

## *How to Start A Small Business In*



*Apalachicola, FL*

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## *Introduction*

Starting a small business involves numerous variables, such as asking the right questions, planning and making various decisions. This booklet is designed to be used as a guide and reference point to organizational, financial, accounting and tax considerations for creating a small business. Making informed decisions early on in the small business creation process can save time, money and increase the likely-hood of the business being successful. Based on statistics gathered by the U.S. Small Business Administration states that, over 50% of small businesses fail in the first year and 95% fail within the first five years.<sup>1</sup>

Each business has specific individual differences, circumstances and requirements. This guide should not be considered to be an all-inclusive resource or a replacement for the professional assistance your business will need.

### *Essential Questions to Ask Yourself*

First ask yourself:

Why are you starting your own business?

Do you have any experience working in a like the one you want to start?

Are you a self-motivator and self-starter?

***Are you an entrepreneur?*** An entrepreneur is a person who has possession of a new enterprise, venture or idea and is accountable for the inherent risks and the outcome. The term is applied to a person who is **willing** to risk launching a new venture or enterprise and accept full responsibility for the outcome.

Do you have you any business training or skills?

How much money have you saved to put toward your business?

Are you prepared to lose this money you saved?

Is it understood, that owning a small business may possibly demand you working 12 – 16 hours a day, six days a week and perhaps on holidays?

Are you willing to lower your standard of living for a considerable amount of time (a few months to years)?

Would you be able to live with the uncertainty of income?

Can you handle a vast load of responsibilities?

How well do you organize?

Are you in good health, both physically and emotionally?

Do you believe in yourself and in the success of your potential small business?

After answering these questions, assess how satisfied you are with your answers, to ensure you understand the unpredictable environment of starting a small business. If you decide to move forward with starting a small business, there are certain things required by law based on the state the business will operate in. Provided is a brief checklist of licenses, regulations and other formalities with which an entrepreneur must comply to legally conduct a business in the State of Florida and more specifically Apalachicola.

***Small Business Checklist***

	Sole Proprietorship	Partnership	Corporation	S Corporation	Limited Liability
<b>A = Always</b> <b>S = Sometimes, if applicable</b>					
Business License	S	S	S	S	S
State Professional License	S	S	S	S	S
Entity Name Filing	S	S	S	S	S
Workers' Compensation	S	S	S	S	S
Federal Employer ID No.	S	A	A	A	A
Sales Tax Number	S	S	S	S	S
Unemployment Compensation	S	S	A	A	S
Incorporation Filing			A	A	A
S Corporation Filing				A	
Health Permit	S	S	S	S	S
Small Business Tax Kit	A	A	A	A	A
Estimated Tax Payments	A	A	A		A
Professional Advisors	A	A	A	A	A
Insurance	A	A	A	A	A

## *Assessing Market Potential*

Today's successful small businesses are based on customer need for a product or service within the specific market area. As a business owner you must determine if a need exist, if an ample amount of potential customers exist and can afford to purchase your product or service, and what competitors exist if any at all.

Future business owners must learn everything possible about the business itself, the industry in which it operates and the target market (customers). If you do not already work within the same type of business or industry, business owners can use available resources for market research.

- Small Business Development Center
- Industry and Trade Associations
- Chambers of Commerce
- Public Library
- Media
- Market Research Firms
- Franchises
- Census Bureau
- Non-Competing Businesses with similar target market
- Internet

The two most important sources are the customers and the competition.

Knowing your competition is the first and smartest start to managing your business. You should ask yourself the primary questions of who, what, when, and where about your competitors. But you should also know how they operate and understand what they're strengths and weaknesses are. You might have to become a "mystery shopper" to actual gain most of the invaluable data, but also remember your alternative competitors (products/services that could substitute your product/service) as well.

Knowing your customers (who will actually purchase your product/service?), identifying possible customers is what validates the existence of your future small business. Without defining who would possibly be a customer, you as a business owner will not know if there is enough need to support your business, or how to disseminate promotional materials to the future customers. New owners must determine the common characteristics of your customers' demographics and determine a profile of your typical customer.

However, you will have to adjust your customer profile once your business is fully functioning, operating, and tangible customers actually exist. In order to adjust this information the small business owner must have already compiled demographic and other information on their consumers. The use of information systems and computer database will make the storage and analysis of this data manageable and easily accessible. A small business owner must solicit

and encourage customers to give feedback so that the owner may assess his or her business' strengths and weaknesses.

Through regular inspection of the competition and the customers, business owners can create a competitive advantage, a unique reason for customers to purchase from you rather than the competition. This must become a constant part of a small business owner's assessment routine, constantly monitoring the marketplace for changes and reacting to the changes quickly. This is also the key advantage small businesses have over larger businesses, "flexibility". Due to the size and bureaucracy within large business they are usually unable to react to new opportunities and competitive constraints.

The last component of assessing market need is determining a profitable price point and how much future customers will be willing to pay. A majority of small businesses have failed not because of a lack of potential customers but insufficient profits.

## *Financing*

The financing aspect of owning a small business revolves around obtaining sources of capital and funding for your new enterprise. The main sources of finance consist of personal savings, family, friends, credit, life insurance and second mortgages. However, a new enterprise will more than likely require additional financing attained from other sources.

While searching for additional funds the small business owner should always keep in mind that the financier or moneylender will expect them to take a substantial financial stake in the business. Essential the owner is required to invest about 20 percent to 50 percent of their personal funds.

Undercapitalization is a leading cause of failure for many small businesses. Small business owners must ensure they secure enough funds to launch the business and successfully run it until it produces a profit.

Prior to meeting investors, the owner must create a detailed business plan that illustrates cash projections, financial ratios, marketing demographics and other various tangible analysis of current business environment (discussed in further details below). The business plan, incorporated with the owners' and business' financial statements, will illustrate the new venture idea in a clear, concise, and professional format.

The primary types of financing for a business are equity financing and debt financing.

Equity financing allow investors to have a controlling stake in the business as well as a percentage of future profits but the initial investment will not be repaid. Thus, the investor becomes a shareholder in the business. Even capital dispersed by the owner or partners is considered equity financing. The number one sources of startup funds for small business evolve from "non-professional" investors, for example business associates, friends, relatives, customers or suppliers.

An additional source of equity financing is venture capital which revolves around investments larger than \$500,000. Venture capitalists are also known as "Angles" and generally support new and risky enterprise with expected high return on the initial investment.

Debt financing is one important source of money for a small business. Debt is financing business operations by taking on loans as opposed to forfeiting equity. Using debt financing, the business gets a loan and enters into debt. You are obligated to repay the loan at a predetermined interest rate. There are numerous sources of debt financing available to small businesses:

- Commercial banks
- Economic Developments Offices
- Commercial Finance Companies
- Federal Government
- State of Florida

## **Commercial banks**

Commercial banks are institutions which accept deposits, make business loans, and offers related services. They are regulated by the federal government. It can be difficult for a small business to get a commercial bank loan because of the perceived risks. Mature small business with a successful track record fare better with commercial banks than startups. Be sure to understand the basics of the commercial bank term loan before you apply.

The basics include maximum and minimum amounts, covenants, collateral and more. Compare the services of your local [community banks](#) vs. large regional banks before choosing a lender.

## **Economic Developments Organization (EDO)**

The EDO work in collaboration with state and local agencies. The EDO can provide information on such funding sources as the Small Business Administration, Industrial Revenue Bonds, and Enterprise Bonds. The EDO can assist in arranging meetings with the local financial institutions to discuss financing options.

### **More information:**

#### **Apalachicola Bay Chamber of Commerce:**

(850) 653-9419

<http://www.apalachicolabay.org/>

#### **Franklin County Commission**

33 Market St., Suite 305

Apalachicola, FL 32320

(850) 653-8861

<http://www.franklincountyflorida.com/>

## **Commercial Finance Companies**

Commercial finance companies provide business loans rather than consumer loans. Typically they offer only loans secured by commercial assets. Small businesses may borrow money from commercial finance companies for the purchase of inventory and equipment. These loans tend to be highly collateralized. They are most popular amongst small businesses involved in manufacturing or wholesaling. These companies usually accommodate a lot of accounts receivables and inventory financing.

Benefits of commercial finance companies:

- Less conservative and willing to make riskier loans than commercial banks. Less regulatory requirements allows them to assume higher risks
- Flexible lending terms
- They offer short term loans (less than one-year) as well as longer-term loans



- Asset backed loans are available

Be informed that commercial financial companies:

- Charge higher interest rates than most commercial banks.
- Require collateral.
- Less standard loan terms.

Careful review of the terms of loan, including interest computation, payment methods, prepayment rights and default terms are required before deciding.

## **Federal, State and Local Governments**

Federal, state and local governments offer a wide range of financing programs to help small businesses start and grow their operations. These programs include low-interest loans, venture capital, and scientific and economic development grants.

### **SBA Loan Programs**

SBA offers a variety of loan programs for very specific purposes. These include:

- 7(a) Loan Program
- Microloan Program
- CDC/504 Loan Program

#### **7(a) Loan Program**

The 7(a) Loan Program includes financial help for businesses with special requirements. For example, funds are available for loans to businesses that handle exports to foreign countries, businesses that operate in rural areas, and for other specific business activities.

#### **Microloan Program**

The Microloan Program provides small, short-term loans to small business concerns and certain types of not-for-profit child-care centers. The SBA makes funds available to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries make loans to eligible borrowers. The maximum loan amount is \$50,000. The loan program has strict limits on what the loan may be used for.

#### **CDC/504 Loan Program**

The CDC/504 loan program is a long-term financing tool, designed to encourage economic development within a community. The 504 Program provided small businesses with long-term, fixed-rate financing to acquire major fixed assets for expansion or modernization.

A Certified Development Company (CDC) is a private, nonprofit corporation which is set up to contribute to economic development within its community. CDCs work with SBA and private sector lenders to provide financing to small businesses, which accomplishes the goal of community economic development.

### **More Information:**

#### **Jacksonville District Office**

7825 Baymeadows Way Suite 100B  
Jacksonville, FL 32256  
United States  
Phone: 904-443-1900  
TTY/TTD: 904-443-1909  
www.sba.gov

### **State of Florida:**

#### **Florida Finance Network**

The organization unifies Florida's economic development financing programs, is available throughout Florida to educate lenders, business owners, and economic development officials about financing programs available to small businesses. **FFN** builds awareness of state and federal small business and economic development financing programs available to Florida businesses. Member organizations are:

- **Access Florida Finance Corporation – AFFC**
- **Florida Development Finance Corporation – FDFC**
- **Florida Export Finance Corporation – FEFC**
- **Florida First Capital Finance Corporation - FFCFC,**
- **Neighborhood Lending Partners, Inc. - NLP**

### **More information:**

Visit: <http://www.floridafinance.org/>

### **Enterprise Florida**

Enterprise Florida assists companies in confidence with their expansion and location plans. They offer site selection services, demographic information, incentive information, trade leads, etc. Enterprise Florida, also coordinate introductions to their network of economic development partners located throughout the state. Enterprise Florida assists businesses with:

- Locating or expanding a business in Florida
- Florida-based companies that needs assistance in exporting products or services.
- Locate resources for high technology entrepreneurs.
- Find resources for small businesses.

**More information:**

Atrium Building, Ste 201  
325 John Knox Road  
Tallahassee, FL 32303  
Phone: (850) 298-6620  
Fax: (850) 298-6659

**Florida Black Business Investment Board**

Florida Black Investment Board provides businesses owned by African-Americans with financing. This assistance is provided through a network of certified black business investment corporations located throughout the state.

**More information:**

Florida Black Business Investment Board, Inc.  
1030-9 E. Lafayette Street  
Tallahassee, FL 32302  
Office: 850-878-0826  
Fax: 850-878-4578  
Email: [info@fbbib.com](mailto:info@fbbib.com)  
<http://www.fbbib.com/>

Mailing Address:  
P.O. Box 7435  
Tallahassee, FL 32314

## Records and Accounting

All businesses are required to keep records for local, state and federal regulatory and tax purposes. It is important to have a good record keeping system. Complete financial records help business owners:

Monitor the progress of your business	Obtain financing
Help business owners to cut costs	Control inventory
Maintain or increase profits	Identify the bottom line
Keep track of deductible expenses	Track cash flow
Prepare your tax returns	Support items reported on tax returns
Prepare your financial statements	Make sound management decisions

Your record keeping system should include all of your business transactions. The records must show gross income, deductions and credits. Supporting documents such as invoices, receipts and matching records should be kept to sustain your purchases, sales, payroll and other transactions.

### These are some types of records you should keep:

- **Gross receipts** are the income you receive from your business. You should keep supporting documents that show the amounts and sources of your gross receipts. Documents for gross receipts include the following:
  - Cash register tapes
  - Bank deposit slips
  - Receipt books
  - Invoices
  - Credit card charge slips
  - Forms 1099-MISC
- **Purchases** are the items you buy and resell to customers. This includes the cost of all raw materials or parts purchased for manufacture into finished products. The supporting documents should show the amount paid and that the amount was for purchases. Documents for purchases include the following:
  - Canceled checks
  - Cash register tape receipts
  - Credit card sales slips
  - Invoices

- **Expenses** are the costs you incur (other than purchases) to carry on your business. Your supporting documents should show the amount paid and that the amount was for a business expense. Documents for expenses include the following:
  - Canceled checks
  - Cash register tapes
  - Account statements
  - Credit card sales slips
  - Invoices
  - Petty cash slips for small cash payments
  -
- **Travel, Transportation, Entertainment, and Gift Expenses**  
If you deduct travel, entertainment, gift or transportation expenses, you must be able to prove (substantiate) certain elements of expenses.
- **Assets** are the property, such as machinery and furniture that you own and use in your business. You must keep records to verify certain information about your business assets. You need records to compute the annual depreciation and the gain or loss when you sell the assets. Documents for assets include the following:
  - When and how you acquired the assets.
  - Purchase price
  - Cost of any improvements.
  - Section 179 deduction taken.
  - Deductions taken for depreciation.
  - Deductions taken for casualty losses, such as losses resulting from fires or storms.
  - How you used the asset. When and how you disposed of the asset.
  - Selling price.
  - Expenses of sale.

The following documents may show this information:

- Purchase and sales invoices.
  - Real estate closing statements.
  - Canceled checks.
- **Payroll and Employment taxes**  
There are specific employment tax records you must keep. Keep all records of employment for at least four years. Ex. W-4, time cards, W-2, quarterly payroll reports, names address, social security numbers, occupations, dates of employment, wage, annuity and pension payments.

**Note:** Record keeping can be manual or computerized by an assortment of software available for purchase.

### **More information:**

See IRS publication 583 or visit [IRS.gov](http://www.irs.gov/) for more guidelines on records and how long each record is to be kept. <http://www.irs.gov/>

### **Balance Sheet**

Balance sheets and income statements are the key elements in financial reporting to potential lenders such as banks, investors, and vendors who are considering how much credit to grant the firm.

A balance sheet provides a financial "snapshot" of your business at a given date in time. The balance sheet lists your assets and liabilities and tells you your business's net worth.

Assets and liabilities are divided into short- and long-term obligations including cash accounts such as checking, money market, or government securities. At any given time, assets must equal liabilities plus owners' equity. An asset is anything the business owns that has monetary value. Liabilities are the claims of creditors against the assets of the business. Balance sheets help the owners to assess the financial strength of the business.

### **Income Statement**

An income statement is also known as a profit and loss statement. Income statement is a summary of a company's profit or loss during any one given period of time, such as a month, three months, or one year. It provides a record of all revenues for a business during this given period, as well as the operating expenses for the business.

An income statement is used to track revenues and expenses so that businesses can determine their operating performance of your business over a period of time. Small business owners can use income statements to indentify which areas of the business are over budget or under budget. Income statements are also used to indentify increases in cost of goods gross profits, expenses, overhead etc, as a percentage of sales. Income statements can also be used to determine income tax liability. An income statement should be formatted to suit the needs of the business being conducted.

### **Cash Flow Statement**

Cash flow statements provides cumulative data regarding all cash inflows a company receives from both its ongoing operations and external investment sources, as well as all cash outflows that pay for business activities and investments during a given quarter. Cash flow statements is used to gauge financial performance helps to see if a company is having trouble with cash. Cash flow statements and projections provide business help to:

- Assess the viability of future venture/projects.
- Project capital requirements.
- Determine a break-even point.
- Evaluate options ex. leasing vs. purchasing

- Control the flow of cash.

**Note:** It is very important for business owners to read and understand financial statements and how they affect the net income of the business. You can use the spreadsheet template to assist you to create a balance sheet for your business.

The IRS and other government agencies, require adequate records are required for all businesses regardless of size. Financial statements help owners to assess their business and make better management decisions.

## **The Business Plan**

The business plan is also known as a feasibility plan. The business plan is a written document that describes in detail how a new business is going to achieve its goals. The business plan should lay out a written plan from a marketing, financial and operational viewpoint. Business plans are also used by established businesses that are moving in a new direction.

A business plan includes a description of the business, its services and/or products and how the business plans to achieve its goals. The business plan includes the overall budget, current and projected financing, a market analysis and its marketing strategy approach. In a business plan, a business owner projects revenues and expenses for a certain period of time and describes operational activity and costs related to the business.

The main idea behind putting together a business plan is to enable owners to have a more defined picture of potential costs and drawbacks to certain business decisions and to help them modify accordingly before implementing these ideas. It provides self assessment.

The business plan is also the best way to show bankers, venture capitalists, and angel investors that you are creditable for financial support.

**Reasons** for writing a business plan include:

- Support a loan application
- Raise equity funding
- Define and fix objectives and programs to achieve those objectives
- Create regular business review and course correction
- Define a new business
- Define agreements between partners
- Set a value on a business for sale or legal purposes
- Evaluate a new product line, promotion, or expansion

**Note:** A successful business plan shows:

- A well thought out idea
- Clear and concise writing
- A clear and logical structure
- Illustrates management's ability to make the business a success
- Shows profitability

## **Business Plan Basics**

### **1. Executive Summary**

This features the highlights of your plan and sells your idea in two pages or less.

### **2. Company Summary**



Company Summary is a factual description of your company, ownership, and history.

### **3. Market Analysis**

The Market Analysis provides a summary of your typical customers, competitive landscape, market size, and expected market growth.

### **4. Products and or Services**

This is a description of your products and/or services and how they stand out from competitive products and services

### **5. Strategy & Implementation**

This describes how you will sell your product, how you will put your plan into action, and establishes milestones.

### **6. Manufacturing/Operation**

This describes production process, sources of supply and personnel plans.

### **7. Management Summary**

This provides background on the management team, their experiences, and key accomplishments.

### **8. Financial Plan**

Financial Plan contains key financials including sales, cash flow, and profits.

### **9. Investments**

Investment shows owner investments, other investors, financing, returns and expected paybacks.

### **10. Appendices**

Additional data specific to your business plan and for whom the plan is written.

## **Advertising and Promotion**

After determining the market potential for a business venture you may have in mind, the principals must be develop a marketing strategy to reach the market. Once you have determined who your potential buyers, you should then ask yourself how you plan to attract them. It's critical to focus on advertising, sales planning, promotion and operation, public relations,

physical location and set up and the price you charge. It's important that you determine your prices based on your customers and their needs.

When customers are ready to buy them, let them know you have the goods, as well as the services. The most profitable advertising offers customers what they want and when they want it.

## **Advertising**

One of the most effective forms of advertising is from word-of-mouth. This comes from satisfied customers through referral. Happy customers tell approximately three to five friends or relatives about a good experience they've had with a business. But it's also important to remember that word of mouth works in both ways. If the same business does not provide a good product or service, a dissatisfied customer will tell nine or ten others about his or her unhappy experience.

Even though word of mouth advertising is free and can be very beneficial to a business that consistently satisfies their customers, as a new business, you will most definitely need to purchase several forms of paid advertising to supplement customer referrals.

Finding out how much your advertising will cost and deciding how your advertising dollars should be allocated are important to your marketing plan. The sales budget is the foundation of all business and its primary function is to control advertising expenditures. The most successful business owners plan their advertising to take full advantage of selling opportunities. Listed below are five steps that you can take to plan your advertising expenditures:

### **1. Set an Advertising Budget**

One of the most common ways to develop an advertising budget is to set aside a percentage of estimated annual sales. To determine your annual advertising budget, you must first make an estimate of the sales you expect to achieve in the coming year.

If you do not have previous year's sales figures to use in determining your projection, find out what other businesses in your industry are producing in the way of sales. These industry statistics can be gathered from a number of secondary sources, easily accessible through your public library or your Small Business Development Center. You can also conduct primary research by talking to local business owners operating a similar business not in direct competition with you or by contacting owners in the same business operating outside your service area. In either type of research, always remember to account for changes that could affect economic conditions.

Once your estimated sales for the coming year have been determined, you should then multiply this figure by the percentage of sales you plan to spend on advertising. This means budgeting a predetermined percent of every gross dollar of planned sales for advertising which promotes your business or your product or service you provide. The percentage will not vary not

only depending on the type and size of the business but also depending on the life cycle stage of your business. For example, consider a new business that may need to budget anywhere from 5 to 10 percent for advertising to let customers know that the business exists. A 10 year old business on the other hand may spend only 2 percent of sales if they have a reputation and a loyal customer base known and already established. The cost of advertising that will be most effective in reaching the target market for the particular product or service must be considered in setting this percentage.

Also remember that the resulting percentage of sales figure is a proposed annual advertising budget. Flexibility is a must and the figure may need to be adjusted depending on changes in the marketplace.

## **2. Match Your Advertising to Your Sales Goal Month by Month**

For maximum effectiveness, each month's advertising expenditure should be carefully planned. Begin by matching advertising funds with each month's estimated sales. A month which produces 7 percent of yearly sales should get close to 7 percent of your yearly advertising budget. A month which produces 12 percent should get approximately 12 percent; and so on.

Increased advertising expenditures may stimulate sales during traditionally slow months. For example, if you want to boost your sales in January from previous 7 percent, you might consider shifting 1 percent of your annual advertising budget from another more active month to January.

## **3. Decide What to Promote**

All products/services in a business can be promoted one way or another. Therefore, each product should be considered for its promotion potential sometime during the year. Some products have greater promotional appeal than others. To you, promotional appeal means the money-making power of a product or service. This power is measured by profit dollars rather than profit percentage, by monthly turnover and by supplier advertising and merchandising support.

Check the pointers below for additional factors to consider:

### **Profit Pointers**

- Check the month's heavy traffic items
- Check your seasonal sales charts and concentrate on moving those items headed for sales drops.
- Give extra emphasis to new and expanded departments
- Be ready to promote fads which are not on last year's charts
- Take advantage of co-op supported merchandise. (Cooperative advertising programs offered by many manufacturers divide advertising costs between manufacturer and dealer under certain guidelines.)

#### 4. **Decide When to Promote**

Your advertising schedule should allow plenty of time to order stock, prepare copy and layout for ads, and coordinate in store display material before the ad appears in the media. This could mean deciding at least three weeks in advance on what date your ad will run.

The most profitable advertising offers customers what they want and when they want it. Regardless of this promotional media used, frequency and continuity are important.

#### 5. **Decide How to Promote**

A small business' promotional strategy will undoubtedly include advertising, public relations, social media, personal sales, telemarketing and any number of ways to communicate with potential customers. Each of these strategies is important and must be tailored to the business. The most challenging of these is advertising.

### **Placing Your Advertisement**

Of course there could possibly be financial constraints that could prohibit the use of many different media sources, but designing a profitable mix can maximize a company's exposure. Allocation of advertising dollars depends on determining which media successfully reaches your target market most cost effectively. Results obtained from various market studies, such as Arbitron and Nielsen, and independent media surveys can be helpful in this task

In selecting your advertising media, evaluate your options from the potential customer's perspective. Will your target market be reading that newspaper, watching that television show, driving past that billboard or listening to that radio station?

One important rule to remember: Avoid spreading yourself too thin. A successful advertising campaign relies on consistent exposure and frequent repetition.

### **Newspaper**

Small business owners chose newspapers to serve their advertising needs for a number of reasons that include: Low cost per thousand to reach potential customers low production costs, long life span and editorial associations often benefits advertisers credibility.

Of course, newspapers also have several shortcomings as advertising medium that include: Mass marketing rather than targeted appeal, much competition from other advertisers for reader's attention and graphic and design opportunities limited by newspaper format.

## **Television**

Due to high costs, many small business owners are hesitant to advertise through the television even before evaluating how beneficial these ads can be. Television does cost retailers more money to reach their customer base but some products and services can be promoted in a more efficient and effective way through television. Some of the features that can be displayed through television include:

- Pinpointing the target market by selecting different times of the day to advertise
- Can be very creative with the way you choose to advertise the product through sound, motion, color
- Can saturate the market to the fullest extent

While there are many advantages of advertising through the television, it's also important know the disadvantages of this method as well and it includes:

- Costs can be high
- Number of viewing options increases the competition level
- Television advertisements can have a shorter life span

It's important for businesses to evaluate the how beneficial advertising on the television is compared to the cost that's associated with doing so.

## **Radio**

Advertising through the radio gives business to advertise their business with lower costs than some of the other options. Advantages of advertising through the radio include:

- People listen to the radio all throughout the day so there's a good chance your advertisement will be heard
- Advertising to local markets can create loyalty to the business
- Low costs to advertise
- Able to target different markets through different radio stations

Some of the disadvantages of radio advertisement include:

- Shorter life span of the advertisement
- Other factors that could take a person's attention away from the radio and the advertisement

## **Other Options to Advertise**

There are several other advertising methods that can be used. Depending on the promotional qualities of your product or service, one of the following methods can be utilized:

- **Direct Mail** – This includes coupons, flyers, coupons, brochures ECT. By using direct mail as an option, the small business owner has direct contact with their potential customers. Lists of
- **Phone Directory** – Many individuals look to the phone directory for a source of products and services. A listing or separate advertisement in the Yellow Pages can be essential to creating awareness while getting customers business.
- **Outdoor Advertising** – This includes billboards, signage and transit advertising. This type of advertising can be used to reach a selective group of individuals. This type of advertising can be utilized to show potential customers what your business has to offer. It's important to use short phrases while making the advertisements attractive to catch consumer's attention.
- **Email** – Using email is a great way to contact a large customer base. You can send customers promotions, newsletters, as well as coupons to take advantage of special offers you may have at your business. It's important to remember that in order to send customers emails, they must have given their permission and have the ability to unsubscribe from your emails due the CAN-SPAM Act.
- **Publications** – This includes the use of magazines, service and trade organizational periodicals. Many of these publications have a select target market that reads the material. These publications have a high quality format, utilizing graphics, color and typography to convey their message. This type of advertising is usually high so expenses should be considered when going this route.

**The Internet** – during this day and age, it's critical that you determine what type of interest presence the company wants to establish.

**Social Media** – Social media includes things such as Facebook, Twitter, Myspace, LinkedIn and Youtube. Utilizing this method for advertising allows a business to get closer to their customers. These tools are usually free and have the potential the reach an exponential amount of people. It's important when using social media as a source of advertising to develop a strategy and determine the amount of time and commitment to their social media efforts. In order to be successful using this route, frequent updates with information that interest your target market must occur.

**Company Website** – Your website should be a place where customers can find information about your business. To many people, a website is the face of their business so it's important to design and develop it in a way you want people to see your company. A company website also allows for an alternative source of business as consumers purchase items from the site (e-

commerce). Websites can be linked to social media sites and allows businesses to operate on a level playing field.

**Tracking** – Asking customers where they heard about your business is important because it allows the business to see which one of their advertisements is the most effective. This can be achieved through customer surveys or just from verbal communication.

## **Insurance**

Insurance is a form of risk management that is used to hedge against the risk of an uncertain loss. It's very important for insurance coverage to be carefully considered to help ensure that a business can operate in the case of an uncertain event. There are various types of insurances a business can obtain depending on the type of the business being insured. A Small – Business Owners Insurance Consumers Guide can be obtained through The Florida Department of Insurance. You can access this through a toll free number (800) 342-2762 or via internet ([www.myfloridacfo.com/consumers](http://www.myfloridacfo.com/consumers)).

Listed below is a list of property, casualty and employee benefit coverage. Each business owner should contact an insurance agency to see what type of coverage would best suit the business at hand.

**Business Income and Extra Expense Insurance** – this type of insurance covers the lost income a business might incur, as well as the extra expenses associated with the loss of business. Expenses such as continued rent when a leased property is unusable, moving expenses, expediting expenses to replace damaged property are covered with this insurance.

**Flood Insurance** – this insurance offers business coverage in the case of a flood. For the most part, this type of coverage must be purchased separately from the regular insurance policy.

**Bailee's Insurance** – Coverage is offered on this type of insurance when the bailee has a legal obligation for the safekeeping of goods left in his or her care, custody or control. An example of this would be a dry cleaner shop or a warehouse that stores a person's goods.

**Glass and Sign Insurance** – This can be utilized to cover a loss from a broken sign or glass.

**General Liability Insurance** – This insurance protects a business from claims of bodily injury or property damage. This insurance includes third parties only, no injuries to employees. If losses are incurred more than the insurance will cover, the business may be responsible for covering additional fees.

**Automobile Insurance** – This coverage covers both liability and physical damage. This includes bodily injury or property damage to a Third Party and damage to vehicles that are owned by the company. The state of Florida has made it mandatory for coverage's such as Personal Injury Protection. Employee's can also be protect from their employer's through Non-Ownership

coverage as it protects an employer in cases where an employee may be using their personal car for business purposes.

**Commercial Property Insurance** – This covers losses to real and personal property. Examples of this would be fire, hail, smoke, lightning, vandalism and theft. Special form coverage offers the broadest available coverage. In areas where a business might be vulnerable to high winds, a separate insurance to cover these damages may be needed.

**Workers Compensation Insurance** – This insurance is available to pay an employee for time lost due to an injury that occurred while on the job. This insurance is required for all non construction companies that have four or more employees. Exemptions to this coverage may be available for sole proprietors and partners as long as they meet the criteria by the State of Florida. In the case of construction companies, this insurance is required for all companies that have more than one employee. Only officers who own less than 10 percent of the company's stock may be exempt from coverage. Sole proprietors and partners are no longer eligible to request exemptions.

This insurance is great for employees because it covers medical expenses, lost wages, rehabilitation and/or death benefits to employees that were injured on the job. The rates vary for this type of insurance because it's based on the employees classifications.

Information regarding the workers compensation can be obtained from the Workers Compensation Customer Service Center by email ([workers.compservice@fldfs.com](mailto:workers.compservice@fldfs.com)) or phone (850) 413-1601. A workers compensation hotline is also available to answer claim related questions by dialing (800) 342-1741. You can access the Workers Compensation Bureau via the internet at [www.myfloridacfo/wc/](http://www.myfloridacfo/wc/).

**Bonding** – This guarantee's that the bonded business will perform a certain duty. In business where service and construction contracts are issued, performance bonds are required. It's important to understand that bonding is not insurance but if the company being bonded has to pay out on behalf of the company being bonded, the company that is being bonded would have to reimburse the bonding company.

**Commercial Crime Insurance** – This type of insurance covers losses that are caused by forgery, employee dishonesty, theft, disappearance and destruction, premises burglary, robbery and safe burglary, computer fraud, extortion, premises theft and robbery outside and robbery and safe burglary of money and securities.

**Business Life Insurance** – This coverage is there to protect a family or business from financial losses that were incurred due to the death of a person that was associated with a business. This insurance is great because it solves many of the complex problems that deal with legal, financial, tax and technical areas of the business. This insurance is custom tailored to the business' needs. There are many different types of business life insurance and they include:



- Corporation Insurance to retire a shareholder's interest at death
- Partnership Insurance to retire a partner's interest at death
- Key employee protection that is used to reimburse the firm for a loss or provide replacement in the event of the death of a key employee
- Insurance on the business owner's life that is payable to their family upon death
- Decreasing the term insurance to aide a firms credit status that covers the owner and employee during the period of a loan or the duration of the mortgage on property being held

Retirement Income – Self employed and their employees are eligible for an income tax deduction when funds are used for insurance and annuities that are approved under the Employers Retirement Income Security Act of 1974.

Employee Health and Life Insurance – This provides workers and their dependants with financial compensation if illness or death occurs. Under the Florida Employee Health Care Access Act, there is no such thing as a group being too small for group benefit policies.

Disability Insurance – This is available for workers in the case of lost income. This insurance replaces the income of workers that suffer from short term or long term disability that's not related to work. The Disability Buy-Out Business Overhead Expenses Insurance is available for purchase and it covers business overhead and personal replacement costs for the period of an owner's temporary disability.

## Choosing Legal Structure

One of the first decisions that you will make as a business owner is how your company will be structured. There is no “right” answer to the question, “Which legal structure should I use?” The “right answer” for you will depend on many factors, such as:

- Your personal tax situation
- The type of business you are starting
- The amount of owners
- Whether or not you have employees

The key issues you should consider in selecting the legal structure of your business are **taxes** and **liability**. Legal advice should be sought to determine which legal is most appropriate for you and your business.

Common legal structures available to small business owners include:

- Sole Proprietorship
- General Partnership
- Limited Partnership
- Limited Liability Partnership
- C-Corporation
- S- Corporation
- Limited Liability Company
- They are other company types also

## Sole Proprietorship

The business is owned and operated by one person. There is no legal distinction between the individual owner and the business itself.

### Taxes

- Income Tax - Sole Proprietorship are “pass through” entities. This means that the profits and losses of the business are passed through from the business to the owner for tax purposes. Revenues and expenses are reported on a Schedule C, and the net profit or loss is transferred the owner’s 1040. As a result, profits are only taxed once at the owner’s personal tax bracket. In this same regard, losses offset income.
- Self Employment Tax-All net profits are subject to Federal self-employment tax.
  - Self employment tax is equivalent to the Medicare and Social Security tax than an employee pays from their earnings.

## Liability

- Unlimited liability to the owner, who is personally liable for the actions of the company and its employees
- It is possible to self-insure against personal liability
- Business liability insurance is also available

### **Limited Liability Partnership:**

The Limited Liability Partnership (LLP) is essentially a general partnership in form, with one important difference. Unlike a general partnership, in which individual partners are liable for the partnership's debts and obligations, an LLP provides each of its individual partners protection against personal liability for certain partnership liabilities.

### **C-Corporation:**

A legal form of doing business that creates a separate legal entity from the individual owners. Shareholders are protected from the corporation's liabilities. The corporation has the rights and responsibilities that a singular person. C – Corporations are subject to double taxation. "Double taxation" takes place due to the fact that the corporation is taxed on its profits, and shareholders are also taxed on the distributions they receive, such as profit sharing payments or dividends.

The profits in a C-Corporation are subject to Florida corporate income tax. The shareholders of a company are not personally liable should the company fail.

### **S-Corporation:**

An "S-Corporation" is a regular corporation that has shareholders and that passes-through net income or losses to shareholders under in accordance with Internal Revenue Service. Corporations must meet specific eligibility criteria, and they must notify the IRS of their choice to be taxed as an S-Corporation within a certain period of time. An S-Corporation is not subject to corporate tax rates. An S corporation is exempt from federal income tax other than tax on certain capital gains and passive income," according to the Internal Revenue Service.

### **Limited Liability Company:**

A company structure that is similar to a corporation because the owners have limited liabilities on debts. The owners of LLC are called members. There is only one level of taxation on and LLC.

## **State Professional and Business Licenses**

### **Zoning and Permits**

Attaining to zoning permit allows a business to operate a certain type of business in a certain location. In most cases one must receive a zoning permit before they receive a Business Tax Receipt. Zoning permit information for Apalachicola can be found at:

Apalachicola City Hall  
1 Bay Avenue  
Apalachicola, FL 32320  
(850) 653-8715  
(850) 653-9319

### **Occupational License or Business Tax Receipts:**

A business requires Business Tax Receipt. Business Tax Receipts are normally called occupational licenses. Before a business can apply for a business tax receipt it must comply with zoning requirements. In the case of Apalachicola this license can be found at:

Apalachicola City Hall  
1 Bay Avenue  
Apalachicola, FL 32320  
(850) 653-8715  
(850) 653-9319

Some professions require a state license or permit from the Department of Business and Professional Regulation. Examples: accountant, auctioneers, architect, real estate agent, geologists and veterinarians.

Some business activities will require a license from the Florida Department of Agriculture and Consumer Services, examples: auto repairs, food stores, health clubs, organic farming, telemarketers, and supermarkets.

**Note:** Health-related professions require licensing by the Florida Agency for Health Care Administration.

### **More information:**

Florida Department of Business and Professional Regulation  
Division of Alcoholic Beverages and Tobacco - Central Office

1940 N. Monroe Street  
Tallahassee, FL 32399-1021  
Customer Contact Center at 850.487.1395  
[www.myfloridalicense.com](http://www.myfloridalicense.com)

### **Bureau of Licensing Offices**

Florida Department of Business and Professional Regulation  
ABT – District Office  
1940 N. Monroe Street  
Tallahassee, FL 32399-1021  
Phone: 850-488-4271  
Fax: 850-922-0420  
*Counties Served: Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, Wakulla*  
[www.myfloridalicense.com](http://www.myfloridalicense.com)

### **Florida Department of Agriculture and Consumer Services**

Division of Consumer Services  
Terry Lee Rhodes Building  
2005 Apalachee Parkway  
Tallahassee, FL 32399-6500  
Phone: 850-488-2221  
Within Florida 1-800-HELP-FLA (435-7352)  
Outside of Florida 850-488-2221  
[www.doacs.state.fl.us/onestop](http://www.doacs.state.fl.us/onestop)  
<http://www.freshfromflorida.com/>

### **Beverage Licenses**

Any business selling alcoholic beverages must first obtain a license from the State. Florida's Beverage Law makes it a second degree misdemeanor to manufacture, bottle, distribute, sell, or in any way deal in alcoholic beverages without.

Retailers and wholesaler of alcoholic beverages are subjected to the federal special occupational tax. A retail vendor must be licensed and may sell alcoholic beverages to consumers 21 years of age or older.

### **More information:**

Florida Department of Business and Professional Regulation  
Division of Alcoholic Beverages and Tobacco - Central Office  
1940 N. Monroe Street  
Tallahassee, FL 32399-1021

Phone: 850-488-8284

Fax: 850-921-7800

<http://www.myfloridalicense.com/dbpr/>

### **Bureau of Licensing Office**

Florida Department of Business and Professional Regulation

ABT – District Office

1940 N. Monroe Street

Tallahassee, FL 32399-1021

Phone: 850-488-4271

Fax: 850-922-0420

<http://www.myfloridalicense.com/dbpr/>

*Counties Served: Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, Wakulla*

### ***U.S. Department of Treasury***

Alcoholic Beverages and Tobacco Tax and Trade Bureau

National Revenue Center

550 Main Street, Suite 8002

Cincinnati, Ohio 45202

(800) 937-8864

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

***Fees:** State fees are based on the types of beverages sold or served. License must be renewed annually. Federal taxes are charged each year.*

**Note:** The state Department of Business and Professional Regulations requests that all applicants or their representatives receive in person all information concerning the obtaining of beverage licenses to avoid misinterpretation.

### **Retail Installment**

Each business financing the sale of goods or services sold by installment contract or a revolving charge account to a retail buyer must register.

### **Florida Office of Financial Regulations**

The Fletcher Building

200 East Gaines Street

Tallahassee FL 32399

(850) 410-9805

<http://www.flofr.com/>

<http://www.myfloridacfo.com/>

## **Health Permits**

Florida law requires owners of new public [food service](#) or **lodging** establishments, and new owners of existing establishments, to obtain a license from the division before commencing operation.

Food processing plants, food storage and distribution points, and all stores and other locations in Florida where food is sold to the public, are under the department of Agriculture and Consumer Services. Such facilities must first demonstrate compliance with sanitation requirements before a food establishment permit is issued.

### **Florida Department of Business and Professional Regulation**

Division of Hotels and Restaurants  
1940 North Monroe Street  
Tallahassee, FL 32399-1011  
Phone: 850.487.1395  
Fax: 850.488.1514

### **Florida Department of Agriculture and Consumer Services**

Food Inspection  
3125 Conner Boulevard, Suite H  
Tallahassee, FL 32399-6500  
Phone: 850-245-5520  
<http://www.freshfromflorida.com/>

## **Environmental Regulations:**

Any business which will reasonably be expected to be a source of pollution shall not be operated, maintained, constructed, expanded, or modified without the appropriate and valid permits issued by the Department of Environmental Protection, unless the source is exempted by Department rule.

**Fees:** Fees may vary according to permit type and size.

**Note:** Permits are required many activities. Construction and one-time permits required for some activities. Mandatory permits required for activities such as dredging and fill, sewage treatment and drainage well construction. Contact the Department of Environmental Protection to find out if your business activity requires a permit.

### **More information:**

#### **Florida Department of Environmental Protection**

Northwest District

160 W. Government Street, Suite 308

Pensacola, Florida 32502-5740

Phone: 850-595-8300

Fax: 850-595-8417

Web: [www.dep.state.fl.us](http://www.dep.state.fl.us)



## Other Business Regulations

### Incorporation Information

All corporations in the state of Florida, must be registered must be registered in compliance with Florida Statutes.

#### By Courier:

Department of State  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

<http://www.sunbiz.org/>

#### By Mail:

Department of State  
Division of Corporations  
Corporate Filings  
P.O. Box 6327  
Tallahassee, FL 32314

**Filing Fees:** The Division of Corporations administers several types of filings for the State, all of which have a different fee structure. These are included but not limited to:

- [Corporation Fees](#)
- [Fictitious Name Fees](#)
- [Judgment Lien Fees](#)
- [Limited Partnership Fees](#)
- [General Partnership \(includes Limited Liability Partnership\) Fees](#)
- [Limited Liability Company Fees](#)
- [Trademark Fees](#)

## Corporation Fees

### PROFIT AND NON-PROFIT

Filing Fees	\$ 35.00
Registered Agent Designation	\$ 35.00
*Certified Copy (optional)	\$ 8.75
TOTAL	\$ 78.75
Amendment of any record	\$ 35.00
Profit Annual Report (& Supplemental Fee)	\$150.00
Profit Annual Report (Received after May 1)	\$550.00
Amended Profit Annual Report	\$ 61.25
Articles of Correction	\$ 35.00
Non-Profit Annual Report	\$ 61.25
Certificate of Status	\$ 8.75
*Certified Copy	\$ 8.75 (see below)
*Photocopies	\$ 10.00 (see below)
Change of registered agent	\$ 35.00
Dissolution & withdrawal	\$ 35.00
Foreign Name registration	\$ 87.50
Foreign Name renewal	\$ 87.50
Merger (per party)	\$ 35.00
Certificate of Conversion	\$ 35.00 (+New Entity Filing fees, if applicable)
Reinstatement (Profit)	\$600.00
Reinstatement (Non-Profit)	\$175.00
Resignation of Reg. Agent (active corporation)	\$ 87.50
Resignation of Reg. Agent (inactive corporation)	\$ 35.00
Revocation of Dissolution	\$ 35.00
Substitute service of process (Chapter 48, F.S.)	\$ 8.75

- \*Certified Copies are \$8.75 for the first 8 pages and \$1.00 for each additional page, not to exceed a maximum of \$52.50. This fee is applied only to requests that are done in person. All mail-in requests are charged a flat \$8.75.
- \*Photocopies are \$1.00 per page for requests that are brought in to our office. All mail-in requests are charged a flat \$10.00.

**By Courier:**

Department of State  
 Division of Corporations  
 Clifton Building  
 2661 Executive Center Circle  
 Tallahassee, FL 32301

**Internet:** [www.sunbiz.org](http://www.sunbiz.org)

**By Mail:**

Department of State  
 Division of Corporations  
 Corporate Filings  
 P.O. Box 6327  
 Tallahassee, FL 32314

**Fictitious Name**

A fictitious name (or assumed name, trade name or DBA name, which is short for "doing business as") is a business name that is different from your personal name, the names of your partners or the officially registered name of your LLC or corporation. All businesses owners operating under a name other than his or her own legal name or the legal name of the corporate name must register a fictitious name.

**Fees:**

Registration of Fictitious Names	\$ 50.00
Cancellation and Re-registration of Fictitious Name	\$ 50.00
Renewal of Fictitious Name Registration	\$ 50.00
Certified Copy of Fictitious Name Registration	\$ 30.00
Certificate of Status of Fictitious Name Registration	\$ 10.00

**By Courier:**

Department of State - Division of  
 Corporations  
 Clifton Building  
 2661 Executive Center Circle  
 Tallahassee, FL 32301

Department of State - Division of  
 Corporations  
 Corporate Filings  
 P.O. Box 6327  
 Tallahassee, FL 32314

**By Mail:****Judgment Lien Fees**

All fees are nonrefundable processing fees and no refunds will be issued by the Division if the Judgment Lien document cannot be filed or processed.

Judgment Lien Certificate	\$ 20.00
Add for each additional debtor	\$ 5.00
Add for each attached page	\$ 5.00
Second Judgment Lien Certificate	\$ 20.00
Judgment Lien Amendment Statement	\$ 20.00
Judgment Lien Correction Statement	\$ 20.00
Certified Copy	\$ 10.00

**By Courier:**

Department of State-Division of  
Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

**By Mail:**

Department of State - Division of  
Corporations  
Corporate Filings  
P.O. Box 6327  
Tallahassee, FL 32314

## Limited Partnership Fees

### FLORIDA OR FOREIGN LIMITED PARTNERSHIP / LLLP

Filing Fees	\$ 965.00
Registered Agent Designation	\$ 35.00
	TOTAL \$1,000.00

Restated Certificate	\$ 52.50
Amended and Restated Certificate	\$ 52.50
Amendment	\$ 52.50
Statement of Correction	\$ 52.50
Certificate of Dissolution	\$ 52.50
Certificate of Revocation of Dissolution	\$ 52.50
Statement of Termination	\$ 52.50
Certificate of Merger	\$ 52.50per party
Certificate of Conversion	\$ 52.50(+ New Entity Filing Fees, if applicable)
Other	\$ 52.50
Annual Report	\$411.25
Supplemental Fee	\$ 88.75
	Total \$500.00
Annual Report (Received after May 1)	\$900.00
Amended Annual Report	\$411.25
Reinstatement	\$500.00(\$500 for each year or part thereof the partnership was revoked plus the delinquent annual report fees)
Notice of Cancellation	\$ 52.50
Certificate of Status	\$ 8.75
Certified Copy (optional)	\$ 52.50(15 pages or fewer,\$1 each page thereafter)
Change of registered agent/Office	\$ 35.00
Resignation of Reg. Agent	\$ 87.50
Photocopies	\$ 1.00 per page(please call (850)245-6053 for a page count)
<b>By Courier:</b>	2661 Executive Center Circle
Department of State -Division of Corporations	Tallahassee, FL 32301
Clifton Building	<b>By Mail:</b> Department of State -Division of

Corporations  
Corporate Filings

P.O. Box 6327  
Tallahassee, FL 32314

## General Partnership Fees

Partnership Registration Statement	\$ 50.00
Statement of Partnership Authority	\$ 25.00
Statement of Denial	\$ 25.00
Statement of Dissociation	\$ 25.00
Statement of Dissolution	\$ 25.00
Statement of Qualification FL or FOR LLP	\$ 25.00
Limited Liability Partnership Annual Report	\$ 25.00
Certificate of Merger	\$ 25.00per party
Certificate of Conversion	\$ 25.00(+ New Entity Filing Fees, if applicable)
Amendment to Statement or Registration	\$ 25.00
Cancellation of Statement or Registration	\$ 25.00
Certified Copy	\$ 52.50
Certificate of Status	\$ 8.75
Photocopies	\$ 10.00

More information:

### By Courier:

Department of State  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

Department of State  
Division of Corporations  
Corporate Filings  
P.O. Box 6327  
Tallahassee, FL 32314

### By Mail:

## Limited Liability Company Fees

Annual Report (& Supplemental Fee)	\$ 138.75
Annual Report (Received after May 1)	\$ 538.75
Amended Annual Report	\$ 50.00
Certificate of Status	\$ 5.00
Certified Copy of Record	\$ 30.00
<b>New Florida/Foreign LLC</b>	
Filing Fee (Required)	\$100.00
Registered Agent Fee (Required)	\$ 25.00
Total Fee For New Florida/Foreign LLC	\$125.00
Change of Registered Agent	\$ 25.00
Articles of Correction	\$ 25.00
Certificate of Conversion	\$ 25.00 (+ New Entity Filing Fees, if applicable)
Registered Agent Resignation (active)	\$ 85.00
Registered Agent Resignation (dissolved)	\$ 25.00
Reinstatement Fee	\$100.00
Any Other Amendment	\$ 25.00
Articles of Dissolution/Withdrawal	\$ 25.00
Articles of Revocation of Dissolution	\$100.00
Certificate of Merger	\$ 25.00 per party (unless otherwise specified)
Member, Managing Member, or Manager Resignation	\$ 25.00

**By Courier:**

Department of State- Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

**By Mail:**

Department of State - Division of Corporations  
Corporate Filings  
P.O. Box 6327  
Tallahassee, FL 32314



### **Trademark Fees**

Trade & Service Mark Assignment (per class)	\$ 50.00
Trade & Service Mark Renewal (per class)	\$ 87.50
Trade & Service Mark Cancellation	\$ 50.00
Certificate of Name Change Filing Fee	\$ 50.00
Certified Copy of Application File	\$ 52.50
Certificate of Registration Under Seal	\$ 8.75

### **More information:**

#### **By Courier:**

Department of State- Division of  
Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

#### **By Mail:**

Department of State - Division of  
Corporations  
Corporate Filings  
P.O. Box 6327  
Tallahassee, FL 32314

## **Patents Copyrights and Trademarks**

Patents are the exclusive rights to an invention such as a product, service or process.

A trademark is a symbol, word, or words legally registered or established by use as representing a company or product. It distinguishes and identifies the source of the goods of one firm from those of others. Trademarks can be registered at the federal level by the commissioner of Patents and Trademarks.

A copyright is a legal device that gives the creator of a literary, artistic, musical, or other creative work the sole right to publish and sell that work.

### **More information:**

#### **Director of US Patent and Trademark Office**

P.O. Box 1450 Library of Congress  
Alexandria, VA 22313-1450  
(800) 786-9199  
[www.uspto.gov](http://www.uspto.gov)

#### **U.S. Copyright Office**

101 Independence Ave. S.E.  
Washington, D.C. 20559-6000  
(202) 707-3000 or 1-877-476-0778 (toll free)  
<http://www.copyright.gov/>

### **Employment Eligibility Verification.**

All employers with one employee or more are required to verify that employee's identity and right to work at the time of hiring an employee. The U.S. Department of Homeland Security has made recent changes to this process. Employers are required to complete I-9 forms within three days of hiring an employee.

#### **More information:**

#### **Bureau of Justice and Immigrations -U.S. Department of Justice**

4121 Southpoint Boulevard

Jacksonville, FL 32216

(800) 375-5283

**Forms:** (800) 870-3676

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

### **Florida New Hire Reporting**

Federal and State law requires employers to report newly hired and re-hired employees in Florida to the Florida New Hire Reporting Center. Employers must report any new or re-hired employee that fills out a W-4 form to a state directory within 20 days of hire.

More information:

#### **Florida New Hire Reporting Office**

P.O. Box 6500

Tallahassee, FL 32314-6500

Fax: (888) 854-4762

Phone: (888) 854-4791

[www.fl-new-hire.com](http://www.fl-new-hire.com)

## Federal Wage and Hour Law

The Fair Labor Standards Act (FLSA) is the federal law that requires payment of the minimum wage. The Fair Labor Standards Act (FLSA), applies to all businesses that have \$500,000 or more in annual sales.

Even if your sales is below this threshold, your employees may still be covered if they work in "interstate commerce" -- commerce between states. Interstate commerce has a broad interpretation that include sending or receiving mail from out of state, making interstate phone calls, or handling goods that have moved interstate.

More information:

### **Jacksonville District Office**

US Dept. of Labor  
Wage & Hour Division  
Charles E. Bennett Federal Building  
400 West Bay Street, Room 956, Box 017  
Jacksonville, FL 32202  
[www.wagehour.dol.gov](http://www.wagehour.dol.gov)

Phone:  
(904) 359-9292  
1-866-4-USWAGE  
(1-866-487-9243)

### **Tallahassee Area Office**

US Dept. of Labor  
Wage & Hour Division  
227 North Bronough Street  
Room 4120  
Tallassee, FL 32301

Phone:  
(850) 942-8341  
1-866-4-USWAGE  
(1-866-487-9243)  
[www.wagehour.dol.gov](http://www.wagehour.dol.gov)

**Note:** As of January 2010, the minimum wage in the state of Florida is \$7.25 per hour.

The Fair Labor Standards Act (FLSA) governs Federal minimum wage, overtime, child labor, wage garnishment, age discrimination and recordkeeping requirements. Employers re responsible for determining if the applies to their business.

## **Occupational Safety and Health Act of 1970**

Employers are responsible for providing a safe and healthful workplace for their employees. OSHA's role is to assure the safety and health of America's workers by setting and enforcing standards; providing training, outreach and education; establishing partnerships; and encouraging continual improvement in workplace safety and health.

### **More information:**

#### **Regional Office**

U.S. Department of Labor – Region 4  
Occupational Safety & Health  
Administration  
61 Forsyth Street, SW  
Room 6T50  
Atlanta, Georgia 30303  
(678) 237-0400  
(678) 237-0447 FAX

#### **North Florida Area Offices:**

Jacksonville Area Office  
Ribault Building, Suite 227  
1851 Executive Center Drive  
Jacksonville, Florida 32207  
(904) 232-2895  
(904) 232-1294 FAX

**Note:** It is important to achieve an in-compliance status voluntary and prior to any inspections performed pursuant to the act. Fines and penalties can be levied for non-compliances.

OSHA's On-site Consultation Program offers free and confidential advice to small and medium-sized businesses in all states across the country, with priority given to high-hazard worksites.

On-site Consultation services are separate from enforcement and do not result in penalties or citations. Consultants from state agencies or universities work with employers to identify workplace hazards, provide advice on compliance with OSHA standards, and assist in establishing safety and health management systems.

## **Americans with Disabilities Act of 1990**

Business offering public access to customers and all businesses employing 15 or more employees must comply with the Americans with Disabilities Act of 1990.

### **More Information:**

#### **U.S. Department of Justice**

950 Pennsylvania Avenue, NW  
Civil Rights Division  
Disability Rights Section – NYA  
Washington, D.C. 20530  
Phone: (800) 514-0301  
TDD: (800) 514-0383  
[www.ada.gov](http://www.ada.gov) or [www.usdoj.gov](http://www.usdoj.gov)

### **Note:**

Americans with Disabilities Act of 1990, offers individuals with disabilities equal access to employment and public accommodations. The act prohibits discrimination in hiring or promotion. The act mandates that reasonable accommodations must be made including removal of physical barriers and provision of auxiliary aids and services for those with vision and hearing impairments.

## **Tangible Tax**

Anyone owning tangible personal property, who has a proprietorship, partnership, corporation, is a self-employed agent or a contractor, must file a tangible personal property return to the Property Appraiser each year (See 193.062, F.S.). Property owners who lease, lend or rent property must also file. Inventory and state registered vehicles are exempted.

More information:

### **Florida Department of Revenue**

5050 West Tennessee Street  
Tallahassee, FL 32399-0100  
[www.dor.myflorida.com](http://www.dor.myflorida.com)

### **Mailing Address:**

Franklin County Tax Collector's Office  
P.O. Drawer 188  
Apalachicola, FL 32329-0188  
**Franklin County Tax Collector's Office**  
33 Market Street, Suite 202  
Apalachicola, FL 32329  
**Phone:** 850-653-9323  
**Phone:** 850-653-8384  
**Email:** [fctc@gtcom.net](mailto:fctc@gtcom.net)  
**Fax:** 850-653-2529  
[www.franklincountytaxcollector.com](http://www.franklincountytaxcollector.com)

**Fee:** Applicable tax returns must be filed annually in every county in which a company has tangible property. The county will assess the tax based on the fair market value each year at current ad valorem rates. There is a 25 per cent penalty for late filing.

## **Federal Unemployment Tax Act (FUTA)**

Businesses that employ one or more employees must pay this tax. Business owners are not considered employees incorporated.

Businesses report and pay FUTA tax separately from Federal Income tax, and Social Security and Medicare taxes. The business is responsible for paying FUTA tax only from its own funds.

The employer, pay for unemployment compensation through a tax managed by the Florida Department of Revenue. It is one of your business costs. Employees do not pay unemployment tax and employers must not make payroll deductions for this purpose.

### **More information:**

#### **Florida Department of Revenue**

5050 West Tennessee Street  
Tallahassee, FL 32399-0100  
[www.dor.myflorida.com](http://www.dor.myflorida.com)

#### **Mailing Address:**

Franklin County Tax Collector's Office  
P.O. Drawer 188  
Apalachicola, FL 32329-0188

#### **Franklin County Tax Collector's Office**

33 Market Street, Suite 202  
Apalachicola, FL 32329  
**Phone:** 850-653-9323  
**Phone:** 850-653-8384  
**Email:** [fctc@gtcom.net](mailto:fctc@gtcom.net)  
**Fax:** 850-653-2529  
[www.franklincountytaxcollector.com](http://www.franklincountytaxcollector.com)

### **Real Estate Tax**

All businesses owning real estate owning real estate must pay this tax.

### **More information:**

#### **Florida Department of Revenue**

5050 West Tennessee Street  
Tallahassee, FL 32399-0100  
[www.dor.myflorida.com](http://www.dor.myflorida.com)

#### **Mailing Address:**

Franklin County Tax Collector's Office



P.O. Drawer 188  
Apalachicola, FL 32329-0188  
**Franklin County Tax Collector's Office**  
33 Market Street, Suite 202  
Apalachicola, FL 32329  
**Phone:** 850-653-9323  
**Phone:** 850-653-8384  
**Email:** [ftc@gtcom.net](mailto:ftc@gtcom.net)  
**Fax:** 850-653-2529  
[www.franklincountytaxcollector.com](http://www.franklincountytaxcollector.com)

For a business Licenses in the **City of Apalachicola**

One Avenue E, Apalachicola, FL 32320 (850) 653-9319

**Fees:**

The county will assess the tax according to the value of the land, and the value of any improvements and the fair market value each year at current ad valorem rates.

## **Sales Tax**

Each sale, admission charge, storage, or rental is taxable unless the transaction is exempt. Sales tax is added to the price of the taxable goods or service and collected from the purchaser at the time of sale. Florida's general sales tax rate is 6 percent.

Before you begin business in Florida, you must find out if your activity or products used will be subject to sales or use tax. If it is, you must register to collect sales tax or pay use tax.

### **More information:**

#### **Florida Department of Revenue**

5050 West Tennessee Street

Tallahassee, FL 32399-0100  
[www.dor.myflorida.com](http://www.dor.myflorida.com)

### **Mailing Address:**

Franklin County Tax Collector's Office  
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**Fax:** 850-653-2529  
[www.franklincountytaxcollector.com](http://www.franklincountytaxcollector.com)

**Note:** Reporting sales tax is required monthly or quarterly as determined by the Florida Department of Revenue. There is penalty for late payments of sales or use taxes.

## **Key Links of Necessary Forms/Instructions of Starting a Business**

**Form SS-4:** Before hiring employees, you need to get an employment identification number (EIN) from the IRS. EIN is necessary for reporting taxes.

- Instructions: <http://www.irs.gov/pub/irs-pdf/iss4.pdf>
- Form: <http://www.irs.gov/pub/irs-pdf/fss4.pdf>

**Form W-9:** Required to obtain a Taxpayer ID Number and Certification.

- Instructions: <http://www.irs.gov/pub/irs-pdf/iw9.pdf>
- Form: <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

**Form W-4:** Every employee must provide an employer with a signed W-4 on or before the date of employment to be submitted to the IRS.

- Instructions/Form: <http://www.irs.gov/pub/irs-pdf/fw4.pdf>

**Form W-2:** Employers must report to the federal government wages paid and taxes withheld for each employee.

- Instructions/Forms: <http://www.irs.gov/pub/irs-pdf/fw2.pdf>

## **Forms Necessary for Tax Returns (Forms should be filled out by local CPA, accounting firm, or tax preparer.**

**Form 1040:** Sole proprietorship

- Form: <http://www.irs.gov/pub/irs-pdf/f1040.pdf>
- Schedule C of Form 1040 (Profit or Loss from Sole Proprietorship): <http://www.irs.gov/pub/irs-pdf/f1040sc.pdf>
- Schedule F of Form 1040 (Profit or Loss from Farming): <http://www.irs.gov/pub/irs-pdf/f1040sf.pdf>

**Form 1120:** Corporation

- Form: <http://www.irs.gov/pub/irs-pdf/f1120.pdf>

**Form 1120S:** S Corporation

- Form: <http://www.irs.gov/pub/irs-pdf/f1120s.pdf>

**Form 1050:** Partnership

- Form: <http://www.irs.gov/pub/irs-pdf/f1065.pdf>

**\*Note: Limited Liability Companies (LLCs) can file a number of the above tax forms, depending upon their set-up and how they would like to be taxed.**

## References

1. [http://www.sba.gov/starting\\_business/startup/areyouready.html](http://www.sba.gov/starting_business/startup/areyouready.html)
2. <http://dor.myflorida.com/dor/gta.html>
3. <http://www.irs.gov/businesses/small/article/0,,id=172179,00.html>
4. <https://www.osha.gov/dcsp/smallbusiness/consult.html>
5. **DEP home – surplus sale ---** <http://www.dep.state.fl.us/mainpage/default.htm>
6. [http://www.dep.state.fl.us/waste/quick\\_topics/rules/documents/62-4.pdf](http://www.dep.state.fl.us/waste/quick_topics/rules/documents/62-4.pdf)
7. <http://www.stateoflorida.com/Portal/DesktopDefault.aspx?tabid=34>
8. <http://www.nolo.com/legal-encyclopedia/wage-hour-laws-faq-29118.html>.
9. [http://fortmyersregionalpartnership.com/pdf/FB\\_environment.pdf](http://fortmyersregionalpartnership.com/pdf/FB_environment.pdf)
10. <http://www.stateoflorida.com/Portal/DesktopDefault.aspx?tabid=34>
11. <http://www.franklincountytaxcollector.com/index.html>.
12. <http://www.800helpfla.com/contactus.html>
13. <http://www.freshfromflorida.com/onestop/index.html>
14. <http://www.ttb.gov/>
15. [http://www.toolkit.com/small\\_business\\_guide/sbg.aspx?nid=P10\\_3240](http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P10_3240)
16. <http://www.eflorida.com/ContentSubpage.aspx?id=60>