






START HERE!

**YOUR ROADMAP TO OPENING A
BUSINESS IN JEFFERSON PARISH**



TABLE OF CONTENTS

				
THINKING OF STARTING A BUSINESS	WRITING YOUR BUSINESS PLAN	STARTING A BUSINESS IN JEFFERSON PARISH	TAX OBLIGATIONS	OTHER CONSIDERATIONS
01 Questions to Ask Yourself 02 Visit SBA.gov 02 Contact Your Regional LSBDC 03 Selecting a Business Structure 04 The Role of JEDCO	05 What Goes in My Business Plan? 06 Making an Impression 07 Business Plan Resources 08 Minority and Women Owned Business Resources	09 File with the Secretary of State 09 Visit Geauxbiz.com 11 Unincorporated vs. Incorporated Areas 12 Register Your Business in Jefferson Parish 13 Obtain the Proper Permits	13 Local Taxes 15 State Taxes 15 Federal Taxes	16 Trademarks, Copyrights, & Patents 17 Insurance Needs 18 Mentorship 19 Appendix



THINKING OF STARTING A BUSINESS?

Owning your own business can be a very rewarding way to earn a living, but entrepreneurship simply isn't for everyone. The process of starting a business from the ground up is full of challenges, and in order to be successful, any aspiring entrepreneur must possess certain skills and traits. Ask yourself if you have what it takes. According to the [US Small Business Administration](#), entrepreneurs should be:



Comfortable with risk taking.

Entrepreneurship will involve uncertainty. Do you enjoy the thrill of a calculated risk?



Able to negotiate. As a small business owner, you will need to negotiate everything from leases to contract terms.



Supported by others. You'll be forced to make many important decisions, especially in the first few months. If you do not have a support network of people, you should consider finding a business mentor.



Persuasive. Even the best business ideas require some persuasion to get customers and investors on board.



Creative. Entrepreneurs must be able to think creatively in order to get an edge on their competition.

QUESTIONS TO ASK YOURSELF

- 1 Why am I starting a business?
- 2 What kind of business do I want?
- 3 Who is my ideal customer?
- 4 What products or services will my business provide?
- 5 Am I prepared to spend the time and money needed to get my business started?
- 6 What differentiates my business idea and the products or services I will provide from others in the market?
- 7 Where will my business be located?
- 8 How many employees will I need?
- 9 What types of suppliers do I need?
- 10 How much money do I need to get started?
- 11 Will I need to get a loan?
- 12 How long it take before my products or services are available?
- 13 How long do I have until I start making a profit?
- 14 Who is my competition?
- 15 How will I price my product compared to the competition?
- 16 How will I set up the legal structure of my business?
- 17 What taxes do I need to pay?
- 18 What kind of insurance do I need?
- 19 How will I manage my business?
- 20 How will I advertise my business?



VISIT SBA.GOV



The information on the previous page comes from the [US Small Business Administration](#). At www.sba.gov, you'll find more articles that can help you answer these questions, gain information on loans and grants that might be available to you, obtain guidelines for writing your business plan, and much more. The SBA is an excellent place to start your small business research.

CONTACT YOUR REGIONAL LSBDC



After familiarizing yourself with the information available to you through the US Small Business Administration, you should contact the [Louisiana Small Business Development Center \(LSBDC\)](#). The LSBDC network is comprised of 10 regional offices, all of which provide free consulting, training, and information resources to Louisiana entrepreneurs and small business owners.

First time entrepreneurs should attend a [Starting and Financing a Small Business Workshop](#). This workshop will help you with everything from how to determine the feasibility and legal structure of your business to the types of licenses you will need. Visit www.lsbdc.org for the workshop schedule.

After attending the workshop, you can submit an electronic [Request for Consulting](#) form. The LSBDC office that services your area will contact you to set up a consultation. In the meantime, use what you've learned from the workshop to prepare for your consultation by further developing your business concept.

[Contact Info]

SBA Louisiana District Office

365 Canal St, Ste 2820
New Orleans, LA 70130
(504) 589-6685
answerdesk@sba.gov

Or visit them online at:
www.sba.gov

LSBDC Greater New Orleans Region

Xavier University of Louisiana, Division of Business, Xavier South—Room 203
909 S Jefferson Davis Hwy
New Orleans, LA 70125
(504) 831-3730

Or visit them online at:
www.lsbdc.org



SELECTING A BUSINESS STRUCTURE

Before starting your business, you will need to make a decision on how you want to legally structure it. Your options for business structure will most likely include: Sole Proprietorship, Partnership, Corporation, and Limited Liability Company (see definitions below). Each structure has its own advantages and disadvantages, and you should base your decision on the specific needs, resources, and objectives of your business:



Sole Proprietorship: An unincorporated business owned by an individual. Legally, a sole proprietorship does not exist apart from the owner. This means that if you choose this structure, your business assets and liabilities will also be your personal assets and liabilities, and vice versa.



Partnership: An unincorporated business is structured much like a sole proprietorship, except with two or more owners. Each owner contributes resources to the business, assumes its liabilities, and in return, has a share of its profits or losses.



Limited Liability Company (LLC): An unincorporated association of one or more owners, called members. Unlike a sole proprietorship or partnership, members are not personally liable for the debts of an LLC. All LLCs must register with the State.



Corporation: A business that is treated as its own legal entity. It is separate and distinct from its owners, or shareholders. Incorporating a business allows shareholders to pool resources and also protect themselves from liability.

Each of these structure has its own tax requirements and legal implications. Therefore, it is a very good idea to consult with a tax professional and an attorney before making a decision. They can help you file the appropriate tax documents for each structure and make sure you are properly protected legally.

For more information, visit the [Internal Revenue Service's](#) webpage on Business Structures. Here you will also find information on the necessary tax forms you will need to submit once you have decided on a structure for your business.

[Contact Info]   

Internal Revenue Service

1555 Poydras St
New Orleans, LA 70112
(504) 558-3344



Or visit them online at:
www.irs.gov



THE ROLE OF JEDCO

The **Jefferson Parish Economic Development Commission (JEDCO)** is another great resource for entrepreneurs in Jefferson Parish. JEDCO is an independent, yet complementary arm of the Jefferson Parish government with the main objective of attracting, growing, and creating new business in the parish. Since 1987, JEDCO has assisted thousands of businesses, both small and large, new and established, through business incubator and loan programs, tax incentives and rebate programs, workforce development and information services.



Business Financing

Resident businesses and companies in Jefferson Parish are eligible for loan programs administered by JEDCO that are designed to meet many financing requirements, including real estate, working capital and equipment. Many of these loan programs are tailored for new businesses, and JEDCO can help you understand what financing options might be available for your start-up. For more information, contact **Huyen Nguyen** at (504) 399-9933.

Economic Development Services

JEDCO has access to several databases and subscription services that can help inform new business owners. JEDCO can provide you with detailed, up-to-date, computerized lists of Jefferson Parish businesses, demographic data and traffic counts, as well as commercial and industrial real estate listings. This information is helpful for any start-up businesses researching the market, writing a business plan, or looking for a location. For more information, contact **Kate Wendel** at (504) 875-3912.

Incentive Information

In order to attract and retain businesses, the State of Louisiana offers many programs including tax credits for job creation, tax exemptions for manufacturers, rebates of new payroll for qualifying companies, or inventory tax credits for wholesalers and distributors. These incentive programs can provide significant savings for qualifying companies in Jefferson Parish, and JEDCO can help you understand which might be applicable to your new business. For more information, contact **Margo Ruiz** at (504) 875-3920.

[Contact Info]

Jefferson Parish Economic Development Commission (JEDCO)

700 Churchill Pkwy
Avondale, LA 7004
(504) 875-3908

Or visit us online at:
www.jedco.org



WRITING YOUR BUSINESS PLAN

If you're a first-time entrepreneur, chances are you might not have enough capital to start a business on your own. This might mean you'll need financial help from lenders or investors to help get things off the ground. A business plan is the best way to convince potential backers that you've thought things through. This will help increase your chances of securing the necessary funding.

Even if you have enough capital to get started on your own, it is still a very good idea to write a business plan. This living document projects three to five years ahead and is an essential roadmap for success. The process of writing down your plans in detail will help you find hidden business flaws and outline the route your company intends to take to grow revenues.

[What Goes in My Business Plan?]

Most business plans can be broken up into sections like the ones listed below, provided by the [US Small Business Administration](#). The order of the sections and their titles might vary slightly, but this list will give you an idea of the general format.

Executive Summary

One to two pages briefly explaining your business and what is included in the rest of the business plan. Highlight the most important parts of your plan because it is your first opportunity to grab a potential investor's attention.

Business Description

A high-level review of your business. Describe the nature of your business, your products or services, and your customers. Explain how your product meets the needs of your customers and any competitive advantages you have.

Market Analysis

Your chance to show investors that you have researched the market. Illustrate your knowledge of your competition (if any) and potential customer base.

Organization and Management

An outline of your business' organization structure. Include an organizational chart, details about ownership of the company, and profiles of your management team.

Service or Product Line

A description of the products or services you will offer your customers. Emphasize the benefits of your product and the customer need it meets.

Marketing and Sales

A strategy for selling your products and services. Explain how you will advertise your products, as well as your distribution and sales strategy.

Funding Request

Your chance to ask for capital to start your business. Include your funding requirement, how you intend to use the funds, and your plans for the future, i.e. do you plan to sell your business in 10 years?

Financial Projections

Include all necessary financial documents in this section, i.e. your balance sheet, income statement, cash flow statement, etc.

Appendix

An optional section where you can include an additional information you think is necessary or supplemental.

WRITING YOUR BUSINESS PLAN

[Making an Impression]

To help your business stand out from the crowd and give you an advantage over your competitors, you'll need a business plan that is presentable and memorable. The [US Small Business Administration](#) provides the following ways to do just that:



Be specific when describing the products or services your business will offer and why they are unique. For example, if you're starting a casual restaurant, describe your specific ambience, convenience, and selection/variety for customers.



Identify and explain your niche. Small businesses often find it's more cost effective to specialize products or services into manageable market niches. Describe how your business will do one thing and do it well, not how you will be all things to all customers.



Elaborate on that niche. Identify the needs of the market that your competitors are already serving, the needs of the market that aren't being met, and then explain how you will fill that gap.



Make sure there are no misspellings, typos, or errors in your presentation. Have someone else read your business plan to be sure.



Make sure your business plan is neat and organized. Write it using a word processing program and use a spreadsheet program for any graphs, tables or charts.



Make many copies of your business plan. Potential lenders and investors typically like to keep their own copy even if they decide not to contribute to your business.



Put each copy of your plan in a three-ring binder with tabs and indexes.

The **Fresh Cane** team, winners of the 2016 JEDCO Challenge by pose with their winnings: \$20,000 to help them reach the next level of success. The JEDCO Challenge is a start-up pitch competition for entrepreneurs with ties to Jefferson Parish.



WRITING YOUR BUSINESS PLAN

[Business Plan Resources]

A simple google search can produce thousands of articles on how to write business plans. There's also no shortage of business plan templates and samples online. Some are free and others aren't, and while many of these resources can be helpful, not all are from the most reliable sources. You should absolutely do your own additional research on business plans, but before you go paying for any services, utilize the free, government resources that are available to you.

So far, most of the information in this start-up kit came from the [US Small Business Administration](#) and the [Louisiana Small Business Development Center](#). If you'd like more in-depth information and step by step guidance, check out their resources below:



Section-By-Section Breakdown of the Business Plan Format

Here you'll find the process broken down into helpful articles, one for each section of your business plan. While you're there, do some exploring on the site. You'll find great information on loans, grants, and other federal government resources.

www.sba.gov/writing-business-plan



Step-By-Step Business Plan Workbook

The Louisiana Small Business Development Center has created a step-by-step business plan workbook that walks you through the entire business planning process by providing instructions and templates. For your convenience, a copy of this workbook is included in the *Appendix* of this kit. It's also free to download at the link below.

www.lsbdc.org/b_business_plans.php



Market Data for Jefferson Parish

JEDCO can help you write the Market Analysis section of your business plan by providing data on Jefferson Parish. JEDCO has access to business listings, traffic counts, and demographic data for Jefferson Parish that can help you impress your potential partners by showing them you've done your homework. The best part, these services are completely free! Contact [Margo Ruiz](#) for more information.

www.jedco.org/demographics-data-reports/

[Contact Info]

Margo Ruiz

Economic Information and Incentives Coordinator
JEDCO
700 Churchill Pkwy
Avondale, LA 70094
(504) 875-3908

MINORITY AND WOMEN OWNED BUSINESS CERTIFICATIONS AND RESOURCES

Go.Be.
Go beyond survival to success

El Centro 

U.S. Small Business Administration

SBA
Your Small Business Resource



Southern Region
Minority Supplier
Development Council

WBEC SOUTH
WOMEN'S BUSINESS ENTERPRISE COUNCIL

JOIN FORCES. SUCCEED TOGETHER.

Hermione Malone-Executive Director
2028 Oretha Castle Haley Blvd. New Orleans, LA 70113
hermione@gobe.org
504.309.2073
504.309.2090
<https://gobe.org/>

Lindsey Navarro-Executive Director
4334 Earhart Blvd Ste 700,
New Orleans, LA 70125
504.503.1040
info@elcentrola.org
<https://www.elcentrola.org/>

Jo Ann Lawrence - Deputy District Director
365 Canal St., Suite 2820 New Orleans, LA 70130
Jo.lawrence3@sba.gov
Direct: 504.589.2879
Cell: 504.256.5293
www.sba.gov/la
8(a) Certification

Alvin-O Williams -President
400 Poydras Street Suite 1960 New Orleans, LA 70130
awilliams@srmsdc.org
Office: 504.293.0400
Direct: 504.293.0407
www.srmsdc.org
MBE Certification

Phala K. Mire - President
401 Saint Joseph Street, Suite 2A
New Orleans, LA 70130
pkmire@wbecsouth.org
o: 504.830.0149 c: 504.615.4901
wbecsouth.org
WBE/WOSB Certification

STARTING A BUSINESS IN JEFFERSON PARISH

[Step 1] Register your business with the Secretary of State at GeauxBiz.com



If you plan to structure your new business as a partnership, LLC, or corporation (see *Selecting a Business Structure* on page 3), you'll begin the registration process with the Louisiana Secretary of State. You can contact the Secretary's Office by phone or mail, but the easiest way to register your business is through their convenient online [GeauxBIZ](http://GeauxBiz.com) portal at geauxbiz.com (see below).

Note: If you plan to structure your new business as a sole proprietorship, you are not required to register it with the Secretary of State (but it is still a good idea to do so any way!). You will, however, be required to register your business' Trade Name with Jefferson Parish (see [\[Step 3\]](#) on page 10).

If you choose not to register your sole proprietorship with the Secretary of State, you can skip ahead to [\[Step 2\]](#) on page 10.

GEAUXBIZ.COM

[GeauxBIZ](#) was designed to be the starting point for all new Louisiana businesses. From your computer, you will be able to:



Download a Custom Business License Checklist

Just enter specific information about the type of business you are starting and its location, and [GeauxBIZ](#) will create a custom list of the business licenses and permits you will need in order to operate legally.

Reserve a Name for Your New Business

You can also register the official name of your business with the state through [GeauxBIZ](#). Keep in mind this is where you register your business name on the state level. You will need to register with the Jefferson Parish Clerk of Court as well (page 11).

Register Your Business with Other Required State Agencies

[GeauxBIZ](#) also allows you to register your business with the Louisiana Workforce Commission and the Louisiana Department of Revenue. This will be helpful when it is time for you to hire employees and pay state taxes (page 15).

[Contact Info]

Louisiana Secretary of State

8585 Archives Ave
Baton Rouge, LA 70809
(225) 925-4704
www.sos.la.gov



STARTING A BUSINESS IN JEFFERSON PARISH [CONT'D]

[Step 2] Obtain a Zoning Clearance Slip

Next, you must verify with the Jefferson Parish Inspection and Code Enforcement Office that the physical location of your new business is properly zoned for your particular business type. Although you can obtain a Zoning Clearance Slip through mail correspondence, the quicker and easier way to do this is to physically visit one of their offices and fill out the paper work in person. Be advised that there is a \$50 processing fee for Zoning Clearance Slips. All forms of payment except American Express are accepted, and checks should be made out to "Jefferson Parish Pooled Cash."

Inspection & Code Enforcement Eastbank Office

1221 Elmwood Park Blvd, Ste 101
Jefferson, LA 70123
(504) 736-6957

Westbank Office

400 Maple Avenue
Harvey, LA 70058
(504) 364-3512

Note: If you have registered your business name with the Secretary of State's Office (see [Step 1] on page 9, you are not required to complete [Step 3] (but it is still probably a good idea to do so anyway!). If you choose not to register your Trade Name with the parish, you can proceed directly to [Step 4].

[Step 3] is only required for sole proprietorships who have elected not to register with Secretary of State.

[Step 3] Register the Trade Name of your Business Locally with the Jefferson Parish Clerk of Court

To register your business locally, you must sign an affidavit verifying the trade name of your new business and get it notarized. Then, submit the affidavit to the Jefferson Parish Clerk of Court. For your convenience, a **Trade Name Affidavit** is included in the *Appendix* of this kit. Be advised that there is a \$35 processing fee for Trade Name Affidavits. All forms of payment except Discover are accepted, and checks should be made out to "Jefferson Parish Clerk of Court."

Clerk of Court

200 Derbigny St, Ste 5600
Gretna, LA 70053
(504) 364-2900

Mailing Address

PO Box 10
Gretna, LA 70054

[Step 4] Submit an Application to the Jefferson Parish Sheriff's Office

Lastly, you must complete and submit a **General Registration Application** to the Jefferson Parish Sheriff's Office. For your convenience, a copy of this application is included in the *Appendix* of this kit. Be advised that there is a \$50 processing fee for Occupational Licenses. All forms of payment except American Express are accepted, and checks should be made out to "Jefferson Parish Sheriff's Department." Be sure to bring your Zoning Clearance Slip (see [Step 2]) with you when you apply for your license.

JPSO Bureau of Revenue and Taxation

200 Derbigny St, Ste 1200
Gretna, LA 70053
(504) 376-4259

Mailing Address

PO Box 246
Gretna, LA 70054



UNINCORPORATED VS. INCORPORATED AREAS

The information below explains the difference between incorporated and unincorporated areas of Jefferson Parish. The **Jefferson Parish Sheriff's Office Bureau of Revenue & Taxation** has primary responsibility for collecting taxes, licenses, fines and fees in these unincorporated areas of the parish.

[Unincorporated Areas]

Avondale 70094
Barataria 70067
Bridge City 70094
Crown Point 70072
Gretna* 70056
Harvey 70058

Harahan* 70123
Jefferson 70121
Lafitte* 70067
Marrero 70072
Metairie 70001-70006
New Orleans** 70121

New Orleans*** 70123
Nine Mile Point 70094
River Ridge 70123
Terrytown 70056
Waggaman 70094
Westwego* 70094

[Incorporated Areas]

Incorporated cities and towns in the parish may levy and collect property taxes over and above the various parish tax levies. These cities and towns may also administer and collect various city-imposed license taxes, fines, fees, and permits on the citizen and business within its city limits.

Listed below are the names, address, and phone numbers of the incorporated city and town governments within the parish. If your business will be located in one of these areas, be sure to contact the corresponding city hall with any questions. Additionally, consult the **Business License Checklist** from the **Louisiana Secretary of State's Office** for further confirmation (see *Download a Custom Business License Checklist* page 9).

City of Gretna*

2nd and Huey P Long Ave, Rm 105
Gretna, LA 70053
(504) 363-1555

City of Kenner

1801 Williams Blvd, Bldg B
Kenner, LA 70062
(504) 468-7200

Grand Isle Town Hall

1701 Ludwig Ln
Grand Isle, LA 70358
(504) 787-3196

City of Harahan*

6437 Jefferson Hwy
Harahan, LA 70123
(504) 737-6383

City of Westwego*

419 Avenue A
Westwego, LA 70094
(504) 341-3424

Town of Lafitte*

2654 Jean Lafitte Blvd
Lafitte, LA 70067
(504) 689-2208

- * These cities have both incorporated and unincorporated areas. Please verify if your business is located within the city limits.
- ** The Ochsner Hospital area in Jefferson utilizes a New Orleans address despite being located in unincorporated Jefferson Parish.
- *** The Elmwood Industrial Park area in Jefferson utilizes a New Orleans address despite being located in unincorporated Jefferson parish.



OBTAIN THE PROPER PERMITS

Next, you will need to make sure you have all of the necessary permits and licenses for your business. If your business is located within the corporate limits of the incorporated cities and towns listed on page 10, contact the appropriate office there to insure that your business is properly permitted. Additionally, you can download a Business License Checklist from the [Louisiana Secretary of State's Office](#) (see *Download a Custom Business License Checklist* on page 9) to be more certain you've covered all of your bases.

[Alcoholic Beverage Permits]

Any business planning to dispense alcoholic beverages will need to obtain an alcoholic beverage permit. If your business is located in the unincorporated areas of Jefferson Parish or the Town of Jean Lafitte, you will do so through the Jefferson Parish Sheriff's Office. Contact the Sheriff's Office for more information, application instructions, and schedule of fees.



Jefferson Parish Sheriff's Office

1233 Westbank Expressway
Harvey, LA 70058

Or visit them online at:
www.jpso.com

If your business is located within the corporate limits of Grand Isle, Gretna, Harahan, Kenner, or Westwego, and you wish to sell alcohol, please contact the corresponding office listed on page 9 of this kit.

Be aware that the application for a Louisiana State Alcoholic Beverage Permit should be filed within 24 hours of filing a local permit. For additional information, contact Louisiana Alcohol and Tobacco Control:



Louisiana Alcohol and Tobacco Control

8585 Archives Ave, Ste 305
Baton Rouge, LA 70803
(225) 925-4041

Or visit them online at:
www.atc.rev.state.la.us

[Other Local Permits]

The Jefferson Parish Sheriff's Office also issues permits for Peddlers and Solicitors, Sales from Temporary Stands or Vehicles, and Special Events and Festivals in the unincorporated areas of Jefferson Parish and the Town of Jean Lafitte. Contact the Jefferson Parish Sheriff's Office if you think any of these apply to your business. Fees may be required.



TAX OBLIGATIONS

[Local Taxes]

Jefferson Parish levies the following taxes on businesses. The **Jefferson Parish Sheriff's Office** is responsible for collecting these taxes. When registering with parish, make sure you understand which will apply to your business. Contact the Sheriff's office directly with any questions.

Occupational License Tax

Each person pursuing any trade, profession, vocation, calling, or business (except manufacturers) within Jefferson Parish is required to file and pay the occupation license tax. The tax, based upon your business classification and gross receipts or commission, has a minimum of \$50 per business location. Occupational License Tax renewals are due January 1 of each year.

Chain Store Tax

A chain store tax is imposed on retail businesses having multiple locations under the same general management, supervision, ownership, or control and who are commonly recognized as a member of a chain or as a branch store. This tax, based on the number of stores nationwide, is imposed on each store within this jurisdiction.

Insurance Premium Tax

An annual license tax is imposed on those engaged in the business of issuing life, accident, or health insurance policies or other forms of contracts or obligations covering such risk. This license tax is based on the gross amount of annual premium on all such risks located in the unincorporated areas of Jefferson Parish. Insurance Premium Tax renewals are due January 1 of each year.

Hotel Occupancy Tax

In addition to the sales tax levied on the furnishing of rooms by hotels, motels, and tourist camps, an occupancy tax is imposed on the paid occupancy of hotel/motel rooms located in Jefferson Parish. A separate tax return is used to report these sales.

Airport District Tax

In addition to the sales/use tax imposed on transactions occurring in Jefferson Parish, an additional levy is imposed on the sale at retail establishments and/or rental of tangible personal property originating within the New Orleans Airport Sales Tax District. A separate tax return is used to report these sales.

[Contact Info]

Jefferson Parish Sheriff's Office

1233 Westbank Expressway
Harvey, LA 70058
(504) 363-5500

Or visit them online at :

www.jpso.com

TAX OBLIGATIONS

[Local Taxes cont'd]

Sales/Use Tax

The Parish of Jefferson, the Jefferson Parish School Board, and other political taxing subdivisions of Jefferson Parish levy local sales/use taxes. With the exception of the Airport District Tax, sales/use tax rates are uniform throughout the Parish and are in addition to the sales/use tax imposed by the State of Louisiana. Sales/use taxes must be remitted by businesses on or before the 20th day following the close of each reporting period. Transactions subject to sales/use tax include:

- 1 The retail sale, use, consumption, distribution, or storage for use or consumption of any tangible personal property.
- 2 The lease or rental of any item or article of tangible personal property.
- 3 The furnishing of rooms by hotels, motels, and tourist camps.
- 4 The sale of certain services, including, but not limited to, sales or admission to places of amusement, athletic or recreational facilities, the furnishing of printing or overprinting, storage or parking privileges, cold storage space, laundry cleaning, pressing and dyeing services, and repairs to tangible personal property.

Local Tax Rates

The schedule below summarizes the rates for the local taxes listed on pages 13 and 14. If you have any further questions, be sure to contact the Jefferson Parish Sheriff's Office directly.

4.75%	General
3.75%	Hotel/Motel Room Rentals
3.50%	Food/Drug Items
3.00%	Occupancy Tax—Eastbank
2.00%	Occupancy Tax-Westbank
2.00%	Airport District



TAX OBLIGATIONS

[State Taxes]

Business in Jefferson Parish may also be responsible for paying certain taxes to the State of Louisiana, mainly state sales and use taxes. The **Louisiana Department of Revenue** is responsible for collecting state taxes.



Louisiana Department of Revenue

617 N 3rd St
Baton Rouge, LA 70802
(855) 307-3893

Or visit them online at:
www.rev.state.la.us

The process of signing up for a state sales tax ID has been streamlined by the **GeauxBIZ** portal. When you are registering your business with the Secretary of State through GeauxBIZ, the portal will also guide you through the process of registering with the Louisiana Department of Revenue as well. For information on the state sales tax as well as other taxes you may be responsible for, contact the Louisiana Department of Revenue directly.

[Federal Taxes]

In addition to registering with the Louisiana Department of Revenue, you might also need apply for an Employer Identification Number (EIN) with the federal government when you start your business. The **Internal Revenue Service (IRS)** is responsible for issuing EINs and collecting federal taxes.



Internal Revenue Service

1555 Poydras St
New Orleans, LA 70112
(504) 558-3344

Or visit them online to see if you will need an EIN:
www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Do-You-Need-an-EIN?

Typically, businesses with employees will need an EIN. If you don't plan on hiring anyone for a while, you may be able use your social security number for federal tax purposes. However, there are other instances where a business with out employees will need to register for an EIN. Contact a tax professional or attorney to ensure you are following all federal and state tax regulations.

OTHER CONSIDERATIONS

It is crucial to protect any creative works or ideas original to your business. These creations are called intellectual property, and they include things such as inventions, symbols or logos, and artwork. The **US Patent and Trademark Office** offers the following ways to make sure others can't steal and profit from your intellectual property:

TRADEMARKS, COPYRIGHTS, & PATENTS

Trademarks

Trademarks protect words, names, symbols, sounds, or colors that distinguish goods and services from those manufactured or sold by others and indicate the source of the goods. Trademarks, unlike patents, can be renewed forever as long as they are being used in commerce. Trademarks must be registered with the **US Patent and Trademark Office**.

Patents

Patents grant inventors the right to exclude others from making, using, offering for sale, or selling their invention throughout the United States or importing the invention into the United States for a limited time in exchange for public disclosure of the invention when the patent is granted. Patents are granted by the **US Patent and Trademark Office**.



US Patent and Trademark Office

(800) 786-9199

Or visit them online at:

www.uspto.gov

Copyrights

Copyrights protect works of authorship, such as writings, music, and works of art that have been tangibly expressed. The **Library of Congress** registers copyrights which last for the life of the author plus 70 years.



The Library of Congress

US Copyright Office

(877) 476-0778

Or visit them online at:

www.copyright.gov



INSURANCE NEEDS



**INSURANCE
INFORMATION
INSTITUTE**

Improve your Understanding of Insurance

The Insurance Information Institute is a valuable resource for anyone purchasing business insurance for the first time. Here you'll find articles, explanations, and other publications on the various insurance policies and resources available to you.

www.iii.org

Starting a business requires a significant investment, so you'll want to make sure that you're protected. Insurance minimizes your financial risks by covering your business during unforeseen events, such as natural disasters, employee injuries, or accidents on business property. Insurance companies can compile packages of different types of insurance specific to your business' needs.

In order to make sure that you are properly covered, speak to an insurance agent and make sure you have the policies that are most suited for your needs. State governments determine the insurance requirements for businesses, so if you're going to operate a business in Louisiana, you should be familiar with the following options:



Workers Compensation and Unemployment Insurance: If your business has employees, these types of insurance are required by law. These policies pay for employee medical expenses and a portion of their lost income in the event of an injury. In addition, workers compensation insurance also protects employers from lawsuits due to employee injuries.



General Liability Insurance: These policies protect against payments your business might have to make due to bodily injury, property damage, medical expenses, libel, slander, and legal costs. There are other, more specific forms of liability insurance, such as product liability for manufacturers and professional liability for business providing professional service. Check with your agent to make sure you are properly protected.



Property Insurance: You will most likely want to get property insurance coverage if you own the building where your business operates. However property insurance can also cover lost income, business interruption, buildings, computers, etc. These policies cover losses and damages to your property due to events such as natural disasters, fires, burglary, and vandalism.



nDorse

Rohan Walvekar, founder of nDorse, shares his business story at the JEDCO Challenge pitch competition. nDorse is a mobile and web-based application that helps businesses provide real-time positive reinforcement to employees. The company is based in Metairie and is used in schools, hospitals, and large businesses across the US.



MENTORSHIP

Sometimes the easiest way to do something you've never done before is to find someone who has and ask him or her your questions. It's no different when it comes to starting your own business! If you have a friend, family member, or coworker who has started their own business, ask that person if he or she would like to mentor you. Chances are they had many of the questions you have now and were able to work through them. Mentors are an excellent source of advice and experience.

If you don't know anyone who has started their own business, don't fret. **SCORE** is an organization that helps new businesses find mentors. They are a nonprofit association dedicated to helping small businesses get off the ground, grow, and achieve their goals through education and mentorship. They can provide you with:



Mentors

Volunteers whose combined expertise spans across 62 industries. **SCORE** offers free, confidential business mentoring in person or via email.

Tools

Free online business templates and tips

Workshops

Inexpensive or free local workshops or online webinar

SCORE has been helping small businesses for over fifty years. Because their work is supported by the U.S. Small Business Administration—and thanks to a network of 11,000+ volunteers at 320 chapters nationwide—they are able to deliver services at no charge or at very low cost. If you are interested in any of **SCORE's** services, research them online and reach out to their location in New Orleans.

[Contact Info]   

SCORE New Orleans

365 Canal St, Ste 2820
New Orleans, LA 70130
(504) 589-2356

Or visit them online at:

www.neworleans.score.org



APPENDIX

The remaining pages of this kit contain supplemental information and some of the necessary forms you will need to start a business in Jefferson Parish. This Appendix includes:

Step-By-Step Business Plan Workbook

Referenced in **Business Plan Resources** on page 7 of this kit
Also available online at: www.lsbdc.org/b_business_plans.php

Trade Name Affidavit

Referenced in **Starting a Business in Jefferson Parish (Cont'd)** on page 9 of this kit
Also available online at: www.jpclerkofcourt.us/blog/wp-content/uploads/2011/08/TradeNameAffidavit1.pdf

General Registration Application

Referenced in **Starting a Business in Jefferson Parish (Cont'd)** on page 9 of this kit
Also available online at: www.jpso.com/DocumentCenter/View/249



THE PLAN

A Step-by-Step

BUSINESS PLAN

Guidebook



Louisiana Small Business Development Center Center Locations

STATE OFFICE

Louisiana SBDC (Main Office)

401 Bayou Drive, Stubbs Hall 217
Monroe, LA 71209-6435
Phone: (318) 342-5506
Email: lsbdc@lsbdc.org

Baton Rouge Office

340 East Parker St, LSU Campus
Baton Rouge, LA 70803
Phone: (225) 615-8932
Email: lsbdc@lsbdc.org

SERVICE CENTERS

Alexandria

LSBDC at Northwest & Central Region

3600 Jackson Street Extension
Dunbar Plaza, Suite 114C
Alexandria, LA 71303-3064
Phone: (318) 484-2123
Email: lsbdc.nsu@lsbdc.org

Lake Charles

LSBDC at McNeese State University

4310 Ryan Street, Suite 162
Lake Charles, LA 70605
Phone: (337) 475-5529
Email: lsbdc.msu@lsbdc.org

Baton Rouge

LSBDC at Southern University

801 Harding Blvd.
Baton Rouge, LA 70813
Phone: (225) 774-9213
Email: lsbdc.subr@lsbdc.org

Metairie

LSBDC Greater New Orleans & Bayou Region

Phone: (504) 831-3730
Email: lsbdc.gnor@lsbdc.org

LSBDC Capital Region

340 East Parker St, LSU Campus
Baton Rouge, LA 70803
Phone: (225) 615-8932
Email: lsbdc.cr@lsbdc.org

Monroe

LSBDC at University of Louisiana Monroe

401 Bayou Drive, Stubbs Hall 217
Monroe, LA 71209-6530
Phone: (318) 342-1224
Email: lsbdc.ulm@lsbdc.org

Hammond

LSBDC at Southeastern Louisiana University

1514 Martens Drive
Hammond, LA 70401-1656
Phone: (985) 549-3831
Email: lsbdc.slu@lsbdc.org

Natchitoches

LSBDC at Northwest & Central Region

175 Sam Sibley Drive
Natchitoches, LA 71497
Phone: (318) 357-5611
Email: lsbdc.nsu@lsbdc.org

Lafayette

LSBDC at University of Louisiana Lafayette

2250 Johnston Street
Lafayette, LA 70503
Phone: (337) 482-6312
Email: lsbdc.ull@lsbdc.org

Shreveport

LSBDC Northwest & Central Region

1905 Elizabeth Ave, Bldg. C, Room 101
Shreveport, LA 71101
Phone: (318) 677-3017
Email: lsbdc.nsu@lsbdc.org

THE PLAN

A Step-By-Step

Business Plan

Guidebook

I N T R O D U C T I O N

Planning is your map to success in the business world. You need to write a business plan if you are:

- **starting or buying a business**
- **financing or refinancing your business**
- **raising debt or equity capital**

Much money is made then lost because one area of a business fails, dragging the positive parts down with it.

THE PLAN helps you find hidden business flaws and makes you think carefully about each phase of your business.

It is important that **you** write your business plan. Why? You will gain in-depth knowledge about your business which will make it easier to answer lenders' questions. The process of writing your business plan will clarify what is involved in making your business work successfully.

How To Use This Workbook

Divide your business plan into sections that match the “contents” outline shown on the next page. There is no set length for your answers — they will range from a paragraph to a few pages long.

Once it’s written, your business plan will need editing. Ask other people to read and critique your plan. Include a statement on the inside cover that says its contents are confidential, and making copies is prohibited.

Your business plan should be neat and organized to make a professional impression. After your text is written, use a spelling and grammar check feature to be sure your work is error free. For financial data, use a spreadsheet program.

Once you’re done, make copies for your lender and for others who are interested in your business. Make sure all the copies you submit are readable and include original signatures. Lenders keep your presentation even if you are rejected, so make copies for yourself of everything you submit. Number the business plan copies and make a list of each person you’ve given one to.

It’s a good idea to put your loan presentation in a 3-ring binder with tabs and indexes.

► Business Loan Basics

ASK YOURSELF THESE QUESTIONS:

- How much money do I need? _____
- What type of lender do I need? (*bank, state or federal agency, venture capitalist firm, or other investor*) _____
- What is the lender’s minimum and maximum loan size? _____
- Can the lender meet my present and future needs? _____
- What types of businesses will the lender finance? _____
- What collateral does the lender accept? _____

BEFORE MEETING WITH A LENDER:

- Call to find out the rules for their business loans.
- Make sure the lender is looking for loans of your size and type.
- Ask for a loan application.
- Make an appointment.
- Rehearse your presentation.
- Remember, the lender is like a customer. You have to convince the lender that your business has merit.

BASIC QUESTIONS A LENDER WILL ASK YOU:

- How much money do you want? _____
- How much are you investing in the business? _____
- Exactly how will the money be used? _____
- How long do you need to repay the loan? _____
- How will the loan be repaid? _____
- What collateral do you have to offer? _____

LENDERS USE THE EIGHT “C’s” RULE:

1. Credit (*must be good*)
2. Capacity (*ability to repay*)
3. Capital (*money going into the business*)
4. Collateral (*your assets that secure the loan*)
5. Character (*you*)
6. Conditions (*economy, finances, anything that affects your business*)
7. Commitment (*your ability and willingness to succeed*)
8. Cash Flow (*can it support the business’ debt and expenses?*)

► Business Loan Basics

WHEN MEETING WITH A LENDER:

- Bring your business plan, a completed loan application, and any other materials you need.
- Keep the entire presentation to 30 minutes.
Give an overview or outline at the beginning.
Know how you are going to end the presentation.
- Invite your lender for a tour of your current or proposed operation.
- Answer all negative questions with positive answers.
Be prepared to back up your answers.
- Find out when you can expect a decision.
- Ask that your lender's decision be sent in writing, even if you received the decision on the phone.
- Follow up with a thank you letter and a phone call, even if your loan request was rejected.

The Appendix

The **APPENDIX** comes at the end of your business plan and includes all details and documents that support the plan.

Items that need to be included in the **APPENDIX** are indicated throughout this workbook. On page 31, you'll find a comprehensive list, which you can use as a guide.

The first page of the **APPENDIX** should be a listing of its contents. Be sure to separate and organize the documents logically, perhaps in the order they are referred to in the plan.

The **APPENDIX** will grow, so it is a good idea to use a 3-ring binder with tabbed dividers. Some people prefer using an expandable file.

FORMULAS

Generally, lenders like to simplify the process used to screen loan requests. Take your business through the same exercise that lenders do. The complexity or size of the loan request doesn't matter; the basic formula is as simple as **1-2-3**.

CONTENTS

BREAK DOWN YOUR BUSINESS PLAN INTO SECTIONS SIMILAR TO THOSE IN THIS BOOK.

Executive Summary	6
Business Description	8
Managers & Employees	10
Operations & Location	11
Marketing	12
Buying a Business	16
Buying a Franchise	17
Loan Request	18

FINANCIAL STATEMENTS

General Information	19
1. Personal Finances	20
2. Balance Sheet	22
3. Income Statement	24
4. Cash Flow	26
Ratios	28
Formulas	30
Appendix	31

EXECUTIVE SUMMARY

The **Executive Summary** (*your Cover Letter*)

briefly explains the contents of your business plan in about *one or two pages*.

Page two is the **Table of Contents**. It shows the lender on which page each section can be found (*see page 5 for the breakdown of sections*).

The Executive Summary should include:

- the owners' names and their credentials
- your products or services
- your market(s) and the competition
- the amount of money needed
- how the loan will be repaid
- how long you want the loan to last

YOUR COVER LETTER SHOULD READ SOMETHING LIKE THIS ONE:

Leave off your return address if the letter is on your company's stationery.

List the purpose of the loan (*starting, buying, or expanding a business*). Include owners' names and experience. Mention your products and services.

Briefly mention your markets and customers.

Include key facts about your competition.

Tell the lender who should be contacted and provide a phone number and email address.

Include all signature(s) and typed name(s).

The Green Rose
456 Oak Street
This Town, USA 67890

Mr. John Nelson
ABC Bank
123 Main Street
Anytown, USA 12345

Re: Loan Request for \$300,000

Dear Mr. Nelson,

With 20 years of management experience in the residential landscaping business, we are requesting a loan to start our own landscaping business, called The Green Rose.

The climate for a successful landscaping business is perfect. Last year, the number of new homes built in Pembroke Pines increased by 15%. Just this quarter, new building permits are up 10% over last year. Of the 45,000 homes in the area, 3,000 were built last year.

Our target market is owners of new and older homes. We plan to reach them with focused marketing, which you will read about in our plan. In addition, we have good working relationships with many building contractors, who have indicated they will refer us to their clients.

Two of our six local competitors have filed Chapter 11. Two are family-owned businesses who concentrate on commercial contracts. The last two are healthy competition, though they lack our marketing and management expertise.

We are investing \$75K from our savings, and are requesting a \$300K loan from your bank. We would like five years to repay the loan, using the cash flow of the business. Our secondary source of repayment will be from collateralized equipment. Our homes and business assets, valued at \$300K, are offered as collateral for the loan.

Our business plan is attached. In it you will find the information you need. If you have any questions or need more information, please contact Mr. Green at (321) 234-5678.

Respectfully submitted,

Ed Rose
Ed Rose

Tim Green
Tim Green

To build the lender's enthusiasm, make references to what's included in your business plan

Mention how much money you would like to finance and the terms (how many years). List the source of re-payment (*loans should be repaid by the business' cash flow*). Also include how much **you** are investing and where your money will come from.

List the secondary source of repayment. This is usually collateral which includes business and personal assets (see page 18). Also, fill in the equity value of these assets.

EXECUTIVE SUMMARY (YOUR COVER LETTER)

Date _____

Your address _____

Lender's name, bank name, and address

Re: Loan Request for \$ _____ (fill in amount)

Dear (fill in lender's name) _____:

I (or we) am requesting a loan of _____. The owner(s) (fill in names) _____ have experience in this industry including... (mention experience in industry or training that would qualify you to run this business).

The industry we are entering... (include one brief paragraph about the industry and its growth)

Our target market is... (include one brief paragraph about your target market/customers)

The competition includes.... (include one brief paragraph about your competition and how your business will attract their customers)

We are investing \$ _____ of our own money. Our collateral consists of business assets having a fair market value of \$ _____ and personal assets (if applicable) with a value of \$ _____

Attached is our business plan which backs up our request. If you have any questions, please contact (name) _____ at _____ (include phone number and email address).

Sincerely,

Your signature(s) and printed name(s) here

BUSINESS DESCRIPTION

General:

List the business name, location, mailing address, telephone, fax, e-mail and web site address.

Legal Business Description:

Sole proprietorship, partnership, limited liability, "C" or "S" corporation. List the state where the business is incorporated.

Purpose:

Describe the intent of your business.

Type of business:

Retail, wholesale, service, manufacturing, contracting, professional, importing/exporting.

Goals:

Include both current and long-term projections.

Industry:

Talk about what's going on in your industry, including economic trends, outlook, growth patterns and forecasts. Keep this section short. Explain more fully in your Marketing section.

GENERAL

Name: MRJ Design
Address: 21 Longwood Drive, Orlando, Florida 32751
Phone: (407) 123-4567 Fax: (407) 123-4789
E-mail: smith@MRJ.com, Web Site: www.MRJ.com

OWNERS:

Bob Smith: 10 Brookfield Rd., Orlando, FL 32751
Phone: 407-456-7891 Social Security: 367-89-7088
Over 20 years of experience in creative management. Worked for several design firms. Mr. Smith owns 60% of the business.
Linda Jones: 96 Elm St., Orlando, FL 32751
Phone: 407-567-1234 Social Security: 234-56-7891
Ten years of experience as manager of large marketing communications department within Fortune 1000 corporation. Ms. Jones owns 40% of the business.

LEGAL STATUS: Florida S Corporation

PURPOSE: Produce superior marketing communications material for other businesses.

STATUS: Start-Up.

BUSINESS TYPE: Service

PRODUCTS AND SERVICES: Graphic design, illustration, and artwork production. Other services, supplied by vendors/suppliers, include writing, photography, printing, and mailing.

REASONS: Both partners have over 30 years of industry experience that will be put to profitable use in our own firm. The demand for graphic communications is ...etc.

Owners:

List each owner's name, business title, home address, telephone number, email address and social security number. Include a brief description of owners and managers (*experience and credentials in running the business*) and their ownership percentage of the business.

Business Status:

New/start up, ongoing, expansion, or buying a business. Include the date your business started or will start. *If buying a business, include a detailed business history in this section.*

Reasons for starting, buying, or expanding business.

GOALS:

CURRENT: Bring to profitable status that will equal or exceed current income levels. Create relationships with clients. Build ...etc.
LONG-TERM: In four years, we will have 50-100 clients. Hire administrative person ... etc.

INDUSTRY:

100 design firms and designers exist in our territory. Advertising agencies (about 235) are also competitors but their specialty is not design. Many companies have relocated to Orlando so the demand for our services is growing. The number of start-up companies numbered 6,000 last year...etc.

PROFESSIONAL RELATIONSHIPS:

ACCOUNTANT:

Larry Stuart, CPA, 123 Main St., Winter Springs, FL 32751. Ph: 407-678-9012, Fax: 407-678-7890

ATTORNEY:

Linda Johnson of Johnson and Smith, 456 Elm St., Winter Park, FL 32789.
Ph: 407-234-5678, Fax: 407-345-6789

BANKER:

John Nelson, Heritage Bank, 678 Oak St., Orlando, FL 32908. Ph: 407-123-4567. Fax: 407-0987-6543.

INSURANCE AGENT:

Linda Doe, Doe Insurance, 321 Grove Ave., Winter Park, FL 32789. Ph: 407-432-7654. Fax: 407-876-5432

PROFESSIONAL ADVISORS:

Claire Velleca, Velleca Consultants, 1 Park St., Orlando, FL 32701 Ph: 407-222-1456, Fax: 407-419-1989

Professional Relationships:

Include name, address, and telephone/fax numbers and email address for your accountant, attorney, banker, insurance agent, and professional advisor(s).

GENERAL

Business name _____

Location _____

Mailing address _____

Phone number _____ Fax _____

Tax identification number _____

E-Mail address

Web Site address _____

PROFESSIONAL RELATIONSHIPS

Include name, address, and telephone/fax numbers for your:

Accountant

Attorney _____

Banker _____

Insurance agent _____

Professional advisor(s) _____

OWNERS

Provide the following information for each principal in the company.

Name _____

Business title _____

Home address _____

Telephone number

Social security number

Include a brief description of owners and managers (*experience and credentials in running the business*) and their percentage of ownership

Legal Business Description (sole proprietorship, partnership, corporation, etc.) _____

State What state is your business organized in? What states will you operate in? _____

Type of business (retail, wholesale, service, manufacturing, contracting, etc.) _____

Business Status New, ongoing, expanding, or buying a business _____

Date your business started or will start _____

To Do Done

To Do	Done

● **Reasons**

for starting, buying, or
expanding business.

A diagram showing a flow from 'To Do' to 'Done' with a circle labeled 'Goals'.

Current goals (within the next year)

Long-term (over the next five years)

To Do Done ● **Products and Services**

Provide a summary.

To Do Done
☐ ☐ ● **Industry**

Provide a brief summary of what's going on in your industry. Include economic trends, outlook, growth patterns and forecasts. Include details in the **APPENDIX**.

To Do Done

Describe the intent of your business.

To Do **Done**

☒ ☐

KEEP TRACK

Use this check box as a reminder system. Some answers will be short and some will be long.

MANAGERS & EMPLOYEES

Managers

☐ To Do ☐ Done

● How many departments and managers do you need? What are their functions?

☐ To Do ☐ Done

● If there are gaps in your management team, explain how they will be filled. Lenders also like to see a back-up plan. If you die or can no longer work, who will run the business and repay the company's debts? One solution is to buy enough life insurance to cover the business debt.

Employees

☐ To Do ☐ Done

● How many part-time and full-time employees are needed to run the company? *It's a good idea to develop an organizational chart (example below).*

☐ To Do ☐ Done

● How and where will you find employees and keep them?

Costs

☐ To Do ☐ Done

● Include managers' job descriptions, salaries, benefits and résumés in the **APPENDIX**.

☐ To Do ☐ Done

● How much are you going to pay each employee?

☐ To Do ☐ Done

● What are the employee benefits and their costs?

☐ To Do ☐ Done

● What employee training is needed and how much will it cost? How will it occur?

General

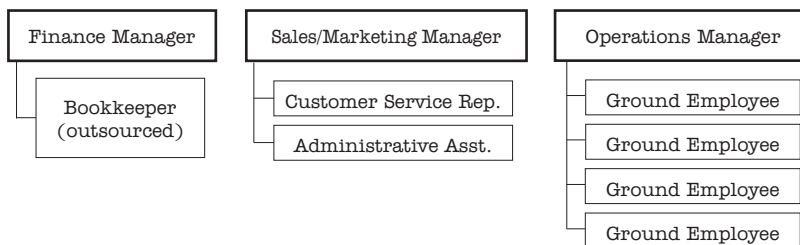
☐ To Do ☐ Done

● Describe any resources available from outside the business. *For example, you may use an accountant for financial reporting.*

☐ To Do ☐ Done

● The cost for outsourcing some services should be included in the **APPENDIX**. *For example, you can outsource a direct mail program to a marketing firm.*

The Good Earth Organizational Chart



Finance

MIKE JONES (accountant and owner)
20 years of accounting experience in various industries...

A bookkeeper will be outsourced.

Sales & Marketing

LEE MYERS
10 years of marketing experience. Myers will be responsible for the sales staff (estimators), customer service, promotional plans...

Two office staff: One full-time customer service representative and one full-time administrative assistant. Each will be paid \$40,000 annually. They will receive health insurance, ten paid sick days, paid holidays, and two weeks of vacation. These benefits will cost ...

Operations

JOHN SMITH
20 years of operational experience in landscaping industry. Smith will supervise the grounds staff and handle ...

Four full-time grounds employees starting at minimum wage for working Monday- Friday, 7:00 a.m. to 3:30 p.m. A two-day training program is required before joining the company. Employees will receive paid health insurance, five paid sick days, paid holidays, and one week of vacation. These benefits will cost ...



OPERATIONS & LOCATION

HOW WILL YOUR BUSINESS OPERATE?

To Do ☐ Done ☐

- How will the product be produced and sold?
How will your services be rendered?

To Do ☐ Done ☐

- What months, days, and hours will your business be open? Is the business seasonal? If so, show how you will adjust your time, schedule, inventory, and personnel.

To Do ☐ Done ☐

- What furniture, fixtures, equipment and machinery is needed? Will it be bought, leased, or rented? Include proposed purchases in your **APPENDIX**.

SUPPLIERS

To Do ☐ Done ☐

- If you need suppliers and other companies to complete your product or service:
 - › What and how much will you need?
 - › Where will you get these products and services?
 - › How much will they cost?
 - › What system will you use for materials processing and inventory control?

To Do ☐ Done ☐

- In the **APPENDIX** include details about your suppliers, including names, addresses, products or services supplied, costs/quotes, delivery/shipping fees and turnaround, terms of sales, contracts, and a purchasing plan.

To Do ☐ Done ☐

- If you've requested financial, managerial, or technical assistance from your suppliers, include details in the **APPENDIX**.

LOCATION

To Do ☐ Done ☐

- What kind of space does your business need?
 - › Why is the area and location desirable?
 - › Does this location affect your costs?
 - › How much are utilities, taxes, and other expenses?
 - › Is it easily accessible?
Is public transportation available?
Is there adequate parking?
 - › Does your business comply with zoning laws?
 - › Do you own or lease the building? In the **APPENDIX** include zoning statements from local government and approval letters from local and state inspectors. If owned, provide

a copy of the deed in the **APPENDIX**. If leased, the term of the lease must be renewable to match the loan period you are requesting. Include a copy of the lease (or proposed lease) with terms, conditions, length, and cost in your **APPENDIX**.

- › Are improvements, renovations, furniture, fixtures, equipment or machinery necessary? Show quotes in the **APPENDIX**.

› Retailers:

- > Research and show traffic patterns in the **APPENDIX**.
- > What other businesses are in your immediate area?

› Wholesalers, manufacturers and other businesses:

- > Are you located near your customers and suppliers?
- > Do you have easy access to major highways, railways, and airports?

- Provide photos and a summary of your location including a floor plan, blueprint or plot plan (if building) in the **APPENDIX**.

CLOTHES WITH CLASS

We are a school uniform shop. Business hours will be from 10 to 5, Monday through Saturday. Our plan is to purchase fixtures to display uniforms and furniture to create a relaxed retail atmosphere. A computer system to track customer purchases and inventory will be leased. These costs are included in the Appendix.

Our stock will come from three suppliers — two national and one local. Local supplies will be delivered by truck, with the remainder of goods coming via UPS. Information on our proposed suppliers and purchases may be found in the Appendix.

The five-year lease we have signed on a 1,500 sq. ft. building is included in the Appendix. The building is located within 15 miles of 22 private and parochial schools who require uniforms that we will stock. Our building is on a major thoroughfare, conveniently located right off Highway 93.

A floor plan of the building is included in the Appendix. We have divided the area into retail space and warehousing/office space. 700 sq. ft. will include retail displays, three dressing rooms, restroom facilities and two purchasing counters. The remaining 800 sq. ft. will warehouse stock. It includes a delivery receiving area, two offices, and a small employee lounge with restroom. The 20-space parking lot is adjacent to the building.

MARKETING

Thinking like a marketer is necessary to attract and keep customers. The right product and service at the right price is only the beginning. You also need to create a mix of marketing on and off the internet.

PRODUCT, PRICE, PLACE AND PROMOTION ARE THE TRADITIONAL “FOUR PS” OF MARKETING. BUT DON’T FORGET TO ADD ONE MORE, IMPORTANT ELEMENT – **PLAN**.

Product

- What are the benefits of your products and services? Is there a demand?
- Who are your customers and what do they want? Think about their age, income, gender, education, marital status, and lifestyle. If you’re selling to businesses, learn about the companies you’re targeting.
- How are your products and services different from your competitors? Research their weaknesses, strengths, pricing, service, creativity and marketing.
- Are research and development needed?
- What are the licensing requirements and regulations?
- What about legal issues? Do you need patents, copyrights, and trademarks?
- Is your business seasonal? How will your business fare during the rest of the year?

Price

Your products and services need to be offered at prices your market will pay, while providing your desired profit. Thinking about about your products and services from the customer’s point of view is called the perceived value. What does your customer expect to receive at certain prices? For example, a company produced a top-selling light bulb for \$2 and then raised the price to \$3 and sales went down. Study the benefits, convenience and quality of your products and services, factoring in your company’s image and reputation.

Place

How will you connect your product or service with your customers? There are many methods for reaching customers besides retail stores and internet sites. You could sell:

- to a wholesaler who buys a large quantity from you and resells it. or through a manufacturer’s representatives who charge you commissions.
- by “consignment” when another company sells your product and the price is divided between the two of you.
- via business partnerships, even if the other company is different than yours. For example, a pool cleaning company sends new customers coupons every month for free coffee at a local shop. Websites are perfect for partnerships, since clicking on a link connects people from one site to another.

Promotion

How will you create awareness of your products and services? Make it your business to know what your audience is looking for, and gear your promotion accordingly. See pages 13 -15 for ideas.

Plan

Without a marketing plan, your efforts could become scattered and your results not measurable. You should include money for marketing in your annual budget. Think of marketing as an investment, not an expense. Industry trends, consumer sentiment and the economy are always changing, so your marketing plan should grow, adjust and evolve. Include detailed plans and costs in the **Appendix**.

MARKETING

You need professionals to make you look and sound your best. A graphic designer will create your logo, packaging, signage and website, working closely with your website programmer/developer/host. A copywriter can create copy to help your website, ads and other promotional material get noticed.”

YOUR IMAGE

Name Getting customers to remember your name is a mighty hurdle! Think about standing out. If you repair computers, The Mouse Trap is a better choice than JB Computer Repair.

Logo The symbol or type treatment that represents your business should be memorable. Choose colors and use them consistently. Your logo belongs everywhere, from business cards to signage to emails, and it can be used, unchanged, for years.

Tagline Your company tagline should be short, catchy and, in some cases, functional. If your company is called Ocean State Restoration, it's unclear what you restore. So a tagline like “New Life for Old Boats” serves an important purpose. Your logo and tagline should be inseparable.

Packaging A beautiful gold watch in a rumpled brown bag will never be given the same value as that same watch presented in an elegant velvet box. Presentation and packaging is branding, so everything customers see – from bags to menus – represents you.

Printed Material If it's on paper, it matters. Ads, direct mail and brochures represent your image, so never compromise when it comes to being sure they look polished and professional. Even emails, invoices and letters to your customers should be given attention.

TRADITIONAL TOOLS

In addition to your website, traditional marketing tools are still vital to your overall marketing mix. It may take a little time to find the combination that works best for you.

Advertising can take the form of print ads in local or trade publications, or media ads on radio and TV. If you're unsure where to advertise, consult with professional organizations. Talk to your local radio and TV stations about affordable packages. Analyze websites that make sense for advertising your product or service. For example, online banner ads are more effective on websites that attract your target audience.

Direct Marketing uses traditional mail, email or phone to contact prospects “directly.” Be focused in choosing your method. Measuring response is crucial, because it will help you determine which lists are best – and the cost of gaining an order or client. You can buy databases or develop your own list from customers and leads. Keep a book for customers to sign, ask them for business cards or send emails that request feedback.

Public Relations is a great way to build a brand identity, and to influence the attitudes of your audience. If you make all-natural sunblock, you could sponsor a sandcastle contest at the beach. To create a buzz, send press releases to area newspapers, online publications, radio and TV stations.

Trade Shows offer a chance to meet customers, introduce products, get leads and write orders. Networking with others in your industry and sharing information can uncover unexpected insights and connections.

MARKETING

A website in today's world is as basic as a business card. "If you build it, they will come" doesn't always apply to websites, which are dynamic (changing constantly) and not static (do it and you're done). Directing traffic to your site – and giving visitors a reason to come back – is the goal.

WEBSITES

Internet Marketing You'll find that maintaining a vital Internet presence does require some time and effort, so put limits and practical guidelines in place. You don't want customers browsing in your retail business while you remain behind the counter, updating your site. Here are some other basics:

- Virtually visit your competition and other websites in your industry on a regular basis. What do you like about the experience, and what don't you like? Is the copy boring or interesting? Is the site easy to negotiate? What's the balance between words and pictures? This will help you develop a more tangible idea of what you want your website to be – or not be.
- Working with a web designer/developer and a copywriter pays off, making you look polished and professional. Once your site is "live," you'll need a "host." A good one will be able to help you create traffic, measure activity, collect data and insure security.
- Be sure that you have a system in place, so you can "go in" yourself and update your website information. There's nothing that gives website visitors a worse impression than to see you promoting an event that happened last month.

SEO Matters A potential customer who lives just six miles away wants 28 replacement windows for her Victorian home. She googles "replacement windows" and chooses another company that appeared third on the list of results. Why is your website buried on the second page? Because your SEO/Search Engine Optimization left something to be desired. Codes written by the developer, the regularity of blogging posts or the use of highly relevant words and phrases can all enhance optimization.

Online Feedback Years ago, people shared their opinions about companies with 2 or 3 people over the back fence. Today, websites that feature consumer feedback reach thousands, even millions of people.

Cross Marketing can be quite effective. Suppose you make organic pet treats. Why not approach a local dog grooming business and ask to be featured on their website – and you, of course, return the favor. Get creative in partnering with your community!

MARKETING

Social media sites are two-way expressways, where people contribute to, interact with and participate in your online presence. These sites help you gain new customers and engage existing ones. Another advantage of social media is your ability to measure results. Your posts and updates can also be “shared” across many social media sites.

SOCIAL MEDIA

Blasting is sending one email out to a large audience made up of active, interested recipients. After signing on at your physical site or your website, your “A-listers” should be romanced with special offers that are exclusive to them, as a thank you for allowing you into their inboxes. Sign yourself up on multiple email lists, from the local nursery to big retailers and see how they do it. Companies that specialize in email marketing can make your emails look great – and compile valuable data on effectiveness.

Blogging is keeping an online journal (“web” + “log” = blog). Start by subscribing to relevant blogs, especially from competitors. Blogs with high readability are fairly short, and feature “no scroll” posts. Determine the content your audience wants, and write to it. Keep your tone positive and chatty – and always end by asking for the reader’s feedback or comments. Blogging with regularity will help move you higher up in search results ranking. Ask your website developer to incorporate a blog into your website, or check out sites that let you set up a blog.

Facebook is the social media “go to” site – the place where the world “meets.” This open forum can be a marketer’s dream, an easy way to get a message out, talk about promotions, get feedback and generally engage customers. Check out how other companies are handling their postings.

LinkedIn is the site that means business, where professionals post résumés, network and read industry news. You should establish profiles for yourself and your staff, and don’t be afraid to brag a little. It is a good site to find vendors and resources, too.

Twitter is a “microblogging” network, where messages called “tweets” are sent out to only those readers who “follow” you. This isn’t the place for long messages, as tweets are limited to just 140 characters. The word “immediacy” captures the essence of Twitter; it’s a buzz generator.

YouTube is the world’s TV channel. It’s easy to start your own “network” where you can post videos that will educate, inform, market to and entertain your audience. And YouTube has made cross promoting as simple as possible.

Vlogging is video blogging, plain and simple. Suppose you’re celebrating your 10th year in business, or you want to show off what your new printing press can do for your customers. A short video – no more than 2 or 3 minutes – can be posted on your website, or other sites like Facebook or YouTube, and reach a bigger audience than you ever thought possible!

BUYING A BUSINESS

QUESTIONS THAT NEED ANSWERS:

- Why is the business for sale?
- What is the value of the business?
- What are the company's products and services?
- Who started the business? What is the history of the business? Where is it located and where are its customers located?
- Has the competition increased or changed? (see page 15.)
- What sales and marketing plans have you seen? What are the business' sales trends? How will you increase sales?
- Will you hire new employees and managers or use the existing staff?



CHECKLIST for buying a business

To Do Done

☐ ☐

- Talk to the business' customers and suppliers.

To Do Done

☐ ☐

- Review financial statements and tax returns from the last 3 years.

To Do Done

☐ ☐

- Develop a purchase and sale agreement which shows:

- › the purchase price components - down payment, allocation of the price, and how it will be financed
- › how the business will be conducted until purchased
- › the liabilities you are assuming including accounts payable, loans, leases, contracts, taxes, and legal
- › the value of the assets you are buying including Accounts Receivable (quality and the age of the invoices), inventory (value and age), machinery/equipment/furniture/fixtures (age, condition, and value), patents/trademarks, and real estate.
- › that the purchase and sale agreement is subject to financing and inspections

To Do Done

☐ ☐

- Know how you will finance the business. Is the seller willing to finance all or any of the business (especially the goodwill - the difference between the value of hard assets and the business' purchase price)? What are the terms, rates, and conditions? Develop a Loan Request (see page 18).

To Do Done

☐ ☐

- Determine who will pay for closing costs including legal services, points, appraisals and environmental inspections.

ORANGE DOT MACHINE

PRODUCT: machining services for the seller's railroad product line

OWNERS: Jack Reich and Tom Wallis, both of whom want to retire

LOCATION: Western Connecticut. The building's landlord is Reich Holdings, LLC (see Appendix Section 9, "Business Location")

LEGAL STATUS: S Corporation registered in Connecticut

HISTORY: Started in 1982 as a division of a larger corporation.

CLIENTS: 200 companies in Connecticut and southern New England. (Commercial companies: 60%; military-related: 25%; railroad: 15%)

SALES: \$1.4 million in sales last year — a 30% increase over the previous fiscal year, due to an expanded product line and aggressive marketing. The quality of the equipment and caliber of the staff present an excellent growth opportunity.

MARKETING: The redesign of the company website, along with a formal marketing program, is expected to increase the customer base and expand the service area.

PURCHASE PRICE: \$500,000 includes \$475,000 in assets (see appraisals in the Appendix) and \$25,000 in good will. An additional \$50,000 is needed for working capital. Refer to our Loan Request and Cash Flow Analysis.

TRANSFER TERMS: As of the closing, all Accounts Receivable and Payable will be the current owners' responsibility. Work-in-progress inventory will be consigned to the buyer, then completed on a labor-only basis. When the product is completed, future revenue will be kept by the new owners.

LIABILITIES: The assumption of capital lease obligations (see Appendix)

In your **APPENDIX**, include pictures of the business location, a detailed description and appraised value of the building, inventory and equipment, assets and liabilities, inspection reports, and any patents/trademarks. Also include the purchase-and-sale agreement and any legal documents.

BUYING A FRANCHISE

BUYER, BE AWARE

A franchise is a legal business relationship between a franchiser (Burger King, for example) and the franchisee (you). The franchiser owns the right to the business name, and sells that right to you. In return, you sell products and services supplied by the franchiser.

The advantages of buying a franchise can be appealing. You get an established business presence. And since many of the decisions and products come from the franchiser, your risks are reduced. You are also provided with a range of support services, such as site selection, training, supplies and advertising/marketing plans.

THE DISCLOSURE DOCUMENT: READ IT CAREFULLY

The Federal Trade Commission (FTC) requires sellers of franchises and other business-opportunity ventures to provide a Disclosure Document to prospective buyers. In it, you should find detailed information that explains how business between you and the franchiser will be conducted.

It is crucial that you read this document very carefully, as many times as you need to, because it contains important information — audited financial statements, your start-up and ongoing costs, and locations of other franchises. It will clearly explain the responsibilities of the buyer and the seller. Have your attorney read through it as well.

The Disclosure Document must be given to you in advance so you can gather and consider any and all information you need to be sure your decision is an informed one.

Top Ten Questions To Ask Before Buying a Franchise

- 1 How many franchises are there and how many in your area? Don't be afraid to ask for a list, then to visit as many as you can. If possible, speak with the owner(s) about some of the real-world realities of running the business.
- 2 How long has the franchiser been in the industry? Ask how long they have been selling franchises.
- 3 How financially healthy is the franchiser? You have a right to see their financial statements, which should be included in the Disclosure Document. Make sure you are comfortable with all the numbers.
- 4 What does your initial cost cover? Discuss things like the licensing fee, training, equipment, starting inventory and promotional fees. Find out if the land will be purchased or leased, and whether the building will be constructed or renovated.
- 5 Will the franchiser help finance the business? If so, you still need to develop a business plan with financial projections.
- 6 What ongoing costs will you pay the franchiser? Discuss royalties, training, insurance and advertising.
- 7 Will you be required to buy supplies from the franchiser or their designated suppliers? Will prices be competitive?
- 8 Do any restrictions apply when competing with the competition?
- 9 What is the length of the partnership? Be clear about the terms covering renewal rights.
- 10 Do you have the right to resell the franchise?

LOAN REQUEST

HOW MUCH WILL YOU NEED?

You must invest 25% - 50% of your own money.

Show how much and where your money will come from. Also provide information about money coming from investors. Show how much money you are requesting from the lender.

HOW WILL THE MONEY BE USED?

Uses include inventory, furniture, fixtures, equipment, machines, repairs and improvements, and working capital (money for the business' day-to-day activities). Your business' income (and other money) must cover your expenses. You need more money if your expenses are more than your income. Use of funds must be fully documented with quotes in the **APPENDIX** (include a breakdown of machinery, equipment, fixtures and furniture).

HOW LONG ARE YOU ASKING FOR REPAYMENT?

- **Short Term** (*less than a year*): Short-term loans are called Lines of Credit (LOC) or Revolvers and work like a credit card, with a pre-determined amount. Lines of credit are primarily used for working capital and must be paid in full within that year.
- **Intermediate Term** (*1-10 years*): Like a car loan, payments are monthly. Use for buying the business, equipment, or for long-term working capital.
- **Long Term** (*10 years or more*): Like a mortgage, used to buy commercial real estate, commercial vehicles, and heavy equipment.

Loan Decisions

The "1-2-3 Method" on page 30 helps you calculate your maximum loan amount.

HOW WILL THE LOAN BE REPAYED?

The lender wants to see the loan repaid from the busi-

ness' income. If necessary, the lender needs to know that the loan could also be repaid by selling an asset or by a cash infusion from an investor.

IF YOUR LOAN REQUEST IS REJECTED, ASK:

- Why it was rejected.
- If you can correct the problems and re-submit the request.
- If you should go to another lender or seek alternative financing.

WHAT COLLATERAL ARE YOU OFFERING?

Collateral is assets the bank has a lien on and will take if you can't repay the loan. Collateral can be personal (*savings, stocks and/or equity in personally owned real estate*) or business (*receivables, inventory, equipment*).

Lenders require appraisals of your collateral and they discount the value of your assets. The total *discounted* collateral amount must equal the total loan amount requested.

Typical discounts include: saleable inventory at 50% or lower, fixed

assets at 50% or lower, collectable accounts receivable at 25% or lower, and furniture/fixtures/machinery/equipment at fair market value

of book value. In the **APPENDIX** include the, model, year, serial number and fair market value.

EXAMPLE:	Market Value	Discount Percentage	Discounted Value
• Inventory	\$100,000	50%	\$50,000
• Fixed Assets	\$50,000	50%	\$25,000
• Accounts Receivable	\$80,000	25%	\$60,000
Total	\$230,000		\$135,000

A maximum loan request of \$135,000 is based on the collateral value of their assets.

FINANCIALS

FOUR FINANCIAL STATEMENTS ARE INCLUDED IN THIS SECTION:

1

Personal Financial Statement

Your own personal financial health will be carefully examined by the lender. See page 20.

2

Balance Sheet

This is a snapshot of your business. A moment frozen in time. See page 22.

3

Income Statement

Think of this as your business' "report card" over a period of time. See page 24.

4

Cash Flow Statement

This will show how much money comes in and how much goes out. See page 26.

ACCOUNTING METHODS

Accrual

vs.

Cash

HINTS FOR DEVELOPING FINANCIALS:

- Make realistic assumptions. Lenders know there are risks, so explain how they will be handled. They like to see business owners who recognize and solve them. Make a record of your assumptions so you can prove to the lender that your projections are realistic.
- Show reasonable links between past (if buying a business), actual, and future projections.

WATCH FOR THESE COMMON FINANCIAL PROBLEMS:

• Limited capital

Capital is just another word for money, and if there's not enough of it, it can lead to insufficient working capital (money for day-to-day activities). Don't try to make money stretch too far. Ask for more loan money, or cut down on liabilities and expenses.

• Little or no record keeping

You must keep meticulous records for yourself, the IRS, and your lender.

• Failure to seek outside help

Consult an accountant, gain business advisors, contact the Small Business Administration/SBA (www.sba.gov) or your state's Department of Economic Development (a quick google search will locate them). Your advisors' input is valuable but don't be totally dependent on them. Educate yourself. You should have a basic understanding of your company's finances. Know how to read your own financial statements and reports.

• Poor management

A business needs a good financial manager (within the company or an outside advisor). It's your money, so be very self-disciplined.

• Reluctance to invest in the business

Why should the lender stand behind you if you won't invest any of your own money? You must put a percentage of *your own money* into the company (usually 25% to 50%).

• Failure to personally guarantee the loan repayment

If the business fails for any reason, the owners must repay the loan. Lenders need to be assured of your total commitment.

THERE ARE TWO WAYS TO HANDLE YOUR ACCOUNTING
ACCRUAL OR CASH.

1. The **CASH** method means you don't record a sale until you collect money, and you don't record an expense until you pay for it.
2. The **ACCRUAL** method, means:
 - › Sales are made but payments are not immediately collected. Your customers pay later, which creates "accounts receivable."
 - › Business purchases are made, but paid for later, creating "accounts payable."
 - › Assets (like equipment) are depreciated over their life-time. This is tax deductible.
 - › Net Income does not always mean cash, since money is tied up in accounts receivable and inventory.

1

PERSONAL FINANCIAL STATEMENT

Personal financial health is carefully examined by the lender or investor. Complete a Personal Financial Statement for each person listed in the business plan who will be guaranteeing the loan (partners, officers, stockholders). It's a good idea to order your credit report from the three credit bureaus and review it because lenders will scrutinize it. Be prepared to explain any negative reports.

Most lenders will supply you with their own Personal Financial Statement form, but the information they usually request is shown in this sample.

Life Insurance:
In the **APPENDIX**, provide face amount and cash surrender value of policies, name of insurance companies and beneficiaries.

Other Property:
Describe in the **APPENDIX**. If any is pledged as security/collateral, include name and address of lien holder, lien amount, and payment terms.

Notes Payable:
In the **APPENDIX**, include the name and address of the noteholder, original loan balance, current balance, payment amount, and what collateral is used for security.

PERSONAL FINANCIAL STATEMENT

Date _____
 Your Name and Address _____
 Business Name and Address _____
 Social Security _____ Date of Birth: _____
 Phone: _____ Fax: _____ E-mail: _____

ASSETS & LIABILITIES

ASSETS (what you own)

Cash	\$	_____
Savings Accounts	\$	_____
Retirement Accounts	\$	_____
Accounts & Notes Receivable	\$	_____
Life Insurance, cash surrender value	\$	_____
Stocks & Bonds (market value)	\$	_____
Real Estate (market value)	\$	_____
Automobiles (market value)	\$	_____
Other Property	\$	_____
Other Assets	\$	_____
TOTAL ASSETS	\$	_____

LIABILITIES (what you owe)

Accounts Payable	\$	_____
Notes Payable	\$	_____
Residential Mortgage, balance	\$	_____
Investment Mortgage, balance	\$	_____
Installment Loan Balance, auto	\$	_____
Installment Loan Balance, other	\$	_____
Unpaid taxes	\$	_____
Other liabilities	\$	_____
TOTAL LIABILITIES	\$	_____

NET WORTH (assets less liabilities)	\$	_____
TOTAL LIABILITIES + NET WORTH	\$	_____

Stocks & Bonds:

The total is included here. In the **APPENDIX**, include the number of shares, name of securities, cost, market value with date.

Real Estate:

The total is included here. In the **APPENDIX**, include type of property, date purchased, original cost, and the present market value. Also include the mortgage account number, balance, and monthly payment.

Unpaid taxes:

The total is included here. In the **APPENDIX**, specify the type of tax, who it's owed to, when it's due and whether there is a lien on any property

YOUR PERSONAL FINANCIAL STATEMENT

Annual Expenses:
Multiply your monthly
expenses by 12.

Contingent liabilities:
Are you an endorser,
co-maker or guarantor
of other loans? If so, are
there any legal actions
or contested taxes?

INCOME & EXPENSES

ANNUAL INCOME:

Salary, Bonuses, and Commissions	\$	_____
Dividends, Interest, Investment income	\$	_____
Real Estate Income	\$	_____
Other Income	\$	_____
TOTAL ANNUAL INCOME	\$	_____

ANNUAL EXPENSES:

Mortgage/Rental payments	\$	_____
Loans and notes payable	\$	_____
Taxes: Federal, State, Local, Property	\$	_____
Insurance premiums	\$	_____
Alimony and child support	\$	_____
Tuition	\$	_____
Medical Exp./Insurance	\$	_____
Contingent liabilities	\$	_____
Other Debt or Liabilities	\$	_____
TOTAL ANNUAL EXPENSES	\$	_____

This statement is true and accurate.

I authorize any inquiries necessary to verify its accuracy.

(your signature and date) _____

In the **APPENDIX**, include copies of:

- Assets: life insurance statements, stocks and bonds, real estate, and personal property.
- Liabilities: notes payable, mortgages on real estate and unpaid taxes.
- Loans/mortgages: monthly payment amount and a copy of the last statement.
- Three years of tax returns for each owner.
- Copies of credit reports for each owner.

2

BALANCE SHEET

The **Balance Sheet** is like a picture of your business, frozen for a second. The numbers change every day.

In the **APPENDIX**, include fiscal year-end statements for the last three years, and an interim statement not more than three months old. Start-up companies: Include an opening Balance Sheet (what the balance sheet will look like the day after the loan closes).

Depreciation:

Except for land, assets wear out. The value goes down and can be deducted. Values for assets are presented via a reserve for depreciation. Market value the price you could sell it for will differ from this figure.

Owners Investment:

Also called capital or common stock in a corporation

Total Capital:

Also called net worth

YOUR BALANCE SHEET INCLUDES THE FOLLOWING:

ASSETS

What the company owns

Current Assets

Can be converted into cash in one year

Accounts Receivable

Sales made but not collected

Inventory

Inventory on hand, waiting to be sold

Total Current Assets

Add up all of the Current Assets

Non-Current Assets

Takes one year or more to turn into cash

Fixed Assets

This includes property, plant, and equipment

Less Depreciation

Subtract Accumulated Depreciation

Fixed Assets (net)

Fixed Assets minus Accumulated Depreciation

Advances to Owners

Money that owners take out of the business in the form of a loan to be repaid

Total Non-Current Assets

Add up all the Non-Current Assets

Total Assets

Add Current Assets and Non-Current Assets

LIABILITIES

How much the company owes

Current Liabilities

Liabilities due within one year

Current Portion of Long-Term Debt

One year's worth of loan payments

Note Payable

Due within one year

Accounts Payable (A/P)

Purchases not paid for

Total Current Liabilities

Total all the Short-Term Liabilities

Long-Term Liabilities

Due for more than one year

Loan Payable

Due after one year's worth of payments

Total Long-Term Liabilities

Total all the Long-Term Liabilities

Total Liabilities

Add the Current and Long-Term Liabilities

CAPITAL OR NET WORTH

The business' equity

Owners Investment

Amount of money owners have invested

Retained Earnings

Income earned and kept in the business

Total Capital

Add Owners Investment and Retained Earnings

Total Liabilities & Capital

Add Liabilities and Capital. Equal to Total Assets

Max Computer Company
BALANCE SHEET

ASSETS**Current Assets:**

Cash	10,000
Accounts Receivable	75,000
Inventory (ending)	85,000
Total Current Assets	170,000

Non-Current Assets

Fixed Assets	140,000
Less Accumulated Depreciation	(25,000)
Fixed Assets (net)	115,000
Advances to Owners	6,000
Total Non-Current Assets	121,000
Total Assets (170 + 121)	291,000

LIABILITIES**Current Liabilities**

Current Portion of Long-Term Debt	6,000
Note Payable	100,000
Accrued Taxes	3,000
Accounts Payable (A/P)	41,000
Total Current Liabilities	150,000

Long-Term Liabilities

Loan Payable	54,000
Total Long-Term Liabilities	54,000
Total Liabilities (150 + 54)	204,000

CAPITAL OR NET WORTH

Owners Investment	20,000
Retained Earnings	67,000
Total Capital	87,000

Total Liabilities & Capital (204 + 87)	291,000
---	----------------

Assets Liabilities

Think of the balance sheet as a seesaw. The assets and liabilities alone are out of balance. Capital, the last weight you put on the scale, makes a perfect balance.

Assets Liabilities + Capital

These numbers should be the same.

YOUR BALANCE SHEET

Your Company Name

BALANCE SHEET

Date of Statement _____

ASSETS

Current Assets

Cash	\$	_____
Accounts Receivable	\$	_____
Inventory (ending)	\$	_____
Other Current Assets.....	\$	_____
Total Current Assets.....	\$	_____

Non-Current Assets

Fixed Assets	\$	_____
Less Depreciation	\$	_____
Fixed Assets (net)	\$	_____
Advances to Owners	\$	_____
Other Non-Current Assets	\$	_____
Total Non-Current Assets	\$	_____
Total Assets.....	\$	=====

LIABILITIES

Current Liabilities

Current Portion of Long-Term Debt.....	\$	_____
Note Payable.....	\$	_____
Accrued Taxes	\$	_____
Accounts Payable(A/P)	\$	_____
Total Current Liabilities	\$	_____

Long-Term Liabilities

Loan & Notes Payable.....	\$	_____
Total Long-Term Liabilities.....	\$	_____
Total Liabilities.....	\$	_____

CAPITAL OR NET WORTH

Owners Investment	\$	_____
Retained Earnings	\$	_____
Total Capital	\$	_____
Total Liabilities & Capital	\$	=====

These numbers should be the same.

3

INCOME STATEMENT

YOUR INCOME STATEMENT INCLUDES THE FOLLOWING:

The Income Statement

is your company's report card. Expenses are subtracted from income, which gives you the business' financial performance or net profit (or loss). Other names for the Income Statement are Operating Statement, Earnings Statement, or Profit and Loss Statement.

SALES

Net Sales
Revenue or income. Gross sales is before returns and allowances. Net sales is after returns and allowances.

Less Cost of Goods Sold
Cost to make products including materials and labor.

Beginning Inventory
Comes from the Ending Inventory of the previous year.

Purchases
Used to make product.

Labor
Used to make product only. Other labor-related expenses are included in the Operating Expenses section.

Less: Ending Inventory
This number becomes the beginning inventory for the next year's Income Statement.

Total Cost of Goods Sold
Compute the Cost of Goods Sold.

Gross Profit
Sales less cost of goods sold. This is your profit margin.

EXPENSES

Selling Expenses
Salaries and expenses related to sales only.

General and Administrative
All other expenses used to run the company.

Operating Income (or Loss)
Shows how the business performed.

Interest Expense
Subtract interest expense.

PROFIT

Net Profit before taxes

Less: Income Taxes
Tax rates depend on your business' legal status.

Net Profit
Profit left after all expenses (including taxes) have been paid.

Net vs. Gross Sales

Gross sales is the amount before adjustments like returns and allowances. After these adjustments you have Net Sales.

Operating Income:

Gross Profit less Selling Expenses and General/Administrative Expenses.

In the **APPENDIX**, include three years' fiscal year end statements plus an interim statement (not more than three months old).

Start-up companies: Project month by month for the first year, quarterly for the second year and one whole year for the third year.

Max Computer Company
INCOME STATEMENT

SALES

Net Sales	900,000
Less Cost of Goods Sold:	
Beginning Inventory	75,000
Purchases	350,000
Labor	200,000
Total	625,000
Less: Ending Inventory	(85,000)
Cost of Goods Sold (625 less 85)	540,000
GROSS PROFIT (900 less 540)	360,000

EXPENSES

Operating Expenses:	
Selling Expenses	90,000
General & Administrative	170,000
Total Expenses	260,000
Operating Income (360 less 260)	100,000
Interest Expense	20,000

PROFIT

Net Profit before taxes (100 less 20)	80,000
Less: All Income Taxes	27,000
Net Profit (80 less 27)	<u>53,000</u>

\$75,000 was the ending inventory for the previous year and became the beginning inventory for the next year.

This number is pulled from the Balance Sheet on page 22.

Important Note: Compare numbers in the current year's Income Statement with the previous year. You should know whether income/profits and expenses are going up or down.

YOUR INCOME STATEMENT

Your Company Name

INCOME STATEMENT

Date of Statement _____

SALES

Net Sales \$ _____

Less Cost of Goods Sold:

Beginning Inventory \$ _____

Purchases \$ _____

Labor \$ _____

Total \$ _____

Less: Ending Inventory - \$ _____

Cost of Goods Sold \$ _____

GROSS PROFIT (sales less cost of goods sold) \$ _____

EXPENSES

Operating Expenses:

Selling Expenses \$ _____

General and Administrative \$ _____

Total Expenses \$ _____

Operating Income \$ _____

Interest Expense \$ _____

PROFIT

Net Profit before taxes \$ _____

Less: All Income Taxes \$ _____

Net Profit \$ _____

4

CASH FLOW STATEMENT

WHAT'S THE BIG IDEA?

The Cash Flow Statement is your cash "register." It shows money that comes into the business and what goes out. Profits do not guarantee positive cash flow. You need to know or estimate income and expenses based on the direct and variable costs of your products or services. Cash must be available to pay bills on time and for day-to-day activities. This statement will also show an important figure, the breakeven point, when cash income equals the cash outflow (see page 30).

Tips for preparing Cash Flow Statements:

Numbers in the Cash Flow Statement will also appear in the Income Statement. However, the Cash Flow Statement differs because it records when cash is received, when cash is paid, and how much cash you have reserved.

- Begin with income at the top, followed by expenses and repayment of the loan.
- Show realistic assumptions. If sales increase 80% every year, this may seem unrealistic. Prove assumptions and include them in the **APPENDIX**.
- Cash jumps up from year one to two, because start-up costs are large in the first year.
- Negative balances are common in the first year. They must be covered by providing more cash (loans or owners' investments), or by reducing expenses.
- Increased sales can cause a cash drain (due to increased costs or labor). Show how you will overcome this.
- Show monthly figures in the first year, quarterly figures in the second year, and a lump sum in the third year.

Name of Business	Start-Up Costs	Month 1 FIRST MONTH'S REVENUE	Month 2	Month 3	Month 4
A. CASH ON HAND (Beginning of month)					
B. CASH RECEIPTS					
1. Cash Sales					
2. Collections from Credit Accounts					
3. Loan or Other Cash Injection (Specify)					
C. TOTAL CASH RECEIPTS (B1+B2+B3)					
D. TOTAL CASH AVAILABLE (A + C, before cash paid out)					
E. CASH PAID OUT:					
1. Purchases (Merchandise)					
2. Gross Wages					
3. Payroll Expenses (Taxes, vacations, etc.)					
4. Outside Services (Outside labor)					
5. Supplies (Office & operating, not for re-sale)					
6. Repairs and maintenance					
7. Advertising					
8. Car, Delivery and Travel					
9. Professional Services (Accounting, legal, etc.)					
10. Rent (real estate only)					
11. Telephone					
12. Utilities (Water, heat, electricity, etc.)					
13. Insurance (on business property & products)					
14. Taxes (Real estate, sales, inventory, etc.)					
15. Interest (on loans)					
16. Other Expenses (Specify each)					
17. Miscellaneous (small expenses)					
18. Subtotal					
F. OTHER OPERATING COSTS:					
1. Loan Principal Payment (include equipment)					
2. Capital Purchases (Specify)					
3. Other Start-up Costs					
4. Reserve and/or Escrow (Insurance, tax, etc.)					
5. Owner's Withdrawal (income tax, etc.)					
G. TOTAL CASH PAID OUT (E18 + F1 through F5)					
H. CASH POSITION (End of month, D minus G. Becomes cash on hand for next month)					
ESSENTIAL OPERATING DATA (Items explained on page 27)					
1. Accounts Receivable (End of month)					
2. Bad Debt (End of month)					
3. Inventory on Hand (End of month)					
4. Accounts Payable (End of month)					
5. Monthly Depreciation					

ESSENTIAL OPERATING DATA

The five items shown at the bottom of the Cash Flow Statement can be kept separately and included at the bottom of your monthly cash flow projections. They are important planning and cash flow projection tools.

1. Accounts Receivable

Previous unpaid credit sales, plus current month's unpaid credit sales.

2. *Bad Debt*

Should be deducted from the month. This figure is based on past history or industry standards.

3. Inventory on Hand

*Any products available
for sale at the end of
the month.*

4. Accounts Payable

*Any accounts due at the
end of the month.*

5. Depreciation

Assets wear out and lose value. The monthly depreciation value is established by your accountant (as allowed by the IRS).

RATIOS

Ratios are your business' scores. Even though ratios are not included in your business plan, they will be calculated by lenders to make decisions.

Lenders and investors compare your ratios to:

- acceptable bank ranges
- a company's prior years
- your business' history
- other companies in your industry

Industry averages are found in the RMA Annual Statement Studies, your industry's associations, trade magazines and Small Business Administration/SBA.

1 ASSET MANAGEMENT RATIOS

Accounts Receivable Turnover

Number Source: Balance Sheet (pg. 22) & Income Statement (pg. 24)

Accounts Receivable (\$75,000 on pg. 22) \times 365 days

F O R M U L A		
$\frac{\$27,375,000}{\$900,000}$	=	30.4

Net Sales Figure (pg. 24)

It takes 30 days to collect bills

NOTE: Shows how many days it takes to collect money owed to you. Lower answers are better.

Inventory Turnover

Number Source: Balance Sheet (pg. 22) & Income Statement (pg. 24)

Inventory Figure (\$85,000 on pg. 22) \times 365 days

F O R M U L A		
$\frac{\$31,025,000}{\$540,000}$	=	57.4

Cost of Goods Sold (pg. 24)

57 days to turnover or sell the inventory

NOTE: Shows how many days it takes you to turnover (or sell) your inventory. Lower answers are better.

2 LIQUIDITY RATIOS

Working Capital

Number Source: Balance Sheet (pg. 22)

Current Assets (pg. 22)

F O R M U L A		
$\frac{\$170,000}{-\$150,000}$	=	\$20,000

Working Capital

Subtract Current Liabilities (pg. 22)

NOTE: Shows if a company has enough cash to pay bills. This example shows an excess amount after paying all current liabilities. The answer must be positive. More money is needed to meet expenses if the answer is negative.

Quick or Acid Test

Number Source: Balance Sheet (pg. 22)

Total Current Assets of \$170,000 (pg. 22) less Inventory of \$85,000 (pg. 22)

F O R M U L A		
$\frac{\$85,000}{\$150,000}$	=	.56

Total Current Liabilities (pg. 22)

The answer should be 1 or more. In this example, the answer, \$0.56, is less than 1. The company could not pay all its current liabilities without selling some inventory.

NOTE: Shows current assets and cash after inventory is eliminated. (Inventory can become obsolete.) It's called "quick" because it includes items that can be turned into cash.

Current

Number Source: Balance Sheet (pg. 22)

Total Current Assets (pg. 22)

F O R M U L A		
$\frac{\$170,000}{\$150,000}$	=	1.13

Total Current Liabilities (pg. 22)

Number of times you can pay current liabilities

NOTE: Shows a company's short-term debt paying ability. This means there is \$1.13 in cash and current assets available to pay every \$1 of current liabilities.

RATIOS

3

DEBT MANAGEMENT RATIOS

Leverage (or Debt-to-Worth)

Number Source: Balance Sheet (pg. 22)

Total Liabilities
(pg. 22)

Total Capital
(pg. 22)

$$\frac{\text{Total Liabilities}}{\text{Total Capital}} = \frac{\$204,000}{\$87,000} = 2.34$$

The company is leveraged 2.34 times

VR Very Important Ratio

NOTE: Shows whether or not a company has enough equity. Lower answers are better. Lenders prefer this ratio to be 3 or lower.

Accounts Payable Turnover

Number Source: Balance Sheet (pg. 22)
& Income Statement (pg. 24)

Accounts Payable at \$41,000 (pg. 22)
X 365 days

Purchases (pg. 24)

$$\frac{\text{Accounts Payable at } \$41,000 \times 365 \text{ days}}{\text{Purchases}} = \frac{\$14,965,000}{\$350,000} = 42.75$$

Accounts Payable are paid every 43 days

NOTE: Shows how quickly a company pays its suppliers. Lower numbers are better.

4

PROFITABILITY RATIOS

Profit Margin on Sales

Number Source: Income Statement (pg. 24)

Net Profit (pg. 24)

Net Sales (pg. 24)

$$\frac{\text{Net Profit}}{\text{Net Sales}} = \frac{\$53,000}{\$900,000} = .0588$$

The profit margin is 5.9%

NOTE: Shows the percentage of net profit for every dollar of sales. If the profit margin is too low, the prices are too low, the cost of goods is too high, or expenses are too high. Compare the profit margin to previous years (if the business is over three years old). New businesses may compare the profit margin to those published in RMA studies or by trade associations.

Cash Flow to Current Maturities (Debt Service)

Number Source: Balance Sheet (pg. 22)
& Income Statement (pg. 24)

Net Profit of \$53,000 (pg. 24) + Depreciation of \$10,000 (amount created for this example).

$$\frac{\text{Net Profit} + \text{Depreciation}}{\text{Current Portion of Long-Term Debt}} = \frac{\$63,000}{\$6,000} = 10.5$$

For every dollar of debt, \$10.50 is available to pay it

Current Portion of Long-Term Debt (pg. 22). For new businesses, use one year's worth of loan payments.

NOTE: Shows your ability to pay term debts after owners' withdrawals. Lenders prefer 2 or better.

YOUR BUSINESS: RATIO ANALYSIS

		YOUR ANSWER
Assets	1 Accounts Receivable Turnover	= <input type="text"/>
	Inventory Turnover	= <input type="text"/>
Liquidity	2 Working Capital	= <input type="text"/>
	Quick or Acid Test	= <input type="text"/>
	Current	= <input type="text"/>
Debt	3 Leverage (or Debt-to-Worth)	= <input type="text"/>
	Accounts Payable Turnover	= <input type="text"/>
Profit	4 Profit Margin on Sales	= <input type="text"/>
	Cash Flow to Current Maturities (Debt Service)	= <input type="text"/>

FORMULAS

BREAKEVEN POINT

When a company has neither a profit nor a loss, it is the breakeven point. It is important to determine your breakeven point so you know the sales needed for your business to be profitable. The numbers for this formula come from your Income Statement (see page 24).

1	Determine your Net Sales	\$900,000	NET SALES	100%
2	Total your Variable Expenses and divide them by the Net Sales to calculate the percentages they represent	\$540,000	COST OF GOODS SOLD	60% (540K/900K)
		+\$90,000	SELLING EXPENSES	+ 10% (90K/900K)
		\$630,000	TOTAL VARIABLE EXPENSE	70% (630K/900K)
3	Subtract your Total Variable Expenses from your Net Sales to calculate the Margin .	\$900,000	NET SALES	100%
		-\$630,000	TOTAL VARIABLE EXPENSE	- 70%
		\$270,000	MARGIN	30% or .30
4	Divide your Fixed Expenses by the Margin and the answer is your Breakeven Point	\$170,000	FIXED EXPENSES (this number comes from page 24 General & Administrative)	
		÷ .30	MARGIN	
		\$566,667	BREAKEVEN AMOUNT	

This company needs sales of \$566,667 to break even. One dollar more and the business is profitable. One dollar less and the business shows a loss.

THE 1-2-3 METHOD FOR LOAN DECISIONS

Use the 1-2-3 method to pre-qualify and calculate your maximum loan amount.

1

DISCOUNTED COLLATERAL

Also called COLLATERAL COVERAGE

Every \$1 borrowed must be covered by \$1 in collateral. Lenders discount the value of assets (collateral) so the *discounted* value must equal the loan amount. This covers the lender in case of foreclosure. See page 18.

This is a common discount formula used with collateral:

EXAMPLE:	Market Value	Discount Percentage	Discounted Value
• Inventory	\$30,000	50%	\$15,000
• Fixed Assets	\$50,000	50%	\$25,000
• Accounts Receivable	\$20,000	25%	\$15,000
Total	\$100,000		\$55,000

Maximum loan based on discounted collateral is \$55K

2

THE ABILITY TO REPAY

Also called DEBT SERVICE COVERAGE

For every \$2 a business has in annual cash flow, the bank will allow \$1 in loan payments.

The ABC Company needs to calculate how much they can borrow and afford to re-pay for a seven-year loan:

• \$12K net profit + 3K in depreciation = \$15K annual cash flow

• \$15K x 50% = \$7.5K the maximum lenders usually allow in annual payments is half of the annual cash flow

• \$7.5K/12 months = \$625 maximum monthly payment

• \$625/\$17.13* = \$36.48K rounded to \$36.5K

*Monthly payment on a \$1000, seven-year loan with an interest rate of 11% is \$17.13

Maximum loan based on the ability to repay is \$36.5K

3

EQUITY

Also called DEBT-TO-WORTH or LEVERAGE

A business can borrow \$3 for every \$1 invested.

Assume ABC Company wants to refinance a \$75K loan. The business has assets of \$100K, liabilities of \$75K, and Net Worth or Equity of \$25K.

Maximum loan based on equity is \$75K (\$25K in equity x 3)

\$75K

THE LOAN DECISION

The lowest of the three answers calculated here is the maximum loan size. The maximum loan size for ABC Company is \$36.5K.

APPENDIX Items Checklist

The **APPENDIX** comes at the end of your business plan. It includes all the details and documents that support your business plan.

The first page of your Appendix should be a listing of its contents. Organize the documents in the order they are referred to in your business plan. The Appendix grows so it's a good idea to use a 3-ring binder with tabs or an expandable file.

In general, your Appendix should include:

- a) estimates for anything being purchased
- b) estimates on any work to be done
- c) copies of documents related to loans, mortgages, and accounts payable to be refinanced

To Do Done
☐ ☐

Page 8 > BUSINESS DESCRIPTION

- Legal documents filed with your state or municipality

To Do Done
☐ ☐

Page 9 > BUSINESS DESCRIPTION, EXPLAINED

- Detailed industry information including economic trends, growth patterns and forecasts.

To Do Done
☐ ☐

Page 10 > MANAGERS & EMPLOYEES

- Managers' job descriptions, salaries and benefits.
- Monthly cost and explanation of outsourced services or functions.
- Managers and employees résumés

To Do Done
☐ ☐

Page 11 > OPERATIONS & LOCATION

- Include proposed rentals, leases or purchases of furniture, fixtures, equipment and machinery.
- Suppliers names, addresses, products or services supplied, costs/quotes, delivery/shipping fees, turnaround, terms of sales, contracts, and a purchasing plan.
- Details about assistance from your suppliers.
- Provide a copy of the deed if you own the business location. If buying the location, include a purchase-and-sale agreement and related legal documents. An appraisal of the building, the assets and liabilities along with an environmental inspection, will be done by the lender.
- If your location is leased, include a copy of the lease (or proposed lease) with terms, conditions, and cost.
- Show quotes for improvements and renovations.
- Traffic patterns if you own a retail business.
- Zoning statement from local government.
- Approval letters from local and state inspectors (building, fire, health, environmental, and occupational safety).
- Photos of your location, inside and outside. Include a floor plan, blueprint or plot plan (if constructing location).

To Do Done
☐ ☐

Pages 12-15 > MARKETING

- Detailed plans and costs for research and development.
- Advertising and promotional ideas, schedules and budgets.
- Compensation (salary, commission, or both) details for sales staff, reps, agents, brokers or wholesalers.
- Product and price comparisons of competitors.

To Do Done
☐ ☐

Page 16 > BUYING A BUSINESS

- Pictures of the business location
- Detailed description of the building.
- Appraised value of the building, inventory and equipment.
- A current Balance Sheet, a year-to-date Income Statement, and copies of the seller's tax returns for the last 3 years.

- Inspection reports, if available. If not, let the lender order them.
- Patents and trademarks.
- Purchase-and-sale agreement and/or an offer to buy and any legal documents that apply to the purchase

Page 18 > LOAN REQUEST

- The use of loan proceeds: Include quotes and a breakdown of furniture, fixtures, equipment and machinery.
- Collateral: Make, model, year, serial number, and fair market value of furniture, fixtures, equipment and machinery.
- Cash Flow analysis to prove working capital needs.

To Do Done
☐ ☐

Pages 20 & 21 > PERSONAL FINANCIAL STATEMENT

- Stocks & Bonds: The number of shares, name of securities, cost, market value with the date.
- Life Insurance policies: Provide the face amount and cash surrender value, name of insurance companies and beneficiaries.
- Real Estate: List each property and include the date purchased, its original cost, and the present market value. Also include the mortgage account number, loan balance, and the monthly payment.
- Other property: Any pledged as security/collateral. Include the name and address of lien holder, lien amount, and payment terms.
- Notes Payable: Include the name and address of the noteholder, original loan balance, current loan balance, payment amount, and what collateral is used for security.
- Unpaid taxes: Describe the type of unpaid tax, who taxes are owed to, the amount, when payment is due, and whether there is a lien on any property.

To Do Done
☐ ☐

Page 21 > PERSONAL FINANCIAL STATEMENT

- Copies of life insurance statements, stocks and bonds certificates, and real estate deeds.
- Copies of notes payable, real estate statements with monthly payment amounts, and unpaid tax bills.
- Copies of signed tax returns (past three years) for each owner.

To Do Done
☐ ☐

Page 22 > BALANCE SHEET

- Existing businesses: Last three years' fiscal year-end statements and an interim statement (not more than two months old).
- Start-up companies: Include an opening Balance Sheet (balance sheet the day after the loan closes).

To Do Done
☐ ☐

Page 24 > INCOME & EXPENSE STATEMENT (or P&L)

- Existing businesses: Three years' fiscal year end statements, plus an interim statement (not more than two months old).
- Provide projections month by month for the first year, quarterly for the second year and lump sum for the third year.

AFFIDAVIT

State of Louisiana

Parish of Jefferson

Before me, the undersigned authority, a duly qualified and commissioned
Notary Public, personally came and appeared:

_____, OWNER,
who, after being duly sworn, did depose and say that he/she will operate the business
known as: _____,
(Trade Name)

located at: _____,
(Business Address – Street, City, State, ZIP Code)

in the Parish of Jefferson, State of Louisiana.

Signature of Affiant (Business OWNER)

PRINTED Name of Affiant (Business OWNER)

Sworn to and subscribed before me this

_____ day of _____, 20____

Notary Public

Printed Name: _____

Notary or Bar Roll Number : _____ *Commission expires:* _____

JOSEPH P. LOPINTO, III

**Sheriff and Ex-Officio Tax Collector
Parish of Jefferson**



Jefferson Parish Sheriff's Office
Bureau of Revenue and Taxation
P.O. Box 248
Gretna, LA 70054-0248
Voice: (504) 376-2459
Fax: (504) 376-2469



1. Date of application ____/____/____

2. Application For: A. ☐ Sales/Use Tax B. ☐ Occupational License Tax
 C. ☐ Chain Store Tax D. ☐ General Registration

3. Reason for applying: A. ☐ Started new business C. ☐ Other (specify): _____
 B. ☐ Purchased ongoing business: Name of previous owner: _____

Have you ever registered with this office? ☐ Yes ☐ No

If yes, list below the business name.

Business name: _____ If closed, enter date closed: ____/____/____

4. Federal Employer ID Number <input type="checkbox"/> None <table border="1"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>													5. LA Sales Tax Number <input type="checkbox"/> None <table border="1"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>													6. Local Tax Number <input type="checkbox"/> None <table border="1"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>												

7. A. Taxpayer Name/Corporate Name: _____
 B. Trade name of business: _____ Telephone: (____) _____

8. A. Business address (NO P.O. Box or General Delivery): _____
 City: _____ State: _____ Zip Code: _____ - _____
 B. Address for receiving tax forms/correspondence: _____
 City: _____ State: _____ Zip Code: _____ - _____
 C. Website: _____ D. Location of accounting records: Check one as noted in ☐ 8 A ☐ 8 B
 If other, list complete address below.

9. Type of organization: ☐ Sole Proprietor ☐ Partnership ☐ Corporation ☐ LLC ☐ LLP ☐ LP
 ☐ Governmental ☐ Nonprofit (IRS Ruling must be attached) ☐ Other: _____

10. If sole owner/individual: Name: _____ Last 4-Digits of SSN: xxx-xx-_____
 (Attach copy of valid photo I.D.)
 Home address: _____ Telephone: (____) _____
 City: _____ State: _____ Zip Code: _____ - _____

11. If corporation, LLC, LLP, LP or partnership: name, title, Social Security Number, home address and telephone number of officers, members, managers or partners, attach additional sheets if necessary to complete this information.	Name: _____ Title: _____	Last 4-Digits of SSN: xxx-xx-_____
	Address: _____	Telephone: (____) _____
	Name: _____ Title: _____	Last 4-Digits of SSN: xxx-xx-_____
	Address: _____	Telephone: (____) _____
	Name: _____ Title: _____	Last 4-Digits of SSN: xxx-xx-_____
	Address: _____	Telephone: (____) _____

12. Tax Contact Person: _____ Title: _____
 Telephone: (____) _____ Email address: _____

13. Agent for service of process: Name: _____ Telephone: (____) _____
 Physical Address: _____
 City: _____ State: _____ Zip Code: _____ - _____

14. Date business started/acquired at this location: ____/____/____	15. Number of other business locations in Jefferson Parish? _____	16. Number of retail business locations nationwide? (Incl. this location) _____
---	---	---

17. A. Description of business activity: _____

B. NAICS Code: _____ C. Food/Beverage Sales: ☐ Yes ☐ No D. Firearm Sales: ☐ Yes ☐ No E. Tobacco Products: ☐ Yes ☐ No

I affirm that the information given on this application is true and correct.	Signature of applicant: _____	Title: _____
	Signature of preparer: _____	Date: _____

PLEASE REFER TO INSTRUCTIONS - INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED

OCCUPATIONAL LICENSE SCHEDULE "A"

Check and complete only one of 18 through 21



- ☐ 18. **Business opened within prior 30 days**
A. **Business opened between December 2nd and December 31st**
Gross receipts for the remainder of calendar year: \$ _____
Locate tax due from application rate table and enter on line 22 below.
B. **Business opened less than 30 days** (excl. period December 2nd to December 31st)
The tax due will be the minimum of applicable rate table. Enter on line 22 below.

- ☐ 19. **Business opened more than 30 days**
Gross receipts for first 30 days: \$ _____
Less deductions (describe): _____ \$ _____ equals \$ _____ which
multiplied by the number of months, or major fraction thereof, remaining in the year _____ amount to a tax basis of \$ _____.
Locate tax due from applicable rate table and enter on line 22 below.

- ☐ 20. **Business opened during previous calendar year**
Gross sales for remainder of calendar year: \$ _____
Less deductions (describe): _____ \$ _____ equals \$ _____ which
divided by the number of days in operation _____ which multiplied by 365 amounts to a tax basis of \$ _____.
Locate tax due from applicable rate table and enter on line 22 below.

- ☐ 21. **Business opened on or prior to January 1st of the previous year**
Gross sales for the calendar year: \$ _____
Less deductions (describe): _____ \$ _____ equals a tax basis of \$ _____.
Locate tax due from applicable rate table and enter on line 22 below.

22. LICENSE FEE/RATE BASED ON TABLE # _____ \$ _____

23. To be used by those occupations paying a fee based on units, indicate number of seats, spaces, pool tables, etc.

Item	Number	Fee Per Item	Total For This Item

TOTAL BASED ON UNITS _____ \$ _____

24. Chain store tax due (as calculated from chain store tax schedule on page 8) _____ \$ _____

25. Amount of tax due (add lines 22, 23, and 24) _____ \$ _____

26. Penalty _____ \$ _____

27. Interest _____ \$ _____

28. Total amount due _____ \$ _____

FOR OFFICE USE ONLY

If located in unincorporated Jefferson Parish, is zoning clearance attached? ☐ Yes ☐ No

In compliance with trade name recordation requirement? ☐ Yes ☐ No (If no, amend trade name accordingly)

This business will be coded for the following:

- | | |
|--|---|
| <input type="checkbox"/> Sales/Use Tax | <input type="checkbox"/> Hotel/Motel Tax |
| <input type="checkbox"/> Food/Drug Tax | <input type="checkbox"/> Occupational License Tax |
| <input type="checkbox"/> Alcohol Beverage Permit | <input type="checkbox"/> Chain Store Tax |
| <input type="checkbox"/> Occupancy Tax | <input type="checkbox"/> Other: _____ |

Account Classification:

- | | | |
|-------------------------------------|--|---|
| <input type="checkbox"/> Regular | <input type="checkbox"/> Vehicles for Hire | <input type="checkbox"/> Temporary Vendor |
| <input type="checkbox"/> Non-Profit | <input type="checkbox"/> Other Exempt: _____ | |

Account #: _____

License Yr.: _____

License Code: _____

Delq. Date: _____

Record Type: _____

NAICS Code: _____

Registration Method: _____

Processed By: _____

Reviewed By: _____