

Business Start-Up Resource Guide



Are you ready to start your own business?

Before you go out and get a business license, sign a lease, obtain a loan, etc. take the time to inventory your own strengths and weaknesses. Some questions you may want to ask yourself are:

- Are you a self-starter or self-motivated?
- Are you comfortable taking risks?
- Can you solve problems and make tough decisions?
- Do you enjoy working alone and being independent?
- Are you persuasive and able to promote your business?
- Are you able to negotiate?
- Are you supported by others in this endeavor?

Do your research and market analysis.

Once you determine you are ready to start your own business, you want to make sure that the business you are starting is feasible. Will you have customers ready to purchase your product or service? Who will they be? Where will they be located? Take the time to do careful research and be able to adequately define the market you will be selling to.

Online Resources:

- NC Live – www.nclive.org
- US Census Bureau – www.census.gov
- Websaras-NC – www.websaras.org
- EASI Demographics – <http://easidemographics.com>

Determine your capital needs and sources of funds.

What will it cost to start your business? Consider all the items you will need from facility to equipment to business licenses. Are you able to fund the start-up of your business? Do you know what financial resources are out there? Refer to our *SBCN Funding Resource Guide*.

Select Professionals

Increase your success by selecting professional advisors with experience and expertise who can assist you with important business decisions. These would include, Lawyers, Accountants, Bankers, Insurance Agents, and Small Business Resource Providers.

Consider your Business Structure.

There are several factors you should consider as you are deciding on whether to form a Sole Proprietor, Partnership, Corporation, or a Limited Liability Company. These factors are: risk involved, tax liability, control, privacy, continuity, and the cost of organizing.

Before selecting a business structure you may want to consult with an attorney and/or accountant as each structure carries unique legal and tax consequences.

For more information on incorporating visit the NC Secretary of State's Corporate Division

<http://www.secretary.state.nc.us/Corporations/> .

Location

For some businesses location can be critical to their success. When selecting a location, some key considerations should be addressed:

- What are the zoning and deed restrictions of the location?
- How does the location selected affect your operating costs?
- Will you lease or purchase the building?
- What are the terms and conditions of the lease or purchase agreement?
- What other businesses are in the area? Are they complimentary?

Contact Business Link North Carolina (BLNC) to find out what licenses and permits you will need to start.

North Carolina does not have a one license fits all. Each individual business will have different licensing requirements. Contact BLNC 1-800-228-8443 and a License Consultant will walk you through the different licenses based on your business and location.

Assumed Name Act

If you decide to operate as a sole proprietor or partnership you should perform a name search with the Register of Deeds. If the name is available, then register the business name with the Register of Deeds.

Privilege License

Businesses located within city limits typically have to have a privilege licenses before starting business operations. In some cases zoning and other requirements must be approved. County privilege license may be applicable as well, contact the County Licensing Office.

Zoning

If you plan to rent or purchase a building for your business operations check with the Zoning and Planning Department in the city and/or county to determine if the location is zoned correctly for your proposed business. If you are planning to operate your business out of your home you may be required to have a Home Occupation Use Permit. You will need to check with the Zoning and Planning Department. In addition, if you live in a subdivision with Covenants, Codes, and Restrictions you will want to review their requirements or restrictions for home based businesses.

Signs

Prior to designing or putting up signage, contact the Inspection or Planning Department to obtain information on size and location to make sure you meet regulations.

What types of insurance have you considered?

Minimize your risks and protect your business with insurance. You should seek professional advice and develop a plan regarding insurance needs. Some of the types of insurance to consider are: Liability, Fire, Bonding, Automobile, and Worker's Compensation.

Workers' Compensation

As a sole proprietor, partnership, or LLC, once you have three employees you are required by law to carry workers' compensation. As a corporation, you must carry workers' compensation once you have three people, including corporate officers. For more information visit the website for the NC Industrial Commission, Workers' Compensation www.ic.nc.gov.

Will you have employees and what will be your requirements?

As an employer you will have responsibilities such as payroll taxes and unemployment taxes. You will need to apply for a Withholding Identification Number (Form NC-BR) with the NC Dept. of Revenue, as well as apply for an Employer Identification Number (Form SS-4) with the IRS.

Getting Started package from the IRS will assist you with the federal identification number, also called the employee identification number as well as information on your portion of FICA and federal unemployment tax.

Are you familiar with what taxes will apply to your business?

Your business will be responsible for income taxes. Please consult with an accountant. If you will be selling a product and operating a retail business, you will need a sales & use tax number, which is obtained through the NC Dept. of Revenue.

- Sales & Use Tax - North Carolina Department of Revenue – www.dor.state.nc.us
- Income Taxes - Internal Revenue Service – www.irs.gov

Open Business Checking Account

As a business owner it is important to keep personal and business funds separate.

Develop a business plan. Refer to our *SBCN Business Plan Resource Guide*.