



## WELCOME

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

Our economic system is based upon free enterprise and the right of each person to take the risk, follow a dream, and open his/her own business. The enclosed information, compiled by the Douglas County Chamber, is designed to answer many of the questions that arise when someone begins the process of opening a new business.

Owning and operating a business can be challenging. It requires dedication, patience, a variety of skills, and of course, money. The Small Business Committee of the Chamber has worked to gather this information to support the desire of entrepreneurs to follow their dreams. Please take the time to read the material and use it to your advantage. Knowing how to handle the challenges of opening your own business and knowing yourself is imperative to the success of your business.

In the event this information leads to additional questions, please contact the Chamber. We will be happy to assist you!

We ask for your help in identifying additional information that should be added to this guide. Share your suggestions! The more information we can provide, the better we may assist you and the entrepreneurs who follow.

Best of luck,

A handwritten signature in black ink that reads "Kali K. Boatright".

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***NOTICE:*** *The information contained within this publication is given for informational purposes only and should not be construed as legal or professional advice or assistance.*

*Laws and information contained herein are from multiple sources and are subject to frequent changes. While this publication will be updated annually to capture those changes, you should consult a licensed professional when dealing with legal and financial matters regarding your specific situation. You should also verify the other information contained herein to be sure that you have the most current and accurate information.*

# ONE YEAR TIMELINE 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**

- Decide what business you want to start. Be specific in your business definition.
- Define your ideas in writing. Determine exactly where you want to go.
- 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/service. This research can be preformed by students, professionals, or even on your own.
- Build your personal skills by taking formal management/business courses. Contact West Georgia Technical College at 770-947-7200, or ITT Tech Douglasville at 866-436-2010, or the University of West Georgia at 678-839-5000.
- Contact the Small Business Development Center at University of West Georgia - 678-839-5082. They will meet with you at the Douglas County Chamber by appointment only.
- Contact the Georgia Department of Labor at [www.dol.state.ga.us](http://www.dol.state.ga.us) 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 in the city or in another 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 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 new ideas.
- Choose your business' legal form. Will you be a partnership, sole proprietorship, or corporation? A 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?
- Research domain name availability and logos. Start working on website and social media pages or research and contract a marketing or branding expert to create your website and social media pages.
- 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 flow.
- 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 Small Business Development Center (SBDC) at 678-839-5082 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.
- 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 of your business. You should put thought and time into it.
- Continue working on your business plan.

### **TWO MONTHS BEFORE START-UP**

- Prepare your marketing plan. How are you going to market your product/service, 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.
- Determine advertising, promotion, and public relations strategies. Finalize website design and social media strategies.
- 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)
- 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/ribbon cutting. The Douglas County Chamber provides ribbon cuttings and advertising for members. Be creative but practical.
- 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 the time you have available. You might consider reading some time management materials or speaking with someone who you think manages time wisely.
- Continuously update and evaluate your product/service. What is good about your product/service? What sets it apart from competition? Eliminate the problems as much as possible. If people patronize your business for the original concept, improving it will only increase patronization.
- **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. **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 money-making 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 are 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've been in business for a couple of weeks. If you do, you can make sure that you have worked the "bugs" out and that all is running smoothly.

# FEASIBILITY & MARKETING STRATEGY



## Is Entrepreneurship for You?

There is no way to eliminate all the risks associated with starting a small business. However you can improve your chances with good planning and preparation. A good starting point is to evaluate your strengths and weaknesses as the owner and manager of a small business. Carefully consider each of the following questions.

- What am I passionate about? Is your drive strong enough to maintain your motivation?
- Are you a self-starter?
- Do you have the physical and emotional stamina to run a business? Can you face 12-hour work days, six or seven days a week?
- How well do you plan and organize?
- How will the business affect your family?

## 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/service do you plan to offer?
- Will your product/service satisfy a need yet unfilled?
- Will your product/service have a competitive edge based on price, location, quantity, or selection?
- Can you deliver a better quality service/product than is already available?
- Is the physical location of where you want your business already saturated with the product/service that you want to provide?

## Pre-Business Checklist

The final step before developing your plan is the pre-business checklist. You should answer these questions:

- What skills and experience do you bring to the business?
- What will the legal structure be?
- Will type of insurance coverage is needed?
- What resources are available to me?
- Will type of financing is needed?

Your answers to all of the above questions will help you create a focused, well-researched business plan that should serve as your blueprint.

### **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).
- Research competitors.
- Contact the SBDC at 678-839-5082 or the Douglas County Chamber at 770-942-5022.
- Use various search engines on the Internet (i.e. Yahoo, Google, MSN, Lycos, etc.).

# THE BUSINESS PLAN



Starting and managing a business takes motivation, desire and talent. It also takes research and planning. To increase your chance for success, take the time up front to explore and evaluate your business and personal goals. Then use that information to build a comprehensive and well thought out business plan that will help you reach these goals.

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. The Small Business Development Center at the University of West Georgia is available to help with understanding how to put together a business plan.

## **Introduction**

- Give a detailed description of the business and its goals.
- Discuss the ownership of the business and the legal structure.
- List 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 and 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 for compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide “what if” statements to 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 banker. The business plan is a flexible document that should change as your business grows.

*SOURCE: [www.sba.gov](http://www.sba.gov)*

# MARKETING YOUR BUSINESS

## Creating and Developing your Marketing Strategy

In order to properly market your product, you need to develop a marketing strategy and implement this strategy into a marketing plan. Developing a marketing strategy is vital for any business. Without one, your efforts to attract customers are likely to be inefficient. The focus of your strategy should be making sure that your products and services meet customer needs and developing long-term and profitable relationships with those customers. The purpose of your marketing strategy should be to identify and then communicate the benefits of your business to your target market.

Your marketing strategy should do the following:

- Analyze the different needs of different groups of customers.
- Focus on a market niche where you can be the best.
- Aim to put most of your efforts into the 20% of your customers who will likely provide 80% of your profits.
- Measure the effectiveness of what you do. Be prepared to change things that aren't working.

Marketing your business takes time, money, and lots of preparation. One of the best ways to prepare yourself is to develop a solid marketing plan. A strong marketing plan will ensure you're not only sticking to your schedule, but that you're spending your marketing funds wisely and appropriately.

A marketing plan includes everything from understanding your target market and your competitive position in that market, to how you intend to reach that market and differentiate yourself from your competition in order to make a sale.

At the end of the day, the time spent developing your marketing plan is time well spent because it defines how you connect with your customers. And that's an investment worth making.

## Developing your Marketing Plan

Every marketing plan should contain four key components, known as the **4 P's of Marketing**:



- 1) **Products and Services** – Are the goods and services that your business provides for sale to your target market. When developing a product you should consider quality, design, features, packaging, customer service and any subsequent after-sales service.
- 2) **Promotion** – Refers to the act of communicating the benefits and value of your product to consumers. Promotion strategies focus on advertising and direct customer interaction. It involves persuading general consumers to become customers of your business using methods such as advertising, direct marketing, personal selling and sales promotion. Good salesmanship is essential for small business because of limited advertising budgets. Online marketing is inexpensive, quick and an easy way to ensure that your business and product or service receives high visibility.
- 3) **Price** – When it comes to maximizing total revenue, the right price is crucial. There are a number of considerations in relation to price including price setting, discounting, credit and cash purchases as well as credit collection. Generally, higher prices mean lower volume and vice-versa; however, small businesses can often command higher prices because of their personalized service.
- 4) **Place** – Is in regards to distribution, location and methods of getting the product to the customer. This includes the location of your business, store front, distributors, logistics and the potential use of the internet to sell products directly to consumers.

Answering the following questions will assist you in developing your marketing 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 determines 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 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.
- **How will I use Social Media in my marketing strategy?**

# FINANCING INFORMATION



When starting a business, one important consideration is where to obtain capital to back your venture. A key to a successful business start-up and expansion is your ability to obtain and secure appropriate financing. Raising capital is the most basic of all business activities. But as many new entrepreneurs quickly discover, raising capital many not be easy; in fact, it can be a complex and frustrating process. However, if you are informed and have planned effectively, raising money for your business will not be a painful experience.

## Funding Sources

There are several sources to consider when looking for financing. It is important to explore all of your options before making a decision.

- **Personal savings:** The primary source of capital for most new businesses comes from savings and other forms of personal resources. While credit cards are often used to finance business needs, there may be better options available, even for very small loans.
- **Friends and Relatives:** Many entrepreneurs look to private sources such as friends and family when starting out in a business venture. Often money is loaned interest free or at a low interest rate, which can be beneficial when getting started.
- **Banks and Credit Unions:** The most common source of funding, banks and credit unions, will provide a loan if you can show that your business proposal is sound.
- **Venture Capital Firms:** these firms help expanding companies grow in exchange for equity or partial ownership.

## Borrowing Money

It is often said that small business people have difficulty borrowing money. This is not necessarily true. Banks make money by lending money. However the inexperience of many small business owners in financial matters often prompts banks to deny loan requests. Requesting a loan when you are not properly prepared sends a signal to your lender. The message is High Risk! To be successful in obtaining a loan, you must be prepared and organized. You must know exactly how much you need, why you need it and how you will pay it back. You must be able to convince your lender that you are a good credit risk.

## SBA Loans

Most start-up businesses require a capital contribution by the entrepreneur, usually 20%. The remaining financing may be available from your local banks or may require private investors. There are several loan programs available to businesses, all of which require bank participation.

Examples include the following SBA loans currently available.

- **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 \$1.5M and not more than 75% of the total loan.
- **SBA 504 Loan Program.** This program provides financing for small businesses through a low interest, fixed rate, and a long-term loan. The Small Business Administration takes a second line 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 \$4,000,000 for manufacturing and job creation/retention.
- **Revolving Loan Fund.** Businesses in Douglas County may qualify for loan funds through the Business Development Revolving Loan Fund. The Business Development Revolving Loan Fund (RLF) is a \$3 million pool that can be used in the Douglas County Region for loans to projects that create or save jobs and that:
  - Promote industrial locations or expansions
  - Encourage downtown locations or expansions
  - Complement local development strategies
  - Satisfy other public purposes

All loan programs require that certain standards be met. A loan applicant must be of good character, show the ability to operate a small business successfully, and have a good 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)
- Business Plan

## Is there a need for a Business Bank Account?



Thinking about running your new business from your existing personal checking or savings account? This could be a big mistake, because it's difficult to track business finances when they're combined with household finances. It's easy to get into the trap of mingling business and personal accounts, but it will save you a lot of time in the long run if you keep accurate records on both ends.

When you run a business, even if you work from home, it's important to operate as a business. Appearances matter, and if you pay bills with checks with your name on them or if you can't accept credit cards because you don't have a business bank account (and therefore can't get a merchant account), you don't look like a legitimate business. Having a business account, and the benefits that come with it, makes your business look more professional to prospective customers.

Only businesses can deduct business expenses that are ordinary and necessary for the business; this is a government rule. So, you need to prove your business isn't just a hobby. If your business looks like a hobby, when you use a personal bank account for business expenses, you'll have a harder time convincing the government you are operating a business. If you use personal checks to pay for business expenses, the IRS may question whether the expense was entirely business related, particularly if your business operates from a home office. This may lead to a time consuming audit of business and personal records.

Having business bank accounts allows you to organize your business more effectively. It's easy to track what money is coming in and what money is going out. Plus, you'll already have separate financial records for business and personal expenses making it easy for you or your tax accountant to determine deductible business expenses and to file tax returns. Your accounting becomes much simpler when you have a separate business bank account.

***Determining Cash Needed to Start a Business Worksheet-located on page 41***

# BUSINESS INSURANCE



Business liability insurance can help you manage risk that is inherent in running a small business.

Like home insurance, business insurance protects the contents of your business against fire, theft and other losses. Many small businesses must protect themselves from lawsuits and other situations for which they might be deemed liable. All businesses should research the advisability of appropriate liability insurance. Contact the Chamber for a list of local insurance agents or brokers.

Worker's compensation insurance needs vary by company. Generally, if you have one or more full or part time persons, you must carry workman's compensation insurance. There are exceptions to this rule, so it is important to discuss the requirement for your business with your risk and tax advisors.

Some other types of insurance coverage for small businesses to consider:

- **Liability** -- Businesses may incur various forms of liability in conducting their normal activities. One of the most common types of liability is product liability, which may be incurred when a customer suffers harm from using the business' product. There are many other types of liability, which are frequently related to specific industries, the most common being general liability. Liability law is constantly changing. An analysis of your liability insurance needs is vital in determining an adequate and appropriate level of protection for your business.
- **Property** -- There are many different types of property insurance and levels of coverage available. It is important to determine the property you need to ensure for the continuation of your business and the level of insurance you need to replace or rebuild. You must also understand the terms of the insurance, including any limitations or waivers of coverage.
- **Business Interruption** -- While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business interruption (or "business income") insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.



- **"Key Man"** -- If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider "key man" insurance. This type of insurance is frequently required by banks or government loan programs. It can also be used to provide continuity in operations during a period of ownership transition caused by the death or incapacitation of an owner or other "key" employee.
- **Automobile** -- It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called "non-owned automobile coverage") if you use your personal vehicle on company business. This policy covers the business' liability for any damage which may result from such usage.
- **Director and Officer** -- Under the circumstances, directors and officers of a corporation or non-profit may become personally liable for their actions on behalf of the company. This type of policy covers this liability.
- **Home Office** -- If you are establishing an office in your home, it is a good idea to contact your homeowners' insurance company to update your policy to include coverage for office equipment. This coverage is not automatically included in a standard homeowner's policy.
- **Umbrella** -- This type of policy refers to the liability insurance that is in excess of specified other policies and also potentially primary insurance losses not covered by the other policies. When and insured is liable to someone, the insured's primary insurance policies pay up to their limits and any additional amount is paid by the umbrella policy (up to the limit of the umbrella policy.)

# 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 taxes. 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 operation. 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 pre-dominant 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 on the business's corporate tax return and again on the shareholders, personal income tax returns for any dividends paid to the shareholders). There are two types of corporations: C and S. The distinctions between an S Corp and a C Corp can be very complicated and very dramatic. It is important that you consult a professional prior to filing for either status. To incorporate your business you must file paperwork with the Georgia Secretary of State. Once incorporated, you will be required to register and pay fees annually. Publication of the intent to incorporate is also required. In Douglas County, that notice must be provided through the Douglas County Sentinel: 8501 Bowden St., Douglasville, GA 30134, 770-942-6571.

The **limited liability company (LLC)** is a relatively new form of business entity that includes some of the characteristics of the other business entities. The owners are known as members, and the LLC shields its members from personal liability like a corporation; however, the profits generated by the business pass through the business entity and are taxed at the members' individual levels. As with all formal business entities, it is created by the Georgia Secretary of State's office by filing the necessary paperwork and fees. The Secretary of State's Corporations Division can be contacted as follows: 2 MLK Jr. Dr. Suite 303, Floyd West Tower, Atlanta, Georgia 30334-1530, Phone: 404-656-2817, <http://www.corporationshelp@sos.ga.gov>

An attorney can handle the creation of your business entity for you. In addition to creating your business, there are many additional activities that must be performed, as well. An attorney will advise you and assist you concerning those other requirements, as well.

# LICENSING INFORMATION



## **Business License (also called an Occupational Tax Certificate)**

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. The fee for a license is contingent on anticipated gross receipts for upcoming year for the first year. After the first year you will report actual gross receipts to renew your certificate each year.

## **If your business will be located within the Douglasville City limits:**

City of Douglasville

6695 Church St.

Douglasville, Georgia 30134

Contact: Shane Byrd in the Occupational Tax Department 678-499-3084

The actual physical location must be in the City of Douglasville; a P.O. Box is not acceptable.

Home office/occupation – Must provide a **current utility bill** (electric, gas, water), with your name & and the in-home address on the bill. If the utility bill is in your spouse's name and not in your name, please provide a copy of your marriage certificate with the utility bill. We require a copy of your GA driver's license or GA identification card, also having the same address.

Commercial office – Must provide a copy of **office lease/occupancy agreement** or **deed**. If the business was recently purchased, we require a copy of the **bill of sale**. We require a copy of GA driver's license or GA identification card of the owner or of the person submitting the application. An office manager may submit the application if the business is incorporated.

If business is incorporated (Inc., LLC, Partnership, etc.,) please provide copy of **Articles of Incorporation** from the Secretary of State. If business is a partnership, please provide document indicating the ownership percentage of each person involved.

Professional Licensure - Your license status must be active and you must provide us with a copy of your State Board Certification.

Restaurants and Food Service businesses must obtain a **Food Service Permit** from the State Environmental Health Department located on the 1<sup>st</sup> floor of the Douglas County Courthouse on Hospital Drive. (770-920-7311)

The Occupational Tax fee is based on a full-year estimated gross amount multiplied by the tax rate of your business classification. A \$50.00 non-refundable administrative fee will be added. Payment is due at time of application and is payable by cash, check, Visa or MasterCard. Application process is approximately 10 business days. Certificate will be sent to the mailing address on the application upon approval.

*Occupational tax registrations (business license) are only valid until December 31<sup>st</sup> of each year.*

**If your business will be located in Douglas County and outside the City limits:**

Douglas County Courthouse  
8700 Hospital Dr.  
Douglasville, Georgia 30134  
Contact: Occupational Tax Department  
Tammy Carden: 770-920-7348  
Kelly Voelker: 770-920-7351

**Prior approval** from the Planning and Zoning Department is required before issuance of a business license. Therefore please complete the **Business Location Profile** form and submit it to the Occupational Tax Department. You may submit the **Business Location Profile** by e-mail at [tcarden@co.douglas.ga.us](mailto:tcarden@co.douglas.ga.us) or [kvoelker@co.douglas.ga.us](mailto:kvoelker@co.douglas.ga.us), by fax to 770-920-7482 or in person. Please make sure your phone number and contact name are on the form.

Once approval has been met you will be notified by the Occupational Tax Department. The other forms of the application need to be completed and submitted along with the following documents to the *Occupational Tax Department*:

**In Home**

Utility bill with your name on it  
Driver's License with correct address  
Articles of Incorporation papers or  
Trade Name Registration  
Required State Cards  
Required Health Permits

**Commercial**

Copy of lease  
Driver's License  
Articles of Incorporation papers or  
Trade Name Registration  
Required State Cards  
Required Health Permits

Payment of the Occupational Tax Registration is expected at this time and may be made by check, cash, or debit/credit card (Visa or MasterCard only). No counter checks are accepted.

New applications are accepted from 9:00 a.m. to 3:30 p.m. Monday thru Friday.  
License Application available online at [www.celebratedouglascounty.com/Departments](http://www.celebratedouglascounty.com/Departments)

## FEDERAL LICENSING

Most new small businesses 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 alcoholic products
- Making tobacco products
- Preparing meat products
- Making or dealing in firearms

You will need a Federal permit to also 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 more information on federal licensing for these types of businesses, see the Resource Directory.

The **Alcohol and Tobacco Division of the Georgia Department of Revenue** can be helpful in this area as well. The contact number for beer and wine, and liquor sales can be found in the Resource Directory.

# 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.

**Contact: State Board of Accountancy**

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

**Contact: State Board of Architects**

Registered Architects  
Registered Interior Designers

**Contact: Georgia Athlete Agent Commission**

Athlete Agents  
Athlete Agent Temporary Permit

**Contact: Board of Athletic Trainers**

Athletic Trainers

**Contact: Georgia Auctioneer Commission**

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

**Contact: State Board of Barbers**

Master Barber  
Barber Apprentice  
Barber Shop  
Barber School  
Barber Instructor

**Contact: State Board of Chiropractic Examiners**

Chiropractor

**Contact: Construction Industry Licensing**

Electrical Contractor – Restricted  
Electrical Contractor – Non-Restricted  
Conditioned Air – Restricted  
Conditioned Air – Non-Restricted  
Low Voltage – General  
Low Voltage – Telecommunication  
Low Voltage – Alarm  
Low Voltage – Unrestricted  
Utility Manager  
Utility Foreman  
Utility Contractors

Journeyman Plumber  
Master Plumber – Restricted  
Master Plumber – Non-Restricted

**Contact: State Board of Cosmetology**

Cosmetology Instructor  
Cosmetology School  
Cosmetology Salon  
Master Cosmetologist  
Cosmetology Apprentice  
Esthetician  
Esthetician Salon  
Esthetician School  
Esthetician Instructor  
Esthetician Apprentice  
Nail Technician  
Nail Care Salon  
Nail Care School  
Nail Technician Instructor  
Nail Technician Apprentice

**Contact: Composite Bd of Professional Counselors, Social Workers, and Marriage Therapists**

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

**Contact: Georgia Board of Dentistry**

Dentist  
Public Health  
Dental Faculty  
Dental Hygienist  
Dental Hygiene Faculty  
General Anesthesia Permit  
Conscious Sedation Permit  
Temporary Dental Hygienist  
Volunteer Dental  
Provisional Conscious Sedation Permit  
Eternal/Inhalation Conscious Sedation

**Contact: Board of Examiners of Licensed Dieticians**

Licensed Dietitian  
Provisional Licensed Dietitian

**Contact: State Board of Dispensing Opticians**  
Dispensing Optician  
Dispensing Optician Apprentice

**Contact: State Board of Professional Engineers and Land Surveyors**  
Professional Engineers  
Land Surveyor  
Engineer Firm  
Land Surveyor Firm  
Engineer/Land Surveyor In-Training

**Contact: State Board of Registration for Foresters**  
Forester

**Contact: State Board of Funeral Service**  
Funeral Establishment  
Funeral Director  
Embalmer  
Funeral Service Apprentice  
Crematory

**Contact: State Board of Registration for Prof. Geologists**  
Registered Professional Geologist

**Contact: State Board of Hearing Aid Dealers/Dispensers**  
Hearing Aid Dealer  
Hearing Aid Dispenser  
Hearing Aid Training Permit  
Hearing Aid Apprentice Dispenser

**Contact: State Board of Landscape Architects**  
Landscape Architect  
Temporary Landscape Architect

**Contact: State Boards for the Certification of Librarians**  
Librarian

**Contact: Composite State Board of Medical Examiners**  
Acupuncture  
Paramedic  
Cardiac Technician Teacher  
Institutional & Provisional  
Physician (MD & DO)  
Osteopath Respiratory Therapist

**Contact: State Board of Nursing Home Administrators**  
Nursing Home Administer  
Nursing Home Preceptor  
Administrator in Training  
Nursing Home Training  
Site Nursing Home Education Provider

**Contact: Occupational Therapy**  
Occupational Therapist  
Occupational Therapy Assistant  
Occupational Therapist Limited

**Contact: State Board of Examiners in Optometry**  
Optometrist

**Contact: State Board of Pharmacy**  
Pharmacist  
Retail Pharmacy  
Wholesaler Pharmacy  
Researcher Pharmacy  
Hospital Pharmacy  
Nuclear Pharmacist  
Nuclear Pharmacy  
Manufacturing Pharmacy  
Pharmacist Intern  
Prison Pharmacy  
Clinic Pharmacy  
School Pharmacy  
Opioid Treatment Clinic Pharmacy  
Home Healthcare Pharmacy  
Limited Chemical Wholesale Distributor

**Contact: State Board of Physical Therapy**  
Physical Therapist  
Physical Therapist Assistant

**Contact: State Board of Podiatry Examiners**  
Podiatrist

**Contact: Boards of Examiners of Practical Nurses**  
Licensed Practical Nurses

**Contact: Board of Private Detectives and Security Agents**  
Company – Private Detective  
Company – Security  
Company – Private Detective/Security  
Company – In-House Security  
Employee – Private Detective  
Employee – Private Detective/Security Guard  
Employee – Security Guard  
Employee – In-House Private Detective  
Employee – In-House Armed Security  
Instructor – Classroom Training  
Instructor – Firearms Training  
Instructor – Classroom/Firearm Training

**Contact: State Boards of Examiners of Psychologists**  
Psychologist  
Temporary Physiologist  
Provisional Physiologist



## BUILDING/ZONING (PERMIT INFORMATION)



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/can be adapted to comply with the following:

1. Current zoning classifications
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

### **If your business will be located within the Douglasville City limits:**

City of Douglasville  
6695 Church St.  
Douglasville, Georgia 30134  
678-449-3028  
Contact: Patrice Williams

### **If your business will be located outside the Douglasville City limits:**

Douglas County Courthouse  
8700 Hospital Dr.  
Douglasville, Georgia 30134  
770-920-7348  
Contact: Tammy Carden

## BUILDING CONSTRUCTION, RENOVATION & OCCUPANCY

A building permit must be obtained for both new construction and renovations or 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. James Worthington is the Chief Building Official within Douglas County.

**Information within Douglas County:**

Chief Building Official  
8700 Hospital Drive  
1<sup>st</sup> Floor, Douglas County Courthouse  
Douglasville, Georgia 30134  
770-920-7243

**Information within City limits:**

Chief Building Official (City)  
6695 Church St.  
Douglasville, GA 30134  
678-449-3038

## 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 Georgia Secretary of State. The fee for Trade name registration is approximately **\$27.00**.

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 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. Price is **\$40.00**. In order to run your legal advertisement, contact:

**Douglas County Sentinel**

**Classified Department**

8501 Bowden St. Douglasville, Georgia 30134  
770-942-6571

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 or to file your name registration for Douglasville or Douglas County, contact :

**Douglas County Clerk of the Superior Court**

Douglas County Courthouse  
8700 Hospital Dr. Douglasville, GA 30134  
Main Floor, Douglas County Courthouse  
770-920-7252

# UTILITIES

## **A. Establishing Water and Sewage**

To establish water and sewer service in an existing location or new facility within Douglas County, you must contact the WSA. You may be required to sign a service contract and pay a deposit.

### **WSA**

8763 Hospital Dr. Douglasville, Georgia 30134  
770-949-7617 or [ddcwsa.com](http://ddcwsa.com)

## **B. Establishing Garbage Service**

To establish garbage service in an existing location or new facility within the City of Douglasville, you must contact:

### **City of Douglasville – Maintenance and Sanitation**

770-920-3005 or [www.douglasvillega.gov](http://www.douglasvillega.gov)

To establish garbage service in an existing location or new facility outside the City of Douglasville limits, you must contact an individually owned garbage service. Visit <http://douglascountygeorgia.com/business-directory/> for a list of current Chamber members.

## **C. Establishing Natural Gas Service**

To establish gas service in an existing location or new facility in Douglasville or Douglas County, visit <http://douglascountygeorgia.com/business-directory/> for a list of Chamber current members that offer these services.

## **D. Establishing Electrical Service**

To establish electrical service in Douglasville or Douglas County, you must contact: [www.georgiapower.com](http://www.georgiapower.com) or [www.greystonepower.com](http://www.greystonepower.com).

## **E. Establishing Telephone Service**

To establish business phone service in Douglasville and Douglas County, visit <http://douglascountygeorgia.com/business-directory/> for a list of Chamber current members that offer these services.

# TAX INFORMATION



## State of Georgia

### A. 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 (Department of Revenue at 770-732-5812). 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. See the Resource Directory for contact information.

### B. 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 no more than two axels are included in the taxed categories. You should contact the **Georgia Department of Revenue** for complete information.

### C. 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 5% per month penalty can be imposed for failure to file an estimated return or failure to pay the correct amount of tax.

### D. 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.

- Motor vehicle use tax (vehicles greater than 55,000 lbs. gross weight) **Form 2290**
- 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 by air, you have to collect this tax)
- Communications taxes (e.g. telephone or teletype services)
- Wagering taxes
- Taxes on U.S. mined coal
- Environmental taxes (imposed in petroleum products, various chemicals, and hazardous wastes)
- Alcohol, firearms, ammunitions, and tobacco taxes

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

## **E. 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 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 15 of the following year. The **Form1040-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 of the 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 you **Form SS-4** (the form filed requesting a tax ID number.) Taxes may also be electronically filed. For more information, contact the **Internal Revenue Service**. (See directory for contact information)

## **F. Employer Taxes/Personal Property & Inventory Tax**

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

There is an annual tax on any inventory and personal property (Equipment, Machinery & Fixtures). The tax rate is based upon the depreciated value of the Personal Property and/or inventory on hand on December 31. For more information contact Todd Cowan, Douglas County Tax Commissioner at 770-920-7272. More information can also be found at [http://www.douglastaxcommissioner.net/Tax\\_Commissioner.html](http://www.douglastaxcommissioner.net/Tax_Commissioner.html)

## **G. 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**. (See Resource Directory for contact information)

# DEMOGRAPHIC INFORMATION

A variety of free demographic information is provided through the Atlanta Regional Commission at [www.atlantaregional.com](http://www.atlantaregional.com) or through the Douglas County Economic Development Authority at [www.developdouglas.com](http://www.developdouglas.com). This information breaks down the 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 on demographic, socio-economic, manufacturing, labor and education data.

## **Georgia Information Source**

<http://georgiafacts.org>

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

## **Georgia County Guide**

<http://www.countyguide.uga.edu/>

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, industry comparison.

## **Georgia Department of Economic Development**

<http://georgia.org>

Will assist in business expansion & relocation, international trade, small business development, tourism foundation creation, entertainment industry & travel.

# 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 at [www.georgia.org/business/ingeorgia](http://www.georgia.org/business/ingeorgia) for more information.

# LABOR & SAFETY REGULATIONS



## **A. 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 aspect 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. The **Georgia Department of Labor** can help you walk through all of your employment and labor problems. See the Resource Directory for contact information.

## **B. 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 the 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 of OSHA the U.S. 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. For contact information, see the Resource Directory.

## **C. DRUG FREE WORKPLACE**

Your business can become eligible for a 7.5% discount on your Worker's Compensation Insurance Program Premiums. This is possible through DRUGS DON'T WORK, an affiliate program of the Georgia Chamber and The Council on Alcohol and Drugs, Inc. Contact the Douglas County Chamber for more information on this program.

## **D. EMPLOYER TAX RESPONSIBILITIES**

The IRS website [www.irs.gov](http://www.irs.gov) is helpful with questions concerning taxes for employers.

### **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 U.S. 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 for present percentages. See the Resource Directory for contact information.

### **Unemployment Insurance Taxes**

Employers pay unemployment insurance taxes as a business cost through the State Unemployment Tax Act (SUTA) and the Federal Unemployment Tax Act (FUTA.) Tax payments cannot be deducted or withheld from the employee's wages.

The Georgia Department of Labor collects the state unemployment insurance tax (SUTA). Newly liable employers are assigned a beginning tax rate of 2.7% and pay tax on the first \$8,500 gross wages for each employee each year. Wages include all remuneration for personal services, including commissions and bonuses and the cash value of all remuneration paid in any other medium other than cash.

For further information on Unemployment Tax information contact the Georgia Department of Labor Field Tax Office. See the Resource Directory for contact information.

### **Workers' Compensation Insurance**

Worker's 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. See the Resource Directory for contact information.

## **HEALTH PERMITS**

If your business is to involve food processing, handling, storage, or distribution, you must obtain permits from the Douglas County Environmental 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. Visit <http://health.state.ga.us/> for further information about Georgia Public Health and programs and services offered here.



# HIRING PRACTICES



Employees can be a very valuable asset to almost every business organization. It is important to hire employees who will be a good fit for your business and help you achieve your goals.

When starting a new business, owners have an opportunity to build a team of star performers. By using a well-structured hiring process, information from validated assessments and other information sources such as background checks, an owner can avoid pitfalls of hiring a low performer.

If you do plan on hiring employees, it is important to be aware of all labor laws that apply to your business and all of the state laws that pertain to hiring employees. Additionally, before hiring employees, it is advisable to establish and document your policies for areas such as vacation, sick leave, expense reimbursement, grievances, etc. Be prepared to create personnel files (paper or electronic) for each new hire to include such things as an employment application, resume, job description and future performance reviews.

## APPLICATION, HIRING, & TERMINATION PROCESS

There are basic ground rules to hiring and firing employees. These 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 down. 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, and/or an attorney for more on correct hiring and firing policies.

### APPLICATION AND HIRING

#### DON'T

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

**DO:**

- **Limit your interview questions to job duties.** There is no reason to ask questions that apply to the responsibilities of the position. You may ask an applicant if he/she has any barriers to completing the duties. Do not ask question like “Do you have children?” or “Are you married?” Small talk is acceptable if the interviewer is careful. Do not venture into conversations 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 issues concerning labor or safety, contact the GA Department of Labor at 770-445-8805

**TERMINATION**

**DO:**

- **Review company policies.** If you have not yet developed company policies regarding application, hiring, and termination, call the Georgia Department of Labor. Make a checklist of your procedures. Make sure that you have followed the rules in the firing process. If you have not yet 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 a 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 on 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 Source**

The Chamber runs Douglasjobs.com and provides Career Fairs in the community. For more information on upcoming events, contact the Douglas County Chamber website at [www.douglascountygeorgia.com](http://www.douglascountygeorgia.com).

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 this department can help you, call 770-445-8805.

Private staffing agencies are an excellent source of finding specialized as well as hourly employees. Visit <http://douglascountygeorgia.com/business-directory/> for a list of Chamber members that offer these services.

# 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.

## **Better Business Bureau**

404-766-0875

[www.bbb.org](http://www.bbb.org)

## **Chapel Hills News and Views**

678-840-8604

[www.chapelhillnews.net](http://www.chapelhillnews.net)

## **Douglas County Chamber**

Kali Boatright

6658 Church St., Douglasville, GA 30134

770-942-5022

[www.douglascountygeorgia.com](http://www.douglascountygeorgia.com)

## **Douglas County Environmental Health**

8700 Hospital Dr., Douglasville, GA 30134

770-920-7311

[www.cobbanddouglaspublichealth.org](http://www.cobbanddouglaspublichealth.org)

## **Douglasville Convention and Visitor's Bureau**

6694 E. Broad St., Douglasville, GA 30134

770-947-5920

[www.visitdouglasville.com](http://www.visitdouglasville.com)

## **Douglasville Downtown Development Authority**

Patrice Williams

6713 Church St., Douglasville., GA 30134

678-449-3028

[www.douglasvillega.gov](http://www.douglasvillega.gov)

## **Douglas County Economic Development Authority**

Chris Pumphrey, Executive Director

8512 Bowden St., Douglasville, GA 30134

678-838-3665

[www.developdouglas.com](http://www.developdouglas.com)

## **Douglas County Fire Marshall**

8700 Hospital Dr., Douglasville, GA 30134

770-920-7350 [www.celebratedouglascounty.com](http://www.celebratedouglascounty.com)

**Douglas County Health Department**  
6770 Selman Dr., Douglasville, GA 30135  
770-947-1970  
[www.cobbanddouglaspublichealth.org](http://www.cobbanddouglaspublichealth.org)

**Douglas County Library**  
6810 Selman Dr., Douglasville, GA 30134  
770-920-7125  
[www.wgrl.net/store\\_page/douglasville-library/](http://www.wgrl.net/store_page/douglasville-library/)

**Douglas County Sentinel**  
8501 Bowden St., Douglasville, GA 30134  
770-942-6571  
[www.douglascountysentinel.com](http://www.douglascountysentinel.com)

**Douglasville/Douglas County Water and Sewer Authority (WSA)**  
8763 Hospital Dr., Douglasville, GA 30134  
770-949-7617  
[www.ddcwsa.com](http://www.ddcwsa.com)

**Douglasville Post Offices:**  
6000 Stewart Pkwy.            8486 Campbellton St.  
Douglasville, GA 30134    Douglasville, GA 30134  
770-577-2198                770-947-8132  
[www.usps.com](http://www.usps.com)

**Drugs Don't Work Program**  
Administered locally by the Douglas County Chamber  
6658 Church St., Douglasville, GA 30134  
770-942-5022  
[www.douglascountygeorgia.com](http://www.douglascountygeorgia.com)

**First Stop Business Information Center**  
Georgia Secretary of State  
404-656-2817 or 800-656-4558  
[www.sos.ga.gov](http://www.sos.ga.gov)

**Georgia Department of Economic Development**  
76 Fifth Street, N.W., Ste. 1200, Atlanta, GA 30308  
404-962-4000  
[www.georgia.org/business/smallbusiness](http://www.georgia.org/business/smallbusiness)

**Georgia Department of Labor**  
WGTC Campus. 4600 Timber Ridge Dr., Douglasville, GA 30135  
770-947-7274  
[www.dol.state.ga.us](http://www.dol.state.ga.us)

**Georgia Department of Labor Field Tax Office**

465 Big Shanty Rd., Marietta, Georgia 30066

770-528-6141

<http://dol.georgia.gov/>

**Georgia Department of Revenue**

351 Thornton Rd. #101, Lithia Springs. GA 30122

770-732-5812

[www.etax.dor.ga.gov](http://www.etax.dor.ga.gov)

**Georgia Secretary of State's Office:**

214 State Capitol, Atlanta, GA 30334

404-656-2881

[www.sos.state.ga.us](http://www.sos.state.ga.us).

This office is determined to ensure the success of small businesses in the state. A variety of information can be obtained through this office including the BLUE BOOK: Business Incorporation Forms, Professional and Occupational Licensing Forms, State Tax Application, Internal Revenue Service Form, Georgia Department of Industry, Trade and Tourism, 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 & Economic Assistance, U.S. Export Assistance Center, Georgia Department of Insurance, and Georgia Department of Agriculture.

**Georgia Power Company**

404-325-4001

[www.georgiapower.com](http://www.georgiapower.com)

**GreyStone Power Corporation**

770-942-6576

[www.greystonepower.com](http://www.greystonepower.com)

**Internal Revenue Service**

401 W. Peachtree Street, NW., Atlanta, GA 30308

404-338-7962 or toll free at 800-829-1040

**Occupational Safety and Health Administration**

U.S. Department of Labor: 1375 Peachtree Street N.E., Suite 587, Atlanta, GA 30303

404-374-3573

[www.osha.gov](http://www.osha.gov)

**State Board of Workers' Compensation**

270 Peachtree Street, N.W.

Atlanta, GA 30303-1299

404-656-3818

[www.sbwbc.georgia.gov](http://www.sbwbc.georgia.gov)

**The U.S. Department of Alcohol, Tobacco, and Firearms**

2600 Century Parkway Suite 300, Atlanta, GA 30345

404-417-2600

<https://www.atf.gov/>

**The U.S. Federal Drug Administration**

60 8<sup>th</sup> Street, Atlanta, GA 30309

404-253-1162

<http://www.fda.gov/>

**The U.S. Federal Communications Commission**

3575 Koger Boulevard, Ste. 320., Duluth, GA 30096-4958

888-225-5322

<https://www.fcc.gov/>

**University of West Georgia**

**Small Business Development Center (SBDC)**

Todd Anduze, Director

105 Adamson Hall, Carrollton, GA 30118

678-839-5082

[www.uwgsbdc.org](http://www.uwgsbdc.org)

# Web-Based Resources

**10 Steps to Starting a Business:** [www.business.gov/start/start-a-business.html](http://www.business.gov/start/start-a-business.html)

**CCH-Business Owner's Toolkit:** [www.toolkit.com](http://www.toolkit.com)

**Centers for Innovation:** [www.georgiainnovation.org](http://www.georgiainnovation.org)

Industry connections to relevant university R&D and other state resources for commercializing new products, services and processes.

**Clark Howard Course:** [www.myownbusiness.org/](http://www.myownbusiness.org/)

**Federal Tax Responsibilities:** [www.irs.gov/businesses](http://www.irs.gov/businesses)

**Georgia 2000 Information System:** [www.georgia2000.org](http://www.georgia2000.org)

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

**Georgia Information Source:** [www.georgiafacts.net](http://www.georgiafacts.net)

Includes Georgia industry profiles, community fact sheets, manufacturing data

**Georgia County Guide:** [www.countyguide.uga.edu](http://www.countyguide.uga.edu)

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:** [www.explorer.dol.state.ga.us](http://www.explorer.dol.state.ga.us)

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

**Georgia SBDC statewide network:** [www.georgiasbdc.org](http://www.georgiasbdc.org)

**Price Water House Cooper – Vision to Reality:** [www.pwc.com](http://www.pwc.com)

**Small Business Administration:** [www.sba.gov/smallbusinessplanner/index.html](http://www.sba.gov/smallbusinessplanner/index.html)

**SCORE:** [www.scoreatlanta.org](http://www.scoreatlanta.org)

**StartupChicks:** [www.startupchicks.org](http://www.startupchicks.org)

For female entrepreneurs interested in creating, building and growing innovative businesses that create value for their customers.

**Startup Riot:** [www.startupriot.com](http://www.startupriot.com)

Annual high-energy event where 50 startups give 3-minute pitches looking for investment up to \$1 million.

**TAG/GRA:** [www.tagonline.org/events](http://www.tagonline.org/events)

Event organized by the Technology Association of Georgia where companies compete for \$300K in cash and services.

**The Wall Street Journal Center for Entrepreneurs:** [www.online.wsj.com](http://www.online.wsj.com)

# DETERMINING CASH NEEDED TO START A BUSINESS

Estimate of monthly expenses based on sales of \$\_\_\_\_\_ projected per year
 
 Estimate of cash needed to start (column 1X \_\_\_\_\_ months)



|                                |  |  |
|--------------------------------|--|--|
| Salary of Owner /Manager       |  |  |
| All other salaries/wages       |  |  |
| Rent (building/equipment)      |  |  |
| Advertising                    |  |  |
| Office Expense                 |  |  |
| Telephone and Fax              |  |  |
| Internet Service               |  |  |
| Other Utilities                |  |  |
| Insurance                      |  |  |
| Taxes, including Soc. Security |  |  |
| Maintenance/Repairs            |  |  |
| Legal/Professional Fees        |  |  |
| Loan Payments                  |  |  |
| Miscellaneous                  |  |  |



|                                   |  |  |
|-----------------------------------|--|--|
| Fixtures & Equipment              |  |  |
| Decorating & Remodeling           |  |  |
| Installation of Fixtures/Equip.   |  |  |
| Starting Inventory                |  |  |
| Deposits for Utilities            |  |  |
| Legal/Professional Fees           |  |  |
| Licenses & Permits                |  |  |
| Advertising/Promotion 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.*



# 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 of 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

**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 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 statement 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