areas and cannot be used as discriminating factors. Some applicants may believe that all gathered information is used. It is for this reason that you should not ask these questions. It is best to avoid these topics so as to eliminate all possibility of legal problems.
- *Write on the job application form.* Any notes taken during interviews should be made on photocopies or other paper. This allows you to preserve the original application without marring it for your permanent records.

DO:

- *Limit your interview questions to job duties.* There is no reason to ask questions that do not apply to the responsibilities of the position. You may ask if an applicant has any barriers to completing the duties. Do not ask questions like "Do you have children?" or "Are you married?" Small talk is acceptable if the interviewer is careful. Do not venture into conversation that might produce seemingly discriminatory information.
- *Make sure all company procedures follow employment statutes.* Have your advisors or attorney review your system for application, hiring, and termination before you begin hiring and periodically thereafter.
- *Educate yourself* - The best way to prevent problems is to be familiar with the law. When you are in doubt about any issue concerning labor or safety, contact the Georgia Department of Labor. See the Resource Directory for contact information.

Termination

DO'S:

- *Review company policies.* If you have not yet developed company policies regarding application, hiring, and termination, call the GDOL. Make a checklist of your procedures. Make sure that you have followed the rules in the firing process. If you have not completed your checklist, **YOU SHOULD NOT TERMINATE THE EMPLOYEE YET.** Take care to finish all steps in the process to alleviate any questions and possible legal repercussions.
- *Have a stated code of expected employee behavior.* Many employers face problems due to unclear expectations of conduct. It is easier to prove reasons for termination if such a code is in place. This documentation will be helpful if you are faced with paying restitution because it will show that you had sufficient cause to terminate the employee.
- *Conduct an exit interview.* This allows you to tie up any loose ends. Final paychecks can be issued, and company property (e.g. keys, paperwork, and files) can be returned. Ask the employee what he/she liked or disliked about your company. Ask for feedback on aspects of your company of which this person has knowledge. This person might be a bit more forthcoming with problems or constructive criticisms than someone who still works there.
- *Keep termination of an employee between you (management) and the employee.* The fired employee will appreciate your discretion in this matter. Termination should not be discussed with other employees. Privacy can help you avoid harsh feelings and legal repercussions.
- *Have employees sign a release.* If you are offering the fired employee severance pay or anything else of value, have him/her sign a release of liability to the company. This may protect you in case of legal action.

4. WorkKeys Assessment

Many employers have found the WorkKeys Assessment to be an important tool in their screening and hiring practices. The WorkKeys Assessment is a standardized assessment providing a score in three skill areas – reading, locating information and applied mathematics. You are encouraged to consider using this tool as part of your hiring practices. Potential employees can be sent to West Georgia Technical College's Workforce Development Center in Greenville (706-672-3102). The assessment is available at no cost and can be used to compare a potential employee's skill level to similar skills required for a particular job. For more information contact the Meriwether County Chamber of Commerce 706-655-2558.

5. Drug Free Workplace

As noted in the section on Worker's Compensation Insurance (VI.4), your business can become eligible for 7.5% discount on your Workers' Compensation Insurance Premiums. This is possible through the DRUGS DON'T WORK PROGRAM. The Meriwether County Chamber of Commerce has information

available for you about the program. Or you can find information through the resources listed here.

Meriwether County Chamber of Commerce
Warm Springs, Georgia
706-655-2558
meriwetherchamber@windstream.net

Georgia Chamber of Commerce
Atlanta, Georgia
www.gachamber.com/affiliates/drugs

U.S. Department of Labor
1375 Peachtree Street NE
Suite 587
Atlanta GA 30367
404-347-3573
www.dol.gov

6. Occupational Safety and Health Administration

The issuing and enforcing of occupational and safety health regulations is handled by the United States Department of Labor. The Occupational Safety and Health Administration (OSHA) is the federal agency, which administers these policies. The requirements put forth by OSHA include posting notices to employees and maintaining accurate records of employee injuries. OSHA will provide you with information on all requirements as well as related publications. OSHA policies and regulations must be posted in the workspace where all employees may see.

In addition to OSHA, the US government also supports the Employment Standards Administration, Mine Safety and Health Administration, Veterans Employment and Training Service, and the Pension and Welfare Benefits Administration. Each of these departments is designed to protect both the employer and employee. Similar to OSHA, each issues and enforces a unique set of requirements and regulations.

Occupational Safety and Health Administration

U.S. Department of Labor
1375 Peachtree Street NE, Suite 587
Atlanta GA
404-374-3573
www.osha.gov

X. Sustaining and Growing Your Business

1. *Budget your time.* As a new business owner your time will be precious.

Schedule your time wisely. It is important to get the maximum use of time you have available. You might consider reading some time management materials or speaking with someone who you think manages time wisely.

2. *Continuously update your product/service.* What is good about your product? Make it better. What doesn't work with your product? Eliminate the problem as much as possible. If people patronize your business for the original product, an improved product can only increase that.

3. *Provide excellent customer service.* Return phone calls promptly and respond to email requests at a certain time each day. Treat your customers with respect and make sure any staff who interact with customers do likewise. Your customers are your cash flow – never underestimate what one incident of poor customer service might do to your reputation. Find ways to secure regular customer feedback.

4. *Communicate constantly* - LISTEN to your customers, advisors, and vendors. It is important to gather their opinions and put them to use. Their ideas can be helpful in updating your product. LISTEN to your advisors. You asked them to advise you for a reason. Let them guide you. LISTEN to your vendors. These vendors have been in the business much longer than you have. They can possibly provide you with money-saving or moneymaking ideas. Maintain good communication with your bankers and vendors. By keeping the lines of communication open you are helping yourself. Should you need their help in the future, you will be more likely to receive it.

5. *Keep a close check on your financials*- Check cash flow budget against actual performance. Check cost of living budget. If you are drawing money from the company for living expenses, be sure to take only what is necessary. Stick tightly to your budget.

6. *Continue to improve the 5 C's of credit* (Character, Collateral, Capacity, Capital, and Condition)

7. *Work with investors.* Make sure you are in contact with them. Make sure that you understand the conditions of your repayment. When are payments due? Make sure you fulfill all obligations to investors. You may need to call them again someday.

8. *Invest in continuing education* – your business will need constant improvement. Be sure you stay abreast of trends in your business and general business trends. Attend any class you can, attend conferences related to your business; subscribe to and read journals related to your business and conduct regular online research. Stay in touch with your customer community. Join your local chamber of commerce or related business organization. Make it your business to know what's going on in with anything that could impact your business. Your business will only be as good as you stay up-to-date with trends that will impact your customer base.

XI - Resources

1. Resource Directory

- **Better Business Bureau of West GA. & East AL:** This agency's regional office is based in Columbus GA. 1-800-768-4222
- **University of Georgia** - Small Business Development Center, 3100 Gentian Blvd., Suite 119, Columbus, Ga 31907 706-569-2651
- **USDA Rural Development** - 580 Hwy 34 East, Suite C, Newnan, GA ;770-253-2555
- **Georgia Secretary of State's Office:** This office is dedicated to the success of small business in the state. A variety of information can be obtained through this office, including the BLUE BOOK. Located at 211 State Capitol, Atlanta GA 30331. 404-656-2881. Internet address: www.sos.state.ga.us
- **Minority Business Development Agency Regional Office:** Located at 401 W. Peachtree Street, Room 1715, Atlanta GA 30308. 404-730-3300
- **Small Business Administration:** Regional Office Phone Number 404-347-4999. District Office Phone Number: 404-347-2441. Internet address: www.sbaonline.sba.gov
- **Lower Chattahoochee Regional Development Center:** Promotes economic development through the region including Harris County. The Lower Chattahoochee RDC works in conjunction with private lenders to provide financing for small businesses. Located 1428 Second Avenue, Columbus, GA 31902. 706-256-2934. Internet address: www.cfrdc.org
- **U S Department of Labor:** This office can provide you with information on OSHA. Atlanta Office - Located at 1375 Peachtree St., NE, Suite 587. 404-347-3573
- **University of Georgia Cooperative Extension Service:** Located at 121 N. College Street, Hamilton, GA 31811. 706-628-4824 www.ugaextension.com/harris
- **Ga. Dept. of Economic Development:** 75 Fifth St., NW, Atlanta GA 30308. 404-962-4003
- **SCORE (Service Corp of Retired Executives) Columbus:** 1200 6th Avenue, Columbus, GA 31901. 706-596-8331 Contact Al Worthington
- **SCORE LaGrange:** 111 Bull St., Lagrange GA 30241. 706-884-8671 or 706-882-5285. Contact Sherm Locke

Web Based Resources:

- CCH - Business Owner's Toolkit Website: www.toolkit.cch.com

- Kauffman Foundations Resources for Entrepreneurs: www.entreworld.org
- PriceWaterhouseCooper – Vision of Reality: www.pwcglobal.com
- The Wall Street Journal Center for Entrepreneurs: www.startup.wsj.com
- Microsoft Small Business Solutions: www.bcentral.com
- Edward Lowe Foundation: www.edwardlowe.org
- Entrepreneur.com: www.entrepreneur.com
- Minority Business Entrepreneur (MBE) Magazine: www.mbemag.com
- www.foundationcenter.org/getstarted
- www.sba.gov/services/financialassistance
- www.countmein.org

The Office of the Secretary of State’s BLUE BOOK provides postage paid response cards so you may access the following forms or agencies:

- Business Incorporation Forms
- Professional and Occupational Licensing Forms
- State Tax Application
- Internal Revenue Service Forms
- Georgia Department of Economic Development
- U S Small Business Administration
- UGA Small Business Development Centers
- Georgia Tech Services for Business and Technology
- Governor’s Office of Consumer Affairs
- U S General Services Administration
- Georgia Department of Labor
- U S Department of Labor
- Georgia Department of Consumer Affairs – Office of Business and Economic
- Assistance U S Export Assistance Center
- Georgia Department of Insurance
- Georgia Department of Agriculture

Also available through this booklet are various books and publications on starting a business and entrepreneurship.

Office of Secretary of State
 214 State Capitol
 Atlanta GA 30334
 404-656-2881
www.sos.state.ga.us

2. State Issued Licenses-some occupations require a special license issued by the state of Georgia:

State Board of Accountancy

Certified Public Accountant
Registered Public Accountant
Foreign Accountant
Accounting Firms

State Boards of Architects

Architects
Interior Designers

Georgia Athlete Regulatory Commission

Athletic Agents

Board of Athletic Trainers

Athletic Trainers

Georgia Auctioneer Commission

Auctioneers
Auctioneer Corporations
Non-resident auctioneers
Non-resident corporations

State Board of Barbers

Master Barbers
Teachers
Apprentices
Schools/Shops

State Board of Chiropractic Examiners

Chiropractors

Construction Industry Licensing

Air Conditioning Contractors
Electrical Contractors
Low Voltage Contractors
Master and Journeyman Plumbers
Utility Contractors

State Board of Cosmetology

Master Cosmetology
Esthetician
Nail Technicians
Schools/shops

Composite Board of Professional Counselors, Social Workers and Marriage Therapists

Professional/ Associate Counselor
Master/Clinical Social Worker
Marriage and Family Therapist

Georgia Board of Dentistry

Dentists
Dental Hygienists

Board of Examiners of Licensed Dieticians

Dieticians

State Board of Professional Engineers and Land Surveyors

Professional Engineer/ Engineer-in-Training

Land Surveyor /Land Surveyor-In-Training

State Board of Registration For Foresters

Foresters

State Board of Funeral Service

Funeral Director

Embalmer

Funeral Home Establishments

Apprentices

State Board of Registration for Professional Geologists

Professional Geologist

State Board of Hearing Aid Dealers/Dispensers

Hearing Aid Dealer

Hearing Aid Dispenser

State Board of Landscape Architects

Landscape Architects

State Board for the Certification of Librarians

Librarian

Composite State Board of Medical Examiners

Physicians/Physician Assistants

Physician Resident-in-Training

Perfusionists

Acupuncturists

Auricular Detoxification Specialists

Respiratory Care Professionals

State Board of Nursing Homes

Nursing Home Administrators/ Administrator in Training

Occupational Therapy

Occupational Therapist

Occupational Therapist Assistant

State Board of Dispensing Opticians

Opticians

State Board of Examiners in Optometry

Optometrists

State Board of Pharmacy

Pharmacists

Pharmacies

State Board of Physical Therapy

Physical Therapists

Physical Therapy Assistants

State Board of Podiatry Examiners

Podiatrists

Board of Examiners of Licensed Practical Nurses

Licensed Practical Nurses

Board of Private Detectives and Security Agents

Private Detectives Employees and Businesses

Private Security Guards and Businesses
 Training Instructors
State Board of Examiners Of Psychologists
 Psychologists
Georgia Board of Nurses
 Registered Nurses Licensed
 Undergraduate Nurses
 Advanced Practice Registered Nurses
State Board of Examiners for Speech Language Pathology and Audiology
 Speech Language Pathologists
 Audiologists
State Board of Registration of Used Motor Vehicle Dealers and Used Motor Vehicle Parts Dealers
 Used Motor Vehicle Dealers,
 Used Motor Vehicle Parts Dealers
 Used Motor Vehicle Dismantlers
 Salvage Yard Dealers Rebuilders and Operators
State Board of Veterinary Medicine
 Veterinarians
 Faculty
 Veterinarian Technicians
State Bar of Georgia
 Lawyers
Office of the Commissioner of Insurance
 Insurance Agents
Georgia Department of Agriculture
 Pesticide Applicators
Real Estate Appraisers Board

 Real Estate Agents
Office of the Secretary of State - Securities Division
 Stock Brokers/Dealers
 Investment Advisers
 Charitable Fundraisers
 Cemetery/Funeral Service Dealers
www.sos.state.ga.us/
State Board of Water and Wastewater Treatment Plant and Operator and Laboratory Analysis
 Public Water Supply System Operator (Class I, II, III, IV)
 Biological Wastewater Treatment System Operator (Class I, II, III, IV) Industrial
 Wastewater Treatment System Operator
 Water or Wastewater Lab Operator
 Wastewater Collection System Operator

3. Business Start-up Timeline

Starting your own business is not something to be rushed into. Careful, advanced planning can ensure the success of your venture. Below is a suggested one-year plan.

One Year Before Start-up:

- Refine your ideas in writing. Determine exactly where you want to go; what business you want to start and be specific in your business definition
- Assess the impact on your family and personal life. How will this affect your relationships? Will your family support the use of finances and time?
- Begin research. You must determine if there is a need for your product or service.
- You can conduct this research on your own, or utilize students or professional consultants
- Build your personal skills by taking formal management/business courses. Contact LaGrange College, Columbus State University, Columbus Technical College or West Georgia Technical College for options.
- Contact the Small Business Development Center for assistance in writing a business plan and other business start-up services.
- Contact the Georgia Department of Labor for information on educational seminars on labor/safety issues.

Six Months Before Start-up:

- Contact the Meriwether County Chamber of Commerce and discuss your plans
- Determine the specialty focus for your business. What do you want to specialize in? It is easier to excel at one area than at many.
- Start writing your business plan.
- Define your target markets. Who is your intended clientele? Toward whom should you aim your advertising?
- Research business and trade organizations. Most areas of business have agencies and organizations set up to facilitate business. Take advantage of what these groups have to offer.
- Start looking for the best location for your business. Do you need little or lots of space? Would your business be better suited downtown or in a rural part of the county? Is a storefront location needed or can you work from your home?
- Location can make or break a business. Conduct the search on your own or contact a real estate agent.
- WARNING: Do not sign any leases or purchase documents.

Four Months Before Start-up:

- Name your business. Be careful in deciding on a name and be aware that someone may already be using the name. Have a few back-up ideas. You

- can check to see by contacting the Georgia Office of the Secretary of State if anyone is using a name.
- Make a final selection of the business location. Make sure that the location you choose is within your budget and also fits into your business plan. Cheaper rent may cost you more in the long run. Remember: Location, location, location.
 - Register your domain name and establish your URL address
 - Select outside advisors. This will be a very hectic time. It will be beneficial to have people you can call on to listen to your ideas, problems, and plans. These people should be able to provide you with guidance, constructive criticism, and feedback. They should be people experienced and knowledgeable in business.
 - Set up a network of mentors. Select people who can help you by giving you insight and ideas.
 - Choose your business' legal form. Will you be a partnership, sole proprietorship, or corporation? Legal form should be chosen very carefully as it can impact your business in many ways.
 - Set up bookkeeping, accounting, and office systems. How are you going to operate your office? If you are going to keep your own books, make sure your skills are adequate. Will you need to hire a bookkeeper/bookkeeping firm?
 - Seek outside demographic information on your targeted customer base. Gather secondary information.
 - Continue working on your business plan.

Three Months Before Start-up:

- Determine your cash needs. How much money do you need for start-up? What will be your monthly variable and fixed costs? What is your break-even point? These are all questions that must be answered. You must estimate your cash flows.
- Review preliminary financial objectives. How much profit do you expect to make? Are you planning on making investments? What is your intended cash flow?
- Decide on your pricing strategy. After determining your variable and fixed costs, decide what your markup rate will be. You will also need to consider demand and competitive factors in setting your price.
- Forecast sales. Contact the SBDC or others in your field to help you forecast accurately.
- Join the Meriwether County Chamber of Commerce and ask for assistance in marketing your business
- Determine your company's employee needs. How many people do you need on your staff? This is important to decide as it affects your requirements for insurance, cash flow, etc.

- Project your cash flow. Write out an estimated statement of all revenues and expenditures. This statement should cover one calendar year. Also project your net cash flow for the entire year.
- Continue working on and refining your business plan.

Two Months Before Start-up:

- Prepare the marketing plan. How are you going to market your business and how much will it cost? Are you going to use publicity? Are you going to use paid advertisement? You must decide how you will go about introducing your business to the public.
- Get your business license. (See occupational tax)
- Review non-financial objectives (public image, legal questions). How do you want the public to see your business? Are you a family establishment or geared more towards adults? What form is your business taking: Do you have all legal documents needed?
- Prepare a preliminary balance sheet. Contact the SBDC for assistance.
- Secure necessary financing. Whether through a private lender or through other sources, you must obtain the necessary amount of start-up capital.
- Secure insurance coverage if applicable. (See Labor/Safety)
- Determine advertising, promotion, and public relations strategies.
- Order opening inventories. Talk to your suppliers for estimated opening needs.
- Complete improvements to your facility.
- Start your hiring process. (See Labor/Safety)
- Refine your business plan. It is suggested you not proceed with the following steps unless you have received a firm commitment for all necessary funds.

One Month Before Start-up:

- Fine-tune your cash flow budget.
- Prepare for your grand opening. The Meriwether County Chamber of Commerce can be of assistance in planning your event. Be creative but practical.
- Set up your office, display areas, etc. Have everything exactly as you want it.
- The last few days before opening are not the time to do this. The look of your store or office sets the tone for your business. You should put thought and time into it.
- Review your final checklist.
- Hire your staff. (See Labor/Safety)
- Make sure everything works. It is better to find out that your equipment does not work in advance. In that case, you can make any necessary repairs and be ready to open your doors on time.
- Implement marketing, promotion, and opening plans. This will be a good time to start advertising in local newspapers, radio, and television if your budget permits.

- Remember: Word of mouth is your most powerful publicity! It's also the least expensive. Spread the word.
- Work with the Meriwether County Chamber of Commerce to conduct a grand opening/ribbon cutting event

4. Glossary of Terms

Assets - Resources, owned or controlled by a company, that have future benefits. These benefits must be quantifiable in monetary terms

Balance Sheet - A list of a company's assets, liabilities, and owner's equity at a particular point in time

Break Even - The unit volume where total revenue equals total cost; there is neither profit nor loss

Capacity - The amount of goods or work that can be produced by a company given its level of equipment, labor, and facilities

Capital - The funds necessary to establish or operate a business

Cash Flow - The movement of money into and out of a company; actual income received and actual payments made out

Cash Flow Statement - A presentation of the cash inflows and outflows for a particular period of time, grouped into major categories of cash from operations, cash investing activities, and cash-financing activities

Collateral - Assets pledged in return for loans

Conventional Financing - Financing from established lenders, such as banks, rather than from investors; debt financing

Debt Financing - Raising money for a business by borrowing, often in the form of bank loans. (See Conventional Financing above)

Debt Service - Money being paid out on a loan; the amount necessary to keep a loan from going into default

Disbursements - Money paid out

Equity - Shares of stock in a company; ownership interest in a company

Expenses - Outflows of resources to generate revenues

Fixed Costs - Those costs that are not responsive to changes in volume over the relevant range of time

GDOL – Georgia Department of Labor

Income Statement - A matching of a company's accomplishments (i.e. sales) with effort (expenses from operations) during a particular period of time (Revenues -Expenses = Net Income)

Leasehold Improvements - The changes made to a rented store, office or plant, to suit the tenant and make the location more appropriate for the conduct of the tenant's business

Letter of Intent - A letter or other document by a customer indicating the customer's intention to buy from a company

Liabilities - Commitments to payout assets (typically cash) to or render services for creditors

Licensing - The granting or permission by one company to another to use its products, trademark, or name in a limited, particular manner

Liquidity - The ability to turn assets into cash quickly and easily

Market Share - The percentage of the total available customer base captured by a company

Net Worth - The total ownership interest in a company, represented by the excess of the total amount of assets minus the total amount of liabilities

Partnership - A legal relationship of two or more individuals to run a company.

Profit Margin - The amount of money earned after the cost of goods or all operating expenses are deducted; usually expressed in percentage terms.

Pro Forma Statements - A financial statements detailing management's predictions

Receipts - Funds coming into the company; the actual money paid to the company for its products or services; not necessarily the same as a company's actual receipts

SBA – Small Business Administration

SBDC – Small Business Development Center

SGC – South Georgia College in Douglas

Sole Proprietorship - Company owned and managed by one person.

Variable Costs - Those costs that are directly responsive to changes in volume over the relevant range of time

Venture Capitalists - Individuals or firms who invest money in new enterprises.

Working Capital - The cash available to the company for the ongoing operations of the business

