

A Helpful Guide to

STARTING

&

GROWING

a

BUSINESS

in

Lincoln County

“An Entrepreneur Friendly Community”



WELCOME

Entrepreneur and small business development are crucial to the success of economic development in Lincoln County. We believe that entrepreneurs are vital for a thriving community and economy. The investments they create for Lincoln County are immeasurable.

Our economic system is based upon free enterprise and the right of each person to take the chance, follow their dream, and open a business. The information enclosed in this document has been compiled to answer many of the questions that arise when a person begins to think about opening a business.

Owning and operating a business is hard work. It requires dedication, patience, a variety of skills and of course, money. The individuals who have worked to gather this information are supportive of your desire to follow your dream. Please take the time to read the material and use it to your advantage. Knowing how to handle the many details of going into business and knowing yourself is very instrumental in the success of your business.

This information may lead to additional questions. Do not hesitate to find an answer, no matter what the question. There is help available to help find the answers. Please call the Chamber of Commerce office and our staff can help identify the best resource to assist you.

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

We commend you and look forward to working with you. Please give us a call if you have additional questions. We will be happy to try to assist you!

Best wishes,

*The Lincoln County Development Authority &
Lincolnton-Lincoln County Chamber of Commerce
706-359-7970*

TABLE OF CONTENTS

What is an Entrepreneur?	4
Is Entrepreneurship for You?	5
Self-Biz Quiz	6
Checklist for Entrepreneurs	8
Business Plan	12
Feasibility and Marketing Strategy	14
Determining Cash Needed to Start a Business	16
Financing Information	17
Demographic Information	19
Procurement	19
Legal Aspects of Starting a Business	20
Licensing and Permits Information	23
Zoning	24
Building Construction/Renovations/Occupancy	25
Health Permits	25
Trade Name Registration	26
Federal Licensing	27
State Licensing	28
State Issued Licenses	29
Taxes	32
Utilities	35
Labor and Safety Regulation Information	37
Employer Tax Responsibilities	38
Drug Free Workplace	39
Application, Hiring and Termination Process	40
Special Cases	42
Agribusiness	42
International Trade	43
Tourism	43
Resource Directory	44
Glossary of Terms	48

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.

WHAT IS AN ENTREPRENEUR?

- *Someone who organizes and maintains a business venture*
- *Someone who takes on the risk and does what he/she wants, in order to make a profit*
- *Someone who can coordinate the resources available to meet a need*

How can you become an entrepreneur? How can you start your own business? The Lincoln County Development Authority and The Chamber of Commerce have designed this booklet to simplify transition into the role of an entrepreneur. The ABC's of Starting a Business in Lincoln County will make establishing your own business easier by giving you "one stop shopping" for the information you will need. The Development Authority and the Chamber are 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. In order to receive the maximum benefits of the information contained in this booklet, we suggest you treat this booklet as you would a workbook. Start at the beginning and work through to the end, making notes along the way.

This book would not have been possible without the dedication of many individuals and the cooperation of many organizations. We would like to thank all those who contributed in any way.

IS ENTREPRENEURSHIP FOR YOU?

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 owner and manager of a small business. Carefully consider each of the following questions.

- Are you a self-starter? It will be up to you - not someone else telling you - to develop projects, organize your time, and follow through on details.
- How well do you get along 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. Can you deal with a demanding client, an unreliable vendor, or unreliable staff person?
- How good are you at making decisions? Small business owners are required to make decisions constantly, often quickly, under pressure, and independently.
- Do you 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?
- How well do you plan and organize? 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.
- Is your drive strong enough to maintain your motivation? 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.
- How will the business affect your family? 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.

SCORE SELF BIZ QUIZ

Are you the type person who should open their own business? Take this short quiz and see how your score adds up.

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
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
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
4	I am able to find solutions to challenges or problems	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
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
7	I am a hard working person. I do what it takes to succeed	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
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
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
11	I am motivated by success and driven to do well	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
CAPACITY RELATED TO BUSINESS SKILLS											
<i>Consider Your self and Other Members of Your Management Team</i>											
13	Ability to assess market opportunities	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
15	Ability to provide products or services	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
17	Fiscal management	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
19	Personnel or team, development & management	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
21	Quality Control	1	2	3	4	5	6	7	8	9	10
CAPACITY TO NETWORK AND PARTNER											
22	I am comfortable seeking information from others	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
24	I have extensive resource network I am constantly building	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
26	I have two or more partnerships associated with my business	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
SUPPORT FROM FAMILY AND COMMUNITY											
28	I am challenged and happy in my work building a business	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
30	Family and friends are supportive and encourage me	1	2	3	4	5	6	7	8	9	10
31	My community is supportive of me ad my undertaking	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

SCORE SELF BIZ QUIZ

Not all questions carry the same value and weight. The following scoring approach is recommended:

- First two questions under Motivation:
2 questions x 10 pts. = 20 maximum pts. x factor of 1 = Score of 20
- Remaining questions under Motivation:
10 questions x 10 pts. = 100 maximum pts. x factor of .25 = Score of 25
- Capacity – Skill questions:
9 questions x 10 pts. = 90 maximum pts. x factor of .25 = Score of 22.5
- Capacity – Networking/Partnering questions:
6 questions x 10 pts. = 60 maximum pts. x factor of .25 = Score of 15
- Support questions:
5 questions x 10 pts. = 50 maximum pts. x factor of .25 = Score of 12.5

Questions	Total Points		Value Factor		Points
1 – 2		x		=	
3 – 12		x		=	
13 – 21		x		=	
22 – 27		x		=	
28 – 32		x		=	
TOTAL POINTS					

Scoring:

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

Source: Center for Rural Entrepreneurship

ONE YEAR CHECKLIST FOR ENTREPRENEURS

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.
- Decide what business you want to start. 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. This research can be performed by students, professionals, or even on your own.
- 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

- Determine the focus of 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? Who should you aim your advertising towards?
- 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 store-front 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.

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 name is being used by contacting the Georgia Office of the Secretary of State.
- 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.*
- 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 and provide feedback. 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.
- Determine your company's employee needs. How many people do you need on your staff? This is important to decide as it effects 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 your marketing plan. How are you going to market your product 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 toward 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.

ONE MONTH BEFORE START-UP

- Fine tune your cash flow budget
- Prepare for your grand opening. The Lincoln County Chamber of Commerce can be of assistance in planning your events. 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.

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 out 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 communications 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 you are drawing money from the company for living expenses, be sure to take only what is necessary. Stick tightly to your budget.
- **CONSIDER DELAYING YOUR OFFICIAL GRAND OPENING/RIBBON CUTTING UNTIL YOU HAVE 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.

THE BUSINESS PLAN

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.

The following outline of a typical business plan can serve as a guide. You can adapt it to your specific business. Breaking down the plan into several components will help 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.
- Identify your market, its size and locations.
- Explain how your product/service will be advertised and marketed.
- Explain the pricing strategy.

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.
- Provide projected income statements and balance sheets for a two year period.
- Discuss your breakeven point.
- 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.
- 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.
- When you feel comfortable with the content and structure make an appointment to review and discuss it with your lender. The business plan is flexible document that should change as your business grows.

SOURCE: *www.sba.gov*

FEASIBILITY & MARKETING STRATEGY

Is Your Business Idea Feasible?

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 should rethink your idea.

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

Researching Your Markets

It is recommended that you research your potential market demand for your product or service. First, determine what questions you need answered. The following are ideas on where to find the information you need.

Primary Data:

- Your experience
- Experiences of people you know
- Survey potential customers to determine their wants/needs. Observe similar businesses
- Interview these business's owners
- Interview suppliers, vendors, bankers

Secondary Data:

- Visit your public library
- Contact trade associations (i.e. trade shows and trade journals)
- Contact the SBDC, Georgia Department of Economic Development, Small Business & Innovation Division and the Lincoln County Chamber of Commerce and or the Development Authority. See the Resource Directory for contact information.
- Use various search engines on the Internet (i.e. Yahoo, Google, MSN, and Lycos. Alta Vista, etc.)

Marketing Your Business

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 SBDC for more information on constructing this plan.

- Who are my customers? (This determines your target market)
- Where are they?
- How many are there? (This indicates your market size.)
- What are their needs?
- Who are my competitors?
- 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.)
- How can I reach them? (The distribution of your product is very important. Where your product is located can affect how well it sells.)
- How much will they pay? (The pricing of your product is also very important. You must take into consideration what your competitors charge.)
- What are the 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.)
- 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.)

DETERMINING CASH NEEDED TO START A BUSINESS

	Estimate of monthly expenses based on sales of \$ _____ Projected per year	Estimate of cash needed to start (Col 1 X _____ months)
Salary of Owner/Manager	_____	_____
All other salaries/wages	_____	_____
Rent (building/equipment)	_____	_____
Advertising	_____	_____
Office Expense	_____	_____
Telephone and Fax	_____	_____
Internet Service	_____	_____
Other Utilities	_____	_____
Insurance	_____	_____
Taxes, inc. Soc. Security	_____	_____
Maintenance/Repairs	_____	_____
Legal/Professional Fees	_____	_____
Loan Payments	_____	_____
Miscellaneous	_____	_____

SUBTOTAL

One Time Start Up Costs***

Fixtures & Equipment	_____	_____
Decorating & Remodeling	_____	_____
Installation of Fixtures/Equip.	_____	_____
Starting Inventory	_____	_____
Deposits for Utilities	_____	_____
Legal/Professional Fees	_____	_____
Licenses & Permits	_____	_____
Adv/Promo for Opening	_____	_____
Other	_____	_____

TOTAL ESTIMATE OF CASH NEEDED FOR START UP

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

FINANCING INFORMATION

When starting a business, one important consideration is where to obtain capital to back 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 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 is administered by the bank and 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.
- **BLX (Business Loan Express):** This program is designed primarily for women, minorities, veterans and persons living in low to moderate income areas. One of the requirements is that applicants receive "appropriate pre and post loan closing management and technical assistance from the SBDC. Loan amounts range from \$5,000 to \$25,000 and are for working capital. They do not require a business plan and are unsecured. However, excellent personal credit is one of the primary criteria. Existing as well as start-up businesses are eligible. Loan terms are typically seven years and the interest rates are set at prime plus 4.75%.

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 the 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 (706-798-1079) or the CSRA Business Lending (706-210-2011) to discuss the project's eligibility for SBA assistance.

Other Financing Institutions available for lending:

Farmers State Bank
115 N. Washington Street
Lincolnton, GA 30817
(706) 359-3131

Farmers & Merchants Bank
317 S. Washington Street
Lincolnton, GA 30817
(706) 359-6283

OTHER LOAN PROGRAMS:

OneGeorgia Authority: (478)274-7734; Website: www.onegeorgia.org

Entrepreneur-Small Business Loan Guarantee Program: Is designed to assist Georgia's small businesses in obtaining the financing they need to help start-up and /or expand or improve their operations, thereby creating new job opportunities in Georgia's 112 economically depressed rural counties.

The ESBD guarantee benefits participating banks by reducing credit and exposure risk, and the business benefits by getting financing it could not otherwise have obtained.

Borrowers must be a "for profit" business enterprise properly organized in Georgia and located in a rural county.

Eligible Activities – OneGeorgia will consider a broad range of loan applications. Desirable loans include, but are not limited to: Building construction, conversion, expansion, repair and modernization, purchase of land, building, machinery and equipment, start-up and working capital (adequate collateral required such as Inventory, A/R, other tangible assets).

Loan Guarantee Assistance – Available on eligible loans ranging from \$35,000 to \$250,000; requires 10% cash equity injection by borrower. Interest rate (negotiated between lender and borrower) should not exceed prime + 2%.

ESBD will guarantee 50%, or up to \$112,500; ESBD guaranteed loan cannot exceed 90% of collateral value.

Fees: lender must submit 1% on guarantee amount at closing; 0.5% annual fee on guarantee balance. Company owners with greater than a 20% ownership must provide personal guarantees. Must provide business plan, financial projections, marketing analysis and outline strength of management.

DEMOGRAPHIC INFORMATION

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 services.

Other sources include:

Georgia 2000 Information System

<http://ga2000.itos.uga.edu>

Features reports of demographic, socio-economic, manufacturing, labor and education data.

Georgia Information Source

<http://georgiaallies.com/>

Includes Georgia industry profiles, community fact sheets and manufacturing data.

Georgia County Guide

<http://agecon.uga.edu/~countyguide/>

Comprehensive demographic resource available on Georgia counties, and will customize the statistics, maps and graphs that you want from the latest data resources.

Georgia Labor Market Information

<http://explorer.dol.state.ga.us/>

Includes labor market analysis, economic indicators, demographics, income and wage information, industry data, employer search, area comparison and industry comparison.

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.

Governor's Small Business Center

Contact: Tony Greene,

(404)662-4824

tgreene@georgia.org

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

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 before you enter into any of these four forms of business that you contact an attorney, CPA, or other qualified individual. Speaking with someone informed about the legal entities of business will reduce the risk of mistakes in the business setup. 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.

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 alter 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 profits/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 their responsibilities. Partnerships are required to file both federal and state income tax. While the partnership is not typically taxed, each partner reflects charges 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. A disadvantage of the corporation is that the organization's income will essentially be taxed twice (once for the business and again on the shareholders personal income tax after collecting dividends). 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 does not provide protection from liability to its shareholders. (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

315 West Tower

2 Martin Luther King Jr., Drive

Atlanta, Georgia 30334

(404)-656-2817

www.sos.state.ga.us

This incorporation process includes publishing your intent to incorporate in the local newspaper's legal publication. Newspapers do charge for this service. Ad's for incorporation run \$40 for two weeks.

To publish your intent to incorporate, contact:

The Lincoln Journal
Legal Advertisement Department
PO Box 399
Lincolnton, GA 30817
(706) 359-3229

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.

The **limited liability company (LLC)** is one that is owned by two or more persons known as members. It is a mixture of other forms of organization. This form combines some of the partnerships, corporations, and S corporation's best features. Similarly 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 inter-state 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 insure 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. In some cases such as home-based businesses and some county areas outside the incorporated city limits, no license is needed. 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. In the City of Lincolnton and Lincoln County, the occupational taxes are based on the number of employees.

In the City of Lincolnton the occupational taxes are: zero - two employees @ \$50 and three – ten employees @ \$100.

In Lincoln County the occupational taxes are: zero – five employees @ \$50, six – ten @ \$100, 11 – 20 @ \$200, 21 – 30 @ \$300, 31 – 40 @ \$400, 41 – 50 @ \$500 and over 50 employees @ \$600.

This tax is due January 1st each year and late after March 1st. In addition, most license offices will impose an administrative fee ranging from \$10 to \$30.

If your business will be located within the Lincolnton City limits:

City of Lincolnton Business License Office
City Hall
125 N. Peachtree Street
Lincolnton, GA 30817
(706) 359-3239

If your business will be located outside any city limits:

Lincoln County Business License Office
107 Perryman Avenue
Lincolnton, GA 30817
(706) 359-5522

ZONING

Once you have chosen a tentative location for your business, contact the zoning department 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 ZONING HAS BEEN THOROUGHLY RESEARCHED!!!**

The Office of Zoning Administration 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:

- 1- Current zoning classification
- 2- Building setbacks
- 3- Off-street parking availability and service entrance requirements
- 4- Buffer yards or required screening
- 5- Lot area minimum
- 6- Sign regulations.

Sign permits are required for erecting and placing any mounted or free-standing signs. Applications are filed through the zoning office. For specific information about signage, call the Zoning Administrator at 706-359-5522. 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 Zoning Administrator's office. An answer on this appeal can usually be expected 4-5 weeks after submission of your application packet.

Zoning Administrator
107 Perryman Avenue
Lincolnton, GA 30817
(706) 359-5522

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.

Building Inspection Department

107 Perryman Avenue
Lincolnton, GA 30817
(706) 359-5522

HEALTH PERMITS

If your business is to involve food processing, handling, storage, or distribution, you must obtain permits from the Lincoln County Health Department, which handles the permits for the entire county and city. If you are unsure if your business needs a permit, contact the Health Department.

Lincoln County Health Department

Environmental Health Division
176 N. Peachtree Street
Lincolnton, GA 30817
(706) 359-3154

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:

The Lincoln Journal
Legal Advertisement Department
P.O. Box 399
Lincolnton, Georgia 30817
(706) 359-3229

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:

Real Estate Department
Clerk of the Superior Court
Lincoln County Courthouse
210 Humphrey Street
Lincolnton, GA 30817
(706) 359-5505

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, Georgia 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, Georgia 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 on pages 29– 31 of this guide. 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 packet includes request forms for governmental departments and agencies that will be instrumental in starting your business. In addition this book contains important phone numbers, addresses, and Internet addresses of offices and departments essential to your business. See the Resource Directory (Section IX) for the list of forms included in this booklet.*

STATE ISSUED LICENSES

If your business will be in one of these related industries, you may be required to apply for licensing through the state of Georgia.

State Board of Accountancy

Certified Public Accountant
Registered Public Accountant
Foreign Accountant
Public Accounting Firms
Temporary Accountant
Temporary Public Accountant Firm

State Boards of Architects

Registered Architects
Registered Interior Designers

Georgia Athlete Agent Commission

Athlete Agents
Athlete Agent Temporary Permit
Board of Athletic Trainers
Athletic Trainers

Georgia Auctioneer Commission

Auctioneers
Auctioneer Company
Non-resident Auctioneers
Non-resident Auctioneer Company
Exempt Auction Company

State Board of Barbers

Master Barber
Barber Teachers
Barber Apprentice
Barber Schools
Barber Shops

State Board of Chiropractic Examiners

Chiropractors

Construction Industry Licensing

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

Utility Foreman

State Board of Cosmetology

Master Cosmetology
Teachers
Instructor
Trainee
Esthetician
Apprentice
Schools
Shops
Manicurists

Composite Board of Professional Counselors, Social Workers and Marriage Therapists

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

Georgia Board of Dentistry

Dentists
Dental Hygienists
Public Health

Board of Examiners of Licensed Dieticians

Dieticians
Provisional Dietitian

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 Establishment
Funeral Apprenticeship
Crematory

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

Acupuncture
Paramedic
Cardiac Technician Teacher
Institutional & Provisional
Physician (MD & DO)
Osteopath Respiratory
Therapist

State Board of Nursing Homes

Nursing Home
Administrator in Training
Administrators

Board of Private Detectives and Security Agents

Private Detectives
Employees

State Board of Examiners of Psychologists

Psychologists

Georgia Board of Nurses

Registered Nurses
Licensed Undergraduate Nurses

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
Intern
Retail Pharmacy
Hospital pharmacy
Wholesaler
Manufacturer
Research Approvals
Pharmacy Schools
Nuclear Pharmacists
Pharmacy Clinics
Nuclear Pharmacies
Prison Clinic 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
Private Security Guards
Private Detective Businesses
Private Security Businesses
Weapon Permits Training
Instructors Classroom
Instructors Firearms

State Board of Examiners for Speech Language Pathology and Audiology

Speech Language Pathologists
Audiologists
Speech Language Pathology Aide
Paid Clinical Experience
Fellow

**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
Salvage Pool Operators

State Board of Veterinary Medicine

Veterinarians
Faculty Licensee
Animal Technicians

**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

TAXES

FEDERAL

Federal Excise Taxes

There are some forms of business on 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 the IRS for complete information on federal excise taxes.

Internal Revenue Service

2734 Perimeter Pkwy

Augusta, GA 30909

(706) 869-1374

Federal Income Taxes

The amount and way you will 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 and federal self-employment tax payments in advance. These individual payments are due in four installments. These payment deadlines are April 15, June 15, September 15, and January 15 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 I 120-W. 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 SS4 (the form filed requesting a tax ID number).

Internal Revenue Service

2734 Perimeter Pkwy
Augusta, GA 30909
(706) 869-1374

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 37 of this guide.

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 corporations you will need a Federal Tax ID number. To determine whether you need a Tax ID number, contact the Internal Revenue Service.

There is a form in the BLUE BOOK (See page 28- State Licensing above) that you may fill out and mail in for more information.

Internal Revenue Service

2734 Perimeter Pkwy
Augusta, GA 30909
(706) 869-1374

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 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.

Contact:

Georgia Department of Revenue

160 Davis Rd.
Augusta, GA 30907
(706) 651-7600

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

160 Davis Rd.
Augusta, GA 30907
(706) 651-7600

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 (See Section K. Federal Income Taxes above). 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.

UTILITIES

Establishing Water, Sewer, and Garbage Service

To establish water, sewer, and garbage service in an existing location within the City of Lincolnton, you must contact City Hall. You will be required to complete an application 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 water 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#.

To establish service in a new facility in the City of Lincolnton, you must contact City Hall. You will speak to a customer service representative who will inform you as to the steps you must take.

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 \$100.00. Please do not rely on this estimated figure. Contact the appropriate office for a better idea of a specific amount.

To establish service in the City of Lincolnton contact:

City Hall - Customer Service

125 N. Peachtree Street
PO Box 489
Lincolnton, Georgia 30817
(706) 359-3239

In the county contact:

Lincoln County Public Works

107 Perryman Avenue
Lincolnton, GA 30817
(706) 359-5523

Establishing Gas Service

To establish gas service in Lincolnton or Lincoln County, contact local gas or propane providers for information.

The two Chamber members are: Reed Propane Gas @ 706-359-4501 and Wilhoit Gas @ 706-678-4999.

You will need to provide the service address, the name of the person responsible for bill payment, and company name. A deposit will be assessed for each business that begins service. The minimum deposit that you may be assessed is \$100. The amount you will pay is contingent on your location and other factors.

If your business will be located in a facility that has not previously had gas service, your deposit will be based on the gas appliances in your facility. Your supplier is familiar with estimated gas use on any appliance you might be using.

If building a new facility for your business, contact the distributor and have them put you in touch with a local commercial representative, who will help insure that all gas fixtures in your building are up to City of Lincolnton/Lincoln County specifications and also help address any questions regarding gas service.

Establishing Electrical Service

Lincolnton / Lincoln County have two providers of electrical service. They are Rayle EMC and Georgia Power. Each has its own application process. Which provider you will use is dependent on where your business is located.

To establish service with Rayle EMC, call (706) 678-2116. To establish service with Georgia Power, call (706) 359-3415. It will be necessary to discuss the steps to getting service with a customer service representative.

To establish service you will need to provide the service address, the name of the person responsible for bill payment, and the name of your company. A deposit will be assessed for each business that begins service. The deposit amount for a business (unlike a residential deposit) varies from business to business and can run into hundreds of dollars. Rayle EMC and Georgia Powers assess a deposit on new commercial service contingent on location and type of business. Contact a customer service representative for a specific amount.

Establishing Telephone Service

Wilkes Telephone & Electric Company provides telephone service for businesses in areas within the city limits of Lincolnton, as well as county areas located outside city limits. Wilkes Telephone is the provider for any business within the city limits of Lincolnton. To establish service with Wilkes Telephone, contact a small business services representative at 706-678-2121 or 706-359-3111.

An order for service will be taken and the amount to prepay in advance will be ... without DSL @ \$49.00; with DSL @ \$99.00. Whether establishing service in a new or existing facility, a small business services representative should be consulted.

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 can help walk you through all of your employment and labor problems.

Georgia Department of Labor

601 Greene St.
Augusta, Georgia 30901
(706) 721-3131

OSHA

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 N.E.
Suite 587
Atlanta, Georgia
(404) 374-3573
www.osha.gov

EMPLOYER TAX RESPONSIBILITIES

Income Taxes

Businesses with employees must pay employer taxes and withhold employee taxes for both the State and Federal governments. These should be deposited in any Federal Reserve Bank. You will be given a coupon book to accompany your deposits. These deposits are required monthly or quarterly. The Georgia and US Departments of Revenue will determine your time of payment. You will be required to withhold Social Security and Medicare taxes. In addition to this withholding, the employer must pay a matching amount. You should consult the current year tax calendar for present percentages.

Georgia Department of Labor
601 Greene St.
Augusta, Georgia 30901
(706) 721-3131

Georgia Department of Labor Atlanta Office
148 International Blvd. NE
Suite 265 Sussex Place
Atlanta, Georgia 30303-1751
(404) 656-6000

Unemployment Insurance 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. See contact information on page 39 of this guide.

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.

Workers' Compensation Insurance

Workers' Compensation insurance is required of any business with more than three employees. The rates vary with the business type and the risk level. For more information, contact the State Board of Workers' Compensation.

State Board of Workers' Compensation
(404) 656-3875
www.state.ga.us/sbwc/

DRUG FREE WORKPLACE

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. Contact the Georgia Chamber of Commerce website listed below for more information on this program.

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

<http://www.dol.gov>

Georgia Department of Revenue

PO Box 38027

Atlanta, GA 30374-0001

(404) 656-4071

APPLICATION, HIRING, & 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 shut your business. It is important to make sure all your bases are covered. In addition to the do's and don'ts 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 you 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.

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. For more information on how the GDOL can help you, call (706) 721-3131. Other places you might contact are:

Augusta State University
2500 Walton Way
Augusta, GA 30907
706-737-1400

Augusta Technical College
3200 Augusta Tech Drive
Augusta, GA 30906
706-771-4000

You can register your job opening with their Cooperative Education or Career Planning and Placement offices.

SPECIAL CASES

Downtown Lincolnton – Lincolnton’s Historic downtown area represents an opportunity to the potential entrepreneur. Downtown is experiencing rejuvenation due to recent efforts to beautify and develop the area. If you are planning to open a full-service restaurant, you should be aware that special food service permitting will apply. Those intending to sell alcohol need to be aware of distance requirements from schools and churches. However, when developing downtown, one may qualify for tax incentives and grants. The Historic Preservation Commission can assist potential business owners with information regarding historic preservation requirements, building and zoning requirements, façade grants, state and federal tax incentives and other topics regarding development in the downtown area. Contact the Better Hometown Committee for assistance.

Buddy Marlow, P/T
Better Hometown Manager
City of Lincolnton
PO Box 489
Lincolnton, GA 30817
(706) 359-3239

AGRIBUSINESS

This field of business encounters special restrictions and opportunities. For more information on agribusiness ventures, contact Lincoln County Extension Service. The Extension Service is part of the University of Georgia College of Agriculture and Environmental Sciences, and provides research-based information and technical guidance to farmers and landowners about farming. The Extension Service has information on crop and livestock enterprise budgets and license/permits requirements of the Georgia Department of Agriculture and the Environmental Protection Agency. The Farm Service Agency (FSA) of the United States Department of Agriculture is located in Valdosta. The FSA has farm loan programs, farm land acreage information (quotas, allotments, etc.) and land conservation assistance programs. Please see the Resource Directory of contact information.

University of Georgia Extension Service
288 N. Peachtree Street
Lincolnton, GA 30817
(706) 359-3233

Georgia Dept. of Agriculture/FSA
Federal Building
401 N. Patterson Street
Valdosta, GA 31603
(912) 242-0575

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. Valdosta Technical Institute may also be of assistance with its Georgia International Trade Data Network. See the Resource Directory for contact information.

United States Export Assistance Center

75 Fifth Street NW
Suite 1055
Atlanta, GA 30308
(404) 897-6090

Regional Contact:

Renee Rosenheck
Int'l Trade Specialist
(404)962-4117

rosenheck@georgia.org

TOURISM

Jeannie Buttrum ~ Classic South

GA Dept of Economic Development
PO Box 204068
Augusta, GA 30917
Phone: 706-667-4944
Fax: 706-667-4945
jbuttrum@georgia.org

Counties served: Burke, Columbia, Emanuel, Glascock, Greene, Hancock, Jefferson, Jenkins, Johnson, Lincoln, McDuffie, Oglethorpe, Richmond, Taliaferro, Warren, Washington and Wilkes.

RESOURCE DIRECTORY

When starting a business it is important to have a diverse base of information sources. One way to insure success is through education. The more you know about your field, the better off your business will be. The following is a list of potential resources for information.

Lincoln County

- **City of Lincolnton:** Main number is (706) 359-3239. www.cityoflincolnton.com
- **Lincoln County Development Authority and Lincolnton ~ Lincoln County Chamber of Commerce:** Promotes economic growth in the county through a variety of programs and services. Can serve as your connection to the existing economic and political community. Located at 112 N. Washington Street. Phone Number: (706) 359-7970. www.lincolncounty.org
- **Georgia Department of Labor:** 746 Greene St., Augusta, Georgia 30901. Phone number: (706) 721-3131. www.dol.state.ga.us
- **Georgia Tech Economic Development Institute:** Located at 1054 Claussen Rd., Augusta, GA 30907. Phone number: (706) 737-1414. www.gatech.edu/economicdevelopment/
- **Lincoln County Government Offices:** Located at 210 Humphrey Street. Phone Number: (706) 359-4444. This main line can connect you to any of the various offices that might be of help to you. www.lincolncountyga.com
- **Small Business Development Center:** Offers a wide range of free business consulting services for potential business owners including assistance in starting a business, obtaining financing, and developing marketing and managerial plans. Located in Augusta, 1054 Claussen Road, Suite 301, Phone Number: (706)737-1790 www.sba.gov
- **Lincoln County Library:** Located at 181 N. Peachtree Street. Phone Number: (706) 359-4014. www.ecgrl.org/lcolib/index.htm
- **Augusta Technical College:** Continuing Education, Offices located in McDuffie and Richmond Counties. Call (706) 595-0166 or (706) 771-4000 for more information on any of these offices. Internet address: www.augusta.tec.ga.us
- **GA Dept. of Economic Development:** Regional Project Manager for Entrepreneur & Small Business Development, Adela Kelley (706) 667-4865 AKelley@georgia.org
Website: www.georgia.org.

OTHER RESOURCES

- **Better Business Bureau:** This agency's regional office is based in Augusta. Located at 1227 Augusta West Parkway, Suite 1 Augusta, Georgia 30909. Phone number: (706) 210-7617.
- **Georgia Department of Agriculture and Farm Service Agency:** Located at 224 Main Street Thomson, Georgia 30824. Phone number: (706) 721-2834.
- **Georgia Secretary of State's Office:** This office is determined to ensure the success of small business in the state. A variety of information can be obtained through this office including the BLUE BOOK * (SEE RESOURCE DIRECORY). Located at 211 State Capitol Atlanta, Georgia 30331. Phone Number: (404) 656-2881. Internet Address <http://www.sos.state.ga.us>
- **Internal Revenue Service:** Located at 2743 Perimeter Pkwy Augusta, GA 30909. Phone Number: (706) 868-1374 or (800) 829-4399 for Small Business questions.
- **Small Business Administration:** Region 4 Office Phone Number: (404) 331-4999 District Office is located at 233 Peachtree Street Suite 1900 Atlanta, GA 30303. Phone Number: (404) 331-0101. Internet address <http://www.sbaonline.sba.gov>
- **CSRA Business Lending:** Promotes economic development throughout the region including Lincoln County. The CSRA Business Lending works in conjunction with private lenders to provide financing for small businesses. Located at 3023 Riverwatch Pkwy Suite A Augusta, GA 30907. Phone Number: (706) 210-2011.
- **US Department of Labor:** This office can provide you with information on OSHA. Atlanta Office-Located at 61 Forsyth Street SW, Room 6T05, Atlanta, GA 30303. Phone Number: (404) 562-2300.
- **GA Dept. of Economic Development:** Mary Ellen McClanahan Phone number: (404) 962-4071. Email: memclanahan@georgia.org

STATEWIDE INNOVATION CENTERS:

- Ag Innovation Center, Tifton, GA
- Life Science Innovation Center, Augusta, GA
- Aerospace Innovation Center, Warner Robins, GA
- Information Technology Innovation Center, Columbus, GA
- Manufacturing Innovation Center, Gainesville, GA
- Maritime Logistics Innovation Center, Savannah, GA

Contact:

Georgia Centers of Innovation
Don Betts, Program Director
404 North Peterson Avenue
Douglas, Georgia 31533

Phone: (912) 389-4324 Fax: (912) 384-4151

Email: don.betts@innovate.gatech.edu

Internal Revenue Service: Phone: 800-829-1040 Valdosta Federal Bldg.
401 N. Patterson St., Valdosta

Minority Business Development Agency: Phone 404-730-3300
Regional Office: 401 W. Peachtree St., Room 1717, Atlanta GA 30308

U.S. Dept. of Labor: Phone: 404-347-3573 1375 Peachtree St. NE Suite 587, Atlanta, GA 30308. ** This office can provide you with information on OSHA.**

OTHER WEB BASED RESOURCES FOR ENTREPRENEURS

CCH- Business Owner's Toolkit Website:	www.toolkit.cch.com
Kauffman Foundations Resources for Entrepreneurs	www.entreworld.org
PriceWaterhouseCooper - Vision to Reality	www.pwcglobal.com
The Wall Street Journal Center for Entrepreneurs	www.stattup.wsj.com
Microsoft Small Business Solutions	www.bcentral.com
SCORE	www.score.org
Center for Rural Entrepreneurship	www.ruraleship.org
Community-based E & SB Programs	www.georgia.org
GA Rural Development Center	www.gredc.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 - Adela Kelley, Regional Project Manager - www.georgia.org
- 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.

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. These flows are 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

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.