



**GUIDE TO LAUNCHING  
A BUSINESS IN  
CATOOSA COUNTY, GEORGIA**

# TABLE OF CONTENTS

WELCOME .....	4
New Entrepreneurs.....	4
WHAT IS AN ENTREPRENEUR?.....	4
Definitions Of An Entrepreneur.....	4
Checklist For Entrepreneurs .....	6
One Year Before Start-Up .....	6
Six Months Before Start-Up .....	7
Four Months Before Start-Up.....	7
Three Months Before Start-Up.....	7
Two Months Before Start-Up .....	8
One Month Before Start-Up.....	8
Start-Up And After.....	9
YOUR BUSINESS PLAN .....	10
Introduction .....	10
Marketing .....	10
Financial Management.....	11
Operations.....	11
Concluding Statement.....	11
EXERCISE TWO: IS YOUR BUSINESS IDEA A GOOD ONE?.....	11
Doing Business Online .....	12
What Equipment & Software Will You Need for your Online Business? .....	12
Designing Your Site.....	13
Marketing Your Website .....	13
Making Your Site Interactive -- and Keeping it Up to Date.....	13
Building Your Customer Base .....	14
Privacy statements.....	14
MARKETING YOUR BUSINESS .....	14
Researching the Market .....	14
Primary Data .....	14
Secondary Data: .....	14
EXERCISE THREE: Who Will Buy Your Product or Service? .....	15
Demographic Information.....	16
EXERCISE FOUR: How Much Cash Will You Need to Start?.....	17
LEGAL ASPECTS OF STARTING A BUSINESS .....	18
Four Basic Forms A New Business Can Take .....	18
Licensing And Permits Information .....	19
Trade Name Registration.....	19
Trademark And Service Mark.....	20
Federal Licensing.....	20
State Licensing.....	20
Bulk Sales Law.....	21
Health Permits .....	21
TAXES.....	21
Property Tax Structure .....	21
State Of Georgia.....	21

Sales and Use Taxes .....	21
State Unemployment Tax.....	22
Worker’s Compensation Insurance.....	22
Minimum Wage and Overtime Wages.....	22
Estimated State Income Taxes .....	22
<b>Federal.....</b>	<b>22</b>
Federal Excise Taxes .....	22
Federal Income Taxes .....	23
Employer Taxes.....	23
Federal Tax Identification Numbers.....	23
Federal Unemployment Taxes.....	24
<b>PATENTS AND INVENTIONS .....</b>	<b>24</b>
<b>UTILITIES &amp; TELECOM SERVICES.....</b>	<b>24</b>
Establishing Electric, Gas, Water, Sewer, and Garbage Service .....	24
<b>LABOR &amp; SAFETY REGULATION INFORMATION.....</b>	<b>25</b>
Educating Yourself on Labor/Safety Issues.....	25
OSHA .....	26
Application, Hiring & Termination Practices.....	26
Where to Find Your Labor Force .....	26
<b>FINANCING INFORMATION.....</b>	<b>26</b>
<b>Appendix I: State Issued Licenses.....</b>	<b>29</b>
<b>Appendix II: Additional Resources .....</b>	<b>32</b>
<b>Other Web Based Resources For Entrepreneurs .....</b>	<b>33</b>

## WELCOME

The Catoosa area economy has been based on entrepreneurship and continues to depend upon entrepreneurs to continue its growth. In that spirit, the Catoosa County Chamber by and through this Guide attempts to assist new entrepreneurs began their new ventures here in Catoosa County.

### New Entrepreneurs

The information included in this booklet attempts to answer questions that arise when an entrepreneur begins to think about opening a business. We want you to be successful. We also want you to understand that owning and operating a business is hard work. It takes dedication, patience, specific skills and adequate funding. The material you read here may lead to additional questions. Feel free to contact any of the appropriate resources we've included at the back of the booklet. Ask ANY question. Or just get help in discovering what questions you need to ask.

## WHAT IS AN ENTREPRENEUR?

### Definitions Of An Entrepreneur

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

## EXERCISE ONE: ARE YOU AN ENTREPRENEUR?

As you can see, entrepreneurship is, by its very nature and definition, risky. You can improve your chances of success with good planning and preparation. One starting place is to evaluate your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions and write your answers in the space provided. Be as honest with yourself as possible – you are the only one evaluating your responses, just as you'll be the one responsible for your business.

- 1 Are you truly self-motivated or do you need someone else to help you set goals and follow through on them? What are some life experiences you've had that relate to your ability (or inability) to set your own goals and follow through on them?

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2. Business owners have to develop good patience and management skills and use good common sense to deal with a variety of issues including: How will you deal with a vendor who hasn't come through on time or a staff person with a family emergency that conflicts with your needs as a business owner? What about a client who hasn't paid on time? Or, other similar problems? What skills do you possess to deal with these or similar issues?

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3. Business owners need help from others and must often ask others for assistance, expertise or advice. They must create a network of potential mentors and advisors who will be willing and able to help, if needed. Are you able to develop and sustain these kinds of relationships? Do you enjoy networking events that relate to your business? Do you easily see connections between people and business ideas? Do you already have a network of people that you trust and rely on? Are you comfortable reaching out to others for assistance? Provide some details here:

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4. Small business owners must make decisions constantly, often very quickly and under intense pressure. They must often make these decisions independently. And they must live with the consequences of their decisions. Are you comfortable making decisions? Describe some specific incidents in your life that relate to your ability (or inability) to make good decisions quickly:

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5. Business ownership can be challenging, fun, and exciting. But it's also a lot of work. Are you willing to put in long workdays, six or seven days a week if necessary? Are you completely committed to doing what it takes to be successful? What have you experienced to-date that prepares you for this and demonstrates your physical and emotional stamina?

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6. Research shows that many business failures could have been avoided through better planning. Are you able to efficiently plan and organize? What past experiences support your answer?

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7. Business owners must manage their money wisely, know when to take financial risks and when to be conservative. They must maintain good records and have an excellent grasp of how each decision they make will affect the company's budget. What experience do you have with fiscal management? How will you handle the management of fiscal matters? Write your thoughts here:

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8. Are you prepared to deal with financial difficulties until the business becomes profitable, which could take months or years?

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9. What do you expect the biggest personal challenges you will face as a new business owner to be? What steps can you take now to begin preparing for the challenges ahead?

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### Checklist For Entrepreneurs

Before you get started, we recommend that you complete the timeline checklist set out below.

#### One Year Before Start-Up

- Refine your business start-up in writing. Determine exactly where you want to go with your new business.
- Decide exactly what business you want to start. Be very specific in your business definition. What makes it different, special or unique? Why is it needed? Why will it be successful?
- 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 real need for your product or service. This research can be performed by students, professionals, or on your own, but it needs to be specific.
- Build your personal skills by taking formal management/business courses.
- Contact Dalton State College or Northwestern Technical College for continuing education options.
- Meet with the Small Business Development Center for assistance in writing a business plan, mentorships, funding sources and other business start-up services. Understand what help is available to you.
- Contact the Georgia Department of Labor for information on educational seminars.

### Six Months Before Start-Up

- Determine the specific focus on 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 and creating your budget. Define your target markets. Who is your intended clientele? Toward whom should you aim your advertising?
- Research business and trade organizations that relate to your specific business segment. 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 local real estate agent.
- **WARNING:** Do not sign any leases or purchase documents at this time.

### 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 if a specific business name is already in use, by contacting the Georgia Office of the Secretary of State.
- Reserve a URL (domain name or web address) for your business website. Use something easy to remember and relevant to your business name.
- Make a final selection for your business location. Make sure the location you choose is within your budget and fits into your business plan. Cheaper rent may cost you more in the long run. Remember: Location, location, location.
- Select outside advisors. Contact your local SCORE office to find a mentor.
- 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 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. Reconnect with the SBDC or others in your field to help you forecast accurately.
- 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.
- Have a logo designed and begin preparing your letterhead, envelopes, business cards and other collateral as needed.
- Begin a website design and purchase a website hosting plan.
- Continue working on and refining your business plan.

### Two Months Before Start-Up

- Prepare the marketing plan. How are you going to market your project 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 again, 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.
- Order letterhead, business cards, grand opening invitations and other collateral you may need for your specific business. Begin working on your website, if you plan to have one.
- Complete improvements to your facility or home office.
- 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 Catoosa County Chamber of Commerce can be of assistance in planning your event. Be creative but practical. Send out invitations utilizing your new logo.
- CONSIDER DELAYING YOUR OFFICIAL GRAND OPENING/RIBBON CUTTING UNTIL YOU'VE BEEN IN BUSINESS FOR A COUPLE OF WEEKS.** If you do, you can make sure that you've worked the bugs out and that all is running smoothly.

- 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.
- Join the Chamber of Commerce to ensure your business is seen by others. Schedule a photo-shoot of your ribbon cutting or opening festivities. The Chamber will publish your new member information in their monthly newsletter. Make plans to attend upcoming member mixers. Remember: Word of mouth is your most powerful publicity! It's also the least expensive. Start spreading the word.
- 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.

### Start-Up And After

- 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.
- 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.
- LISTEN to your customers, advisors, and vendors. The customers are your cash flow. 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.
- Check cash flow budget against actual performance.
- 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.
- Continue to improve the 5 C's of credit (Character, Collateral, Capacity, Capital, and Condition)
- 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.
- Check cost of living budget. If drawing money from the company for living expenses, take only what's necessary. Stick tightly to your budget.

## YOUR BUSINESS PLAN

A business plan defines your business in precise terms, identifies your specific 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 the products or services offered
- an analysis of the potential market for those products or services
- specific information that sets the business apart from the competition
- information on how the public will learn about the business
- an income statement and cash flow analysis for the business
- details on how the business will be managed on a day-to-day basis
- a summary of why the business is likely to be successful.

The business plan helps you organize your own thoughts and plans for the business and requires you to formalize and commit to those plans. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions, while staying focused on the entity's goals. The plan can also be used to inform sales personnel, suppliers, and others about your operations and goals and portray your professionalism. Business plans are used to keep invested parties (yourself, your partners and/or investors) informed about the company's operations and goals. Perhaps most importantly, 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 it to your specific business. Breaking down the plan into several components helps make drafting it a more manageable task. A sample business plan is included at the back of the booklet.

### Introduction

- You should give a detailed description of the business
- Outline the business goals.
- Discuss the ownership of the business and provide the legal structure.
- List the skills and experience that you personally bring to the business.
- Discuss the advantages you and your business have over your competitors.

### Marketing

- Discuss details of the products/services you will offer.
- Identify the customer demand for your product/service. Who will buy it and why? What are your sources for this information?
- Identify your market, its size, and locations. How far will people come for your service?
- Can they buy it online? What are the ages, income ranges or other demographic information of your primary customer? Is your primary customer male, female, retired, teenaged, rich, poor, educated, uneducated, a veteran, a homeowner? Do they drive a car? Do they go to a gym? Define your customer and determine how many of those potential customers are in your area.

- Explain how your product/service will be advertised and marketed.
- Explain the pricing strategy. How much will you charge, and why?

### Financial Management

- Explain your source of initial funding, and the amount of initial equity capital.
- Develop a monthly operating budget for Year One.
- 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 Year One and Year Two.
- Discuss your breakeven point. At what point will you have recovered your own initial investment in the business, and at what point will other funders recover their investment?
- Explain your personal balance sheet and method of compensation. How will you pay yourself? How often and how much?
- 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 time or part time?
- Discuss insurance, lease or rent agreements, and other issues pertinent to the daily operation of your business.
- Account for the equipment necessary to produce your products or services.
- Account for production and delivery of your 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 owner. Make an appointment to review it with local representatives of the SBA.
- 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](http://www.sba.gov)

## EXERCISE TWO: IS YOUR BUSINESS IDEA A GOOD ONE?

1. What type of business do you plan to start?

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2. What kind of product or service do you plan to offer?

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3. Does this product or service already exist elsewhere? Explain:

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4. Why will your product or service be more attractive than the competition? Will your price be lower, location better, quality higher or selection greater? How do you know?

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### Doing Business Online

You may have already decided you need some sort of web presence for the business you're 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, read? How do they want to be treated? What will make them remember you over the competition?

### What Equipment & Software Will You Need for your Online Business?

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

## Purchasing Your Domain Name and Web Hosting Services

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 by 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](http://microsoft.com) or [mcdonalds.com](http://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.com](http://software.com) or [hamburgers.com](http://hamburgers.com)). 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 of 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 2-5 graphics on each page, would need between 120K and 3MB of space. Even if you have a much larger website with many more graphics, 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 of that space.

## Designing Your Site

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. But be sure to shop around and ask an internet-savvy friend to critique any proposals you get from a web-design firm.

## 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 means, we suggest inputting the term into your search engine and reading up on the ever-changing opportunities of the web.

## Making Your Site Interactive -- and Keeping it Up to Date

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.

## 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 and repeat visitors.

## 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.

## MARKETING YOUR BUSINESS

### Researching the Market

You should thoroughly research the potential market demand for your product or service. First, determine what questions you need answered. (Some examples of questions to ask are in the next section.) The following are ideas on where to find the information you need.

### Primary Data

Primary data is partially based on your own experiences, and the experiences of people you know. But this is just a small part of the equation.

### Other Sources Of Primary Data Include:

- Surveys of potential customers to determine their wants/needs.
- Observation of similar businesses
- Interviews with the owners of these other businesses
- Interviews with suppliers, vendors, bankers, etc.

### Secondary Data:

- Visit a public library to conduct additional research on the business category you're focused on.
- Contact trade associations related to the business you want to open (i.e. trade shows and trade journals that relate to kitchen and bath design or software development or automobile repair or catering or whatever business you plan to open). If you don't yet know the relevant trade associations, ask the SBDC for advice.
- Contact the SBDC and the Catoosa County Chamber of Commerce to find out what other data may be relevant to your new business. See the Resource Directory at the back of this booklet for contact information.
- Use various search engines on the Internet (i.e. Yahoo, Google, MSN, etc.) to look for other information on your business category.

**EXERCISE THREE: Who Will Buy Your Product or Service?**

In order to properly market your product, you need to answer the following questions. This information can be used to help you develop your marketing plan. Contact the SBA for more information on constructing your marketing plan.

1. Who are my customers? (This determines your target market):

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2. Where are my customers located?

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3. How many potential customers are there? (This indicates your market size):

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4. What are the needs of those customers?

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5. Who are my competitors?

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6. How does my competition do it? (One method of marketing/dealing with competition is the end-run strategy. In this strategy you adopt your competitors' strategy with the intention of making it better)

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7. How can I reach my potential customers with my product or service? (Remember, the distribution of your product is very important. Where your product is located can affect how well it sells.)

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8. How much will your customers pay? (The pricing of your product is also very important. You must take into consideration what your competitors charge, and you must also consider your own costs and operational expenses.)

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9. What are the current market trends? (What are people buying? It is important to be aware of what market trends are. This relates back to knowing your customers' needs. Try to distinguish between trends and fads)

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10. What are the technological trends? (One obvious answer to this question is the Internet. Will you be using technology? How can it be used to help your business? Do you need to advertise on the Internet? Do you need a network of computers for your business? If you are in a business related to technology, it is imperative that you stay abreast of any changes.)

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### Demographic Information

A variety of free demographic information is available on the Internet or through the Catoosa County Chamber of Commerce. 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.

Some Examples Include:

[www.fedstats.gov](http://www.fedstats.gov); [www.factfindercensus.gov](http://www.factfindercensus.gov); [www.dca.state.ga.us](http://www.dca.state.ga.us); [www.georgiafacts.net](http://www.georgiafacts.net); [www.quickfacts.census.gov](http://www.quickfacts.census.gov).

## EXERCISE FOUR: How Much Cash Will You Need to Start?

Use this worksheet to help determine how much money you'll need to start your business:

**Estimated Annual Sales** \_\_\_\_\_

*(This is the YEAR ONE goal you have set for yourself. Use this number as a basis for estimating the amount you'll need to spend each month, in order to meet this goal.)*

### Estimated Monthly Expenses

\_\_\_\_\_ **Salary of Owner/Manager** *(how much will YOU make each month?)*

\_\_\_\_\_ **All other salaries/wages** *(will you have additional staff?)*

\_\_\_\_\_ **Rent (building and equipment)**

\_\_\_\_\_ **Advertising per month**

\_\_\_\_\_ **Monthly Office Expenses (supplies, etc.)**

\_\_\_\_\_ **Telephone and Fax**

\_\_\_\_\_ **Computers and Internet Service**

\_\_\_\_\_ **Utilities**

\_\_\_\_\_ **Insurance**

\_\_\_\_\_ **Taxes, inc. Soc. Security**

\_\_\_\_\_ **Maintenance/Repairs**

\_\_\_\_\_ **Monthly Legal/Professional Fees**

\_\_\_\_\_ **Loan Payments**

\_\_\_\_\_ **Miscellaneous**

1. \_\_\_\_\_ **SUBTOTAL of Monthly Expenses** *(add all expense lines, above)*

2. \_\_\_\_\_ **(Multiply SUBTOTAL 1 by the Number of Months in which you do not anticipate having enough income to fully cover your expenses for a month. If you estimate that to be three months, multiply the amount in line 1/SUBTOTAL above, by 3. If you estimate it to be six months, multiply the amount in line 1 by 6. Remember to allow time for building a customer base, performing the services or selling the product, and more time, for collecting payment from clients.)**

**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 & Equipment**

\_\_\_\_\_ **Decorating & Remodeling**

\_\_\_\_\_ **Installation of Fixtures/Equip.**

\_\_\_\_\_ **Starting Inventory**

\_\_\_\_\_ **Deposits for Utilities**

\_\_\_\_\_ **Startup Legal/Professional Fees**

\_\_\_\_\_ **Business Licenses & Permits**

\_\_\_\_\_ **Adv/Promotion for Opening**

\_\_\_\_\_ **Other**

3. \_\_\_\_\_ **SUBTOTAL of Startup Costs**

4. \_\_\_\_\_ **TOTAL ESTIMATE OF CASH NEEDED FOR START UP** *(Add Lines 2 and 3 to get this number)*

**LINE 4** equals 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 local SBDC office for further assistance.

## LEGAL ASPECTS OF STARTING A 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.

### Four Basic Forms 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 predominate 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](http://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 the Catoosa County News. 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. Some 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.

### Licensing And Permits Information

**Business License (also called an Occupational Tax)** If you plan to operate a business in the state of Georgia, you must obtain a city or county business license. You should discuss the details of your situation with the licensing department. If your business is inside Ringgold or Fort Oglethorpe please consult the appropriate cities' website. The City of Ringgold's web address is [www.CityofRinggold.com](http://www.CityofRinggold.com) and the City of Fort Oglethorpe's web address is [www.FortOGov.com](http://www.FortOGov.com). If your business is in Catoosa County you will need to contact the Planning and Zoning office (706)965-4226 located at 184 Tiger Trail in Ringgold, GA.

### 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 \$100.00 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 vary. In order to run your legal advertisement, contact the Catoosa County News. 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.

### 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.

### 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 need a Federal permit also 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

### 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.*

### 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 of over 200,000 population, 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.

### Health Permits

If your business is to involve food processing, handling, storage, or distribution, you must obtain permits. If you are unsure if your business needs a permit, contact the Catoosa County Health Department at 706-935-6322 or the Ga. Dept. of Agriculture (Georgia Dept. of Agriculture 404-656-3600 [www.agr.state.ga.us](http://www.agr.state.ga.us)).

## TAXES

### Property Tax Structure

Property tax rates represent local tax liability per \$1,000 of assessed value and apply to real and personal property. Assessed value is derived by 40% of the fair market value. The millage rate for Catoosa County is 22.206. If you are in the city of Ringgold, add 2.751 and if you in the city of Fort Oglethorpe, add 1.50.

### State Of Georgia

#### Sales and Use Taxes

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. The state sales tax is 4%. In Catoosa County, a 1% Local Option Sales Tax and a 1% Education Special Local Option Sales Tax (E-SPLOST) and a 1% Special Local Option – Sales Tax are in effect. Combined, these state and local sales taxes equal 7%. Contact: Georgia Department of Revenue Sales & Use Tax Division Atlanta GA 30303 404-417-3209

### State 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. You should contact the Georgia Department of Revenue for complete information. For information on state excise taxes, contact: Georgia Department of Revenue Alcohol & Tobacco Division Atlanta GA 30303 404-417-3206 or 800-659-1855

### 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 .

### 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. 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/](http://www.state.ga.us/sbwc/)

### Minimum Wage and Overtime Wages

Obtain regulation 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.

### Estimated State Income Taxes

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. The 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.

## Federal

### Federal Excise Taxes

There are some forms of business for which the U.S. government requires additional taxation. This will be a tax that you are responsible for collecting. This tax 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. They are:

- 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*

### **Federal Income Taxes**

The amount and way you pay 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.

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

### **Employer Taxes**

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 on page 42.

### **Federal Tax Identification Numbers**

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 you will need a Federal Tax ID number. To determine whether you need a tax ID number, contact the Internal Revenue Service. The number should be acquired prior to opening a bank account. Internal Revenue Service Atlanta District Office 401 W. Peachtree St. NE Atlanta GA 30303 800-829-3676

## **Federal Unemployment Taxes**

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. 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.

## **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

## **UTILITIES & TELECOM SERVICES**

### **Establishing Electric, Gas, Water, Sewer, and Garbage Service**

#### **Electricity**

Electricity for the county is provided by Georgia Power and North Georgia Electric Membership Corporation. A small portion of the county is served by the Electric Power Board of Chattanooga (limitations restricted to residential use). For a new building, the electrical hookup will be handled by the [Building Inspector](#).

Georgia Power - (888) 655-5888 or 935-2641

North Georgia Electric Membership Corporation - (706) 866-2231

#### **Natural Gas**

Atlanta Gas Light Co. For a listing of gas suppliers call: 1-877-427-2464

Hertiage Propane - (706) 935 5051

Ringgold Propane Gas Co. - (706) 965 7478

#### **Water / Sewer**

Water / Sewer service is provided by the cities of Ringgold and Ft. Oglethorpe for those living within city limits and by Catoosa County Water / Sewer for those outside city limits. Dalton Utilities also provides service for residents in the southern portion of the county. Some unincorporated areas of the county rely on septic tanks.

Catoosa Utility District - (706) 937-4121

Catoosa County Sewer – 706) 965-3225

Fort Oglethorpe Water & Sewer - (706) 866-2544

Ringgold Water & Sewer - (706) 935-3061

Septic Tank Permits - (706) 935-6322

## Phone

Telephone service is provided by the Chickamauga Telephone Corporation for the Chickamauga area, the Ringgold Telephone Company for Ringgold and surrounding areas, Altel for Dalton and southern portions of Catoosa County and by South Central Bell for Ft. Oglethorpe and the Graysville area in the northwestern portion of the county.

Altel - 1-800-501-1754

Chickamauga Telephone Corporation - (706) 375-3161

Ringgold Telephone Company - (706) 965-1234

South Central Bell - 1-800-766-9115

Bell South - 1-800-356-3094

## Cable

Cable service is provided by Comcast for the Ringgold area and by Battlefield Cable for the Ft. Oglethorpe area.

Comcast - (706) 855-4300

Charter Communications - (706) 935-3996

NexTV - (706) 965 2345

## Garbage Collection

BFI (Browning-Ferris Industries) - (706) 867-4650

Ft. Oglethorpe Businesses - (706) 866-2544

Ft. Oglethorpe Residents - (706) 866-2544

Ringgold Businesses (Based on Volume) - (706) 935-3061

Ringgold Residents - (706) 935-3061

Waste Management - (423) 238-4620

## LABOR & SAFETY REGULATION INFORMATION

### Educating Yourself on Labor/Safety Issues

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, Fort Oglethorpe District Office, 96 Stuart Road, Fort Oglethorpe, Georgia 30742, 706-861-1990 or US Department of Labor [www.dol.gov](http://www.dol.gov)

## OSHA

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 & Health Administration U.S. Department of Labor 1375 Peachtree Street NE, Suite 587 Atlanta GA 404-374-3573 [www.osha.gov](http://www.osha.gov)

## Application, Hiring & Termination Practices

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.

## Where to Find Your Labor Force

There are many resources through which one can find employees. The first things that typically come to mind are the classified advertisements in local newspapers. 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. There are many temporary personnel agencies located in the area which also have access to employees. Consult the blue pages for Georgia Department of Labor and yellow pages for a list of these companies.

## FINANCING INFORMATION

When starting a business, one important consideration is where to obtain capital to bank 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.

### Small Business Administration

There are several Small Business Administration loan programs 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)

### 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 706-880-8353 to discuss the projects eligibility for SBA assistance.

### Make Your Loan Proposal Stronger

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. A business start-up loan you ask? You better rely on persistence. 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 common errors or omissions found in failed loan requests.

1. Many applicants have not prepared the required documentation to support the loan proposal. The most common is 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.

2. 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.

3. 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.

4. 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, doubt about your confidence and commitment to the enterprise creeps into the application and 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.

5. 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.

6. You should not ask the bank to do it all. Some applicants neglect the net worth component of the balance sheet. 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.

7. 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. *Source: Tony O'Reilly, Executive Director of the Small Business Assistance Corporation in Savannah GA.*

### **Appendix I: State Issued Licenses**

The following professions require licensing through the State of Georgia. Please contact 404-656-3900 for more information on these business categories.

#### **State Board of Accountancy**

Certified Public Accountant Registered Public Accountant Foreign Accountant Public Accounting Firms

#### **State Board of Architects and Interior Designers**

Architects Interior Designers

#### **Georgia Athlete Agent Regulatory Commission**

Athlete Agents

#### **Board of Athletic Trainers**

Athletic Trainers

#### **Georgia Auctioneers Commission**

Auctioneers Auctioneer Corporations Non-resident Auctioneers Non-resident Corporations

#### **State Board of Barbers**

Master Barbers Teachers Apprentices Schools / Shops

#### **Georgia Board of Chiropractic Examiners**

Chiropractors

#### **Construction Industry Licensing Board**

Conditioned Air Contractors Electrical Contractors Low Voltage Contractors Master & Journeyman Plumbers Utility Contractors

#### **State Board of Cosmetology**

Master Cosmetologists Estheticians Nail Technicians Schools / Shops

**Composite Board of Professional Counselors, Social Workers and Marriage and Family Therapists**  
Professional / Associate Counselors Master / Clinical Social Workers Marriage and Family Therapists

**Georgia Board of Dentistry**  
Dentists  
Dental Hygienists

**Board of Examiners of Licensed Dietitians**  
Dietitians

**State Board of Professional Engineers and Land Surveyors**  
Professional Engineer / Engineer-in-Training Land Surveyors / Land Surveyors-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 Geologists

**State Board of Hearing Aid Dealers and Dispensers**  
Hearing Aid Dealers Hearing Aid Dispensers

**State Board of Landscape Architects**  
Landscape Architects

**State Board for the Certification of Librarians**  
Librarians

**Board of Nursing Home Administrators**  
Nursing Home Administrators in Training

**State Board of Occupational Therapy**  
Occupational Therapists Occupational Therapy Assistants

**State Board of Dispensing Opticians**  
Opticians

**State Board of Optometry**  
Optometrists

**State Board of Pharmacy**  
Pharmacists Pharmacies

**State Board of Physical Therapy**  
Physical Therapists Physical Therapy Assistants

**State Board of Podiatry**  
Podiatrists

**Board of Examiners of Licensed Practical Nurses**  
Licensed Practical Nurses

**Board of Private Detective and Security Agencies**  
Private Detective Employees Private Detective Businesses Private Security Businesses  
Private Security Guards  
Training Instructors

**State Board of Examiners of Psychologists**  
Psychologists

**Georgia Board of Nursing**  
Registered Professional 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

**State Board of Veterinary Medicine**  
Veterinarians Faculty Veterinarians Veterinarian Technicians

**State Board of Examiners for the Certification of Water and Wastewater Treatment  
Plant Operators and Laboratory Analysts**

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

**Composite State Board of Medical Examiners**  
Physicians / Physician Assistants Physician Resident-in-Training Perfusionists Respiratory  
Care Professionals Acupuncturists Auricular Detoxification Specialists

**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 Source: Georgia Secretary of State website ([www.sos.state.ga.us/plb/](http://www.sos.state.ga.us/plb/))

### Appendix II: Additional Resources

- Better Business Bureau of Chattanooga: Phone Number: 423-266-6144.
- 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. 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 AgricultureAlso 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](http://www.sos.state.ga.us) The Secretary of State may authorize the filing of documents by electronic transmission and the Secretary of State shall be authorized to promulgate such rules and regulations as are necessary to implement electronic filing procedures. The Secretary of State may prescribe and furnish on request forms for: (1) An application for a certificate of existence; (2) A foreign corporation's application for a certificate of authority to transact business in this state; (3) A foreign corporation's application for a certificate of withdrawal; (4) The annual registration; and (5) Such other forms not in conflict with this chapter as may be prescribed by the Secretary of State.

Document Fees (1) Articles of incorporation \$100.00 (2) Application for certificate of authority 225.00 (3) Annual registration 30.00 (4) Agent's statement of resignation No fee (5) Certificate of judicial dissolution No fee (6) Application for reservation of a corporate name 25.00 (7) Civil penalty for a foreign corporation transacting business in this state without a

certificate of authority 500.00 (8) Statement of change of address of registered agent - \$5.00 per corporation but not less than 20.00 (9) Application for reinstatement 100.00 (10) Any other document required or permitted to be filed by this Chapter 20.00

- **Minority Business Development Agency Regional Office:** Located at 401 W. Peachtree Street, Room 1715, Atlanta GA 30308. Phone Number 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](http://www.sbaonline.sba.gov)
- **U S Department of Labor:** This office can provide you with information on OSHA. Atlanta Office –Located at 1375 Peachtree St., NE, Suite 587 Phone Number: 404-347-3573
- **University of Georgia Cooperative Extension Service:** Located at 1220 LaFayette Parkway. Phone Number 706-883-1675
- **Ga. Dept. of Economic Development:** 75 Fifth St., NW, Atlanta GA 30308. Phone Number: 404-962-4003

### **Other Web Based Resources For Entrepreneurs**

CCH –Business Owner’s Toolkit Website: [www.toolkit.cch.com](http://www.toolkit.cch.com) Kauffman Foundations Resources for Entrepreneurs: [www.entreworld.org](http://www.entreworld.org) Price Waterhouse Cooper – Vision of Reality: [www.pwcglobal.com](http://www.pwcglobal.com) The Wall Street Journal Center for Entrepreneurs: [www.startup.wsj.com](http://www.startup.wsj.com) Microsoft Small Business Solutions: [www.bcentral.com](http://www.bcentral.com) Edward Lowe Foundation: [www.edwardlowe.org](http://www.edwardlowe.org) [Entrepreneur.com: www.entrepreneur.com](http://www.entrepreneur.com) Minority Business Entrepreneur (MBE) Magazine: [www.mbemag.com](http://www.mbemag.com)