

A Helpful Guide to:

**STARTING
AND
GROWING
A
BUSINESS
IN
CHEROKEE
COUNTY**

“An Entrepreneur Friendly Community”

Compiled & Provided By:



**CHEROKEE COUNTY
CHAMBER OF COMMERCE**
connecting • creating • cultivating



**CHEROKEE | ECONOMIC
OFFICE OF | DEVELOPMENT**

WELCOME

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

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

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

In the event this information leads to additional questions, please don't hesitate to contact the Chamber of Commerce or the office of Economic Development. We will be happy to try to assist you!

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

Best of luck,



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

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

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Section One

Is Entrepreneurship for You?

WHAT IS AN ENTREPRENEUR?

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

How can you become an entrepreneur? How can you start your own business? The Cherokee County Chamber of Commerce and the Cherokee Office of Economic Development have designed this booklet to simplify transition into the role of an entrepreneur. The ABC's of Starting a Business in Cherokee County will make establishing your own business easier by giving you "one stop shopping" for the information you will need. The Office of Economic Development and Chamber are determined to promote economic growth and development. We believe this begins with you. By giving you the proper tools, we can help build a strong economic foundation. We hope this booklet will be of assistance. In order to receive the maximum benefits of the information contained in this booklet, we suggest you treat this as you would a workbook. Start at the beginning and work through to the end, making notes along the way.

IS ENTREPRENEURSHIP FOR YOU?

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

- Are you a self-starter? It will be up to you not someone else telling you to develop projects, organize your time, and follow through on details.
- How well do you get along with different personalities? Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, and professionals such as lawyers, accountants or consultants. Can you deal with a demanding client, an unreliable vendor, or unreliable staff person?
- How good are you at making decisions? Small business owners are required to make decisions constantly, often quickly, under pressure, and independently.
- Do you have the physical and emotional stamina to run a business? Business ownership can be challenging, fun and exciting. But it's also a lot of work. Can you face 12-hour work days six or seven days a week if necessary?
- How well do you plan and organize? Research indicates that many business failures could have been avoided through better planning. Good organization of financials, inventory, schedules, and production can help avoid many pitfalls.
- Is your drive strong enough to maintain your motivation? Running a business can wear you down. Some business owners feel burned out by having to carry all the responsibility on their shoulders. Strong motivation can make the business succeed and will help you survive slowdowns as well as periods of burnout.
- How will the business affect your family? The first few years of business startup can be hard on family life. The strain of an unsupportive spouse may be hard to balance against the demands of starting a business. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

SCORE SELF BIZ QUIZ

Are you the type of person who should open their own business?

Take this short quiz and see how your score adds up.

	MOTIVATION	Disagree										Strongly Agree										
1	I constantly see business opportunities or ideas with potential commercial value.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
2	I like growing or building businesses or taking ideas and making something of them.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
3	I regularly come up with new ideas on doing things better or more efficiently.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
4	I am able to find solutions to challenges or problems.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
5	I am able to find the help, assistance or resources I need to be successful.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
6	I am a dynamic person providing vision, hope, and energy to those with whom I work and partner.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
7	I am a hard working person. I do what it takes to succeed.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
8	I am able to adapt to changes & surprises quickly and successfully.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
9	I am able to successfully manage risk associated with creating and growing a business.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
10	I thrive on learning. I am constantly seeking new information that can help me with my business.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
11	I am motivated by success and driven to do well.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
12	I believe in working with others who can help me make my dreams a reality.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
	CAPACITY RELATED TO BUSINESS SKILLS																					
	<i>Consider Yourself and Other Members of Your Management Team</i>																					
13	Ability to assess market opportunities	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
14	Ability to develop products or services	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
15	Ability to provide products or services	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
16	Marketing and communications capacity	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
17	Fiscal management	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
18	Ability to acquire financial capital	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
19	Personnel or team, development & management	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
20	Ability to develop and sustain partnerships	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
21	Quality Control	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
	CAPACITY TO NETWORK AND PARTNER																					
22	I am comfortable seeking information from others.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
23	I regularly network to gain information for my business.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
24	I have an extensive resource network I am constantly building.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
25	I am comfortable with partnerships.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
26	I have two or more partnerships associated with my business.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
27	I have learned how to deal with the challenges of partnering.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
	SUPPORT FROM FAMILY AND COMMUNITY																					
28	I am challenged and happy in my work building a business.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
29	There is good balance between my work and personal life.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
30	Family and friends are supportive and encourage me.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
31	My community is supportive of me and my undertaking.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
32	My community is actively helping me build my business.	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	

SCORE SELF BIZ QUIZ

Questions	Total Points		Value Factor	=	Points
1-2		X	1	=	
3-12		X	.25	=	
13-21		X	.25	=	
22-27		X	.25	=	
28-32		X	.25	=	
			TOTAL POINTS		

Scoring:

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

Source: Center for Rural Entrepreneurship

Section Two

Planning Your Business

ONE YEAR PLAN FOR ENTREPRENEURS

Starting your own business is not something to be rushed into. Careful, advanced planning can ensure the success of your venture. Below is a suggested one-year plan.

ONE YEAR BEFORE START-UP

- Decide what business you want to start. Be specific in your business definition.
- Define your ideas in writing. Determine exactly where you want to go.
- Assess the impact on your family and personal life. How will this affect your relationships? Will your family support the use of finances and time?
- Begin research. You must determine if there is a need for your product. This research can be preformed by students, professionals, or even on your own.
- Build your personal skills by taking formal management/business courses. Contact Chattahoochee Technical College, Kennesaw State University or Reinhardt University.
- Contact the Kennesaw State University Small Business Development Center (KSU SBDC) for assistance in writing a business plan and other business start up services.
- Contact the Georgia Department of Labor for information on educational seminars on labor/safety issues.

SIX MONTHS BEFORE START-UP

- Determine the focus of your business. What do you want to specialize in? It is easier to excel at one area than at many.
- Start writing your business plan.
- Define your target markets. Who is your intended clientele? Who should you aim your advertising towards?
- Research business and trade organizations. Most areas of business have agencies and organizations set up to facilitate business. Take advantage of what these groups have to offer.
- Start looking for the best location for your business. Do you need a little or lots of space? Would your business be better suited downtown or in another part of the county? Is a store-front location needed or can you work from your home? Location can make or break a business. Conduct the search on your own or contact a real estate agent.

FOUR MONTHS BEFORE START-UP

- Name your business. Be careful in deciding on a name and be aware that someone may already be using the name. Have a few back-up ideas. You can check to see if a name is being used by contacting the Georgia Secretary of State's office.
- Make a final selection of the business location. Make sure that the location you choose is within your budget and also fits into your business plan. Cheaper rent may cost you more in the long run. Remember: Location, location, location.
- Select outside advisors. This will be a very hectic time. It will be beneficial to have people you can call on to listen to your ideas, problems, and plans and provide feedback. These people should be able to provide you with guidance, constructive criticism, and feedback. They should be people experienced and knowledgeable in business.
- Set up a network of mentors. Select people who can help you by giving you insight and new ideas.
- Choose your business' legal form. Will you be a partnership, sole proprietorship, or corporation? A legal form should be chosen very carefully as it can impact your business in many ways.
- Set up bookkeeping, accounting, and office systems. How are you going to operate your office? If you are going to keep your own books, make sure your skills are adequate. Will you need to hire a bookkeeper/bookkeeping firm?
- Seek outside demographic information on your targeted customer base. Gather secondary information.
- Continue working on your business plan.

THREE MONTHS BEFORE START-UP

- Determine your cash needs. How much money do you need for start-up? What will be your monthly variable and fixed costs? What is your break-even point? These are all questions that must be answered. You must estimate your cash flows.
- Review preliminary financial objectives. How much profit do you expect to make? Are you planning on making investments? What is your intended cash flow?
- Decide on your pricing strategy. After determining your variable and fixed costs, decide what your markup rate will be. You will also need to consider demand and competitive factors in setting your price.
- Forecast sales. Contact the KSU SBDC or others in your field to help you forecast accurately.
- Determine your company's employee needs. How many people do you need on your staff? This is important to decide as it effects your requirements for insurance, cash flow, etc.
- Project your cash flow. Write out an estimated statement of all revenues and expenditures. This statement should cover one calendar year. Also project your net cash flow for the entire year.
- Continue working on your business plan.

TWO MONTHS BEFORE START-UP

- Prepare your marketing plan. How are you going to market your product, and how much will it cost? Are you going to use publicity? Are you going to use paid advertisement? You must decide how you will go about introducing your business to the public.
- Get your business license. (See Occupational Tax)
- Review non-financial objectives (public image, legal questions). How do you want the public to see your business? Are you a family establishment or geared more toward adults? What form is your business taking? Do you have all legal documents needed?
- Prepare a preliminary balance sheet. Contact the KSU SBDC for assistance.
- Secure necessary financing. Whether through a private lender or through other sources, you must obtain the necessary amount of start-up capital.
- Secure insurance coverage if applicable. (See Labor/Safety)
- Determine advertising, promotion, and public relations strategies.
- Complete improvements to your facility.
- Start your hiring process. (See Labor/Safety)
- Refine your business plan.

ONE MONTH BEFORE START-UP

- Fine tune your cash flow budget.
- Prepare for your grand opening. The Cherokee County Chamber of Commerce can be of assistance in planning your events. Be creative yet practical.
- Set up your office, display areas, etc. Have everything exactly as you want it. The last few days before opening are not the time to do this. The look of your store or office sets the tone of your business. You should put thought and time into it.
- Review your final checklist.
- Hire your staff. (See Labor/Safety)
- Make sure everything works. It is better to find out that your equipment does not work in advance. In that case, you can make any necessary repairs and be ready to open your doors on time.
- Implement marketing, promotion, and opening plans. This will be a good time to start advertising in local newspapers, publications, on the radio and television if your budget permits. Remember: Word of mouth is your most powerful publicity! It's also the least expensive. Spread the word.

START-UP AND AFTER

- Budget your time. As a new business owner, your time will be precious. Schedule your time wisely. It is important to get the maximum out of the time you have available. You might consider reading some time management materials or speaking with someone who you think manages their time wisely.
- Continuously update your product(s)/service(s). What is good about your product(s)? Eliminate the problems as much as possible. If people patronize your business for the original product(s), an improved product can only increase that.
- LISTEN to your customers, advisors, and vendors. The customers are your cash flow. It is important to gather their opinions and put them to use. Their ideas can be helpful in updating your product. LISTEN to your advisors. You asked them to advise you for a reason. LISTEN to your vendors. These vendors have been in the business much longer than you have. They can possibly provide you with money-saving or money-making ideas.
- Check cash flow budget against actual performance.
- Maintain good communications with your bankers and vendors. By keeping the lines of communication open you are helping yourself. Should you need their help in the future, you are more likely to receive it.
- Continue to improve the 5 C's of credit. (Character, Collateral, Capacity, Capital, and Condition)
- Work with investors. Make sure you are in contact with them. Make sure that you understand the conditions of your repayment. When are payments due? Make sure you fulfill all obligations to investors. You may need to call them again someday.
- Check cost of living budget. If you are drawing money from the company for living expenses, be sure to take only what is necessary. Stick tightly to your budget.
- CONSIDER DELAYING YOUR OFFICAL GRAND OPENING/RIBBON CUTTING UNTIL YOU HAVE BEEN IN BUSINESS FOR A COUPLE OF WEEKS. If you do, you can make sure that you have worked the "bugs" out and that everything is running smoothly.

THE BUSINESS PLAN

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

The following outline of a typical business plan can serve as a guide. You can adapt it to your specific business. Breaking down the plan into several components helps make drafting it a more manageable task.

Introduction

- Give a detailed description of the business and its goals.
- Discuss the ownership of the business and the legal structure.
- List skills and experience you bring to the business.
- Discuss the advantages you and your business have over your competitors.

Marketing

- Discuss the product(s)/service(s) offered.
- Identify the customer demand for your product(s)/service(s).
- Identify your market, its size and location.
- Explain how your product(s)/service(s) will be advertised and marketed.
- Explain the pricing strategy.

Financial Management

- Explain your source and the amount of initial equity capital.
- Develop a monthly operating budget for the first year.
- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements and balance sheets for a two year period.
- Discuss your breakeven point.
- Explain your personal balance sheet and method for compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide "what if" statements that address alternative approaches to any problem that may develop.

Operations

- Explain how the business will be managed on a day-to-day basis.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your products or services.
- Account for production and delivery of products and services.

Concluding Statement

- Summarize your business goals and objectives and express your commitment to the success of your business.
- Once you have completed your business plan, review it with a friend or business.
- When you feel comfortable with the content and structure, make an appointment to review and discuss it with your banker. The business plan is a flexible document that should change as your business grows.

FEASIBILITY & MARKETING STRATEGY

Is Your Business Idea Feasible?

Answer the following questions regarding your idea. Give complete, well thought out answers to these questions. If you are unsure about or answer no to any of the following questions, you should rethink your idea.

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

Researching Your Markets

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

Primary Data:

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

Secondary Data:

- Visit your public library.
- Contact trade associations (i.e. trade shows and trade journals).
- Contact the KSU SBDC and Cherokee County Chamber of Commerce. See the Resource Directory for contact information.
- Use various search engines on the Internet (i.e. Yahoo, Google, MSN, Lycos, Alta Vista, etc.).

Marketing Your Business

In order to properly market your product, you need to answer the following questions. This information can be used to help you develop your marketing plan. Contact the KSU SBDC for more information on constructing this plan.

- Who are my customers? (This determines your target market.)
- Where are they?
- How many are there? (This indicates your market size.)
- What are their needs?
- Who are my competitors?
- How does my competition do it? (One method of marketing/dealing with competition is the end-run strategy. In this strategy you adopt your competitors' strategy with the intention of making it better.)
- How can I reach them? (The distribution of your product(s) is very important. Where your product(s) is located determines how well it sells.)
- How much will they pay? (The pricing of your product(s) is also very important. You must take into consideration what your competitors charge.)
- What are the market trends? (What are people buying? It is important to be aware of what market trends are. This relates back to knowing your customers' needs. Try to distinguish between trends and fads.)
- What are technological trends? (One obvious answer to this question is the Internet. Will you be using technology? How can it be used to help your business? Do you need to advertise on the Internet? Do you need a network of computers for your business? If you are in a business related to technology, it is imperative that you stay abreast of any changes.)

DETERMINING CASH NEEDED TO START A BUSINESS

Estimate of monthly expenses
based on sales of
\$_____ projected per year

Estimate of cash
needed to start
(column 1X _____ months)

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

*One Time Start Up Costs**

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

TOTAL ESTIMATE OF CASH NEEDED FOR START UP

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

FINANCING INFORMATION

When starting a business, one important consideration is where to obtain capital to back your venture. Most start-up businesses require a capital contribution by the entrepreneur, usually up to 20%. The remaining financing may be available from local banks or may require private investors. There are several loan programs available to businesses, all of which require bank participation. In almost all cases, a business plan and three years of revenue projections are required. Examples include the following Small Business Administration (SBA) loans currently available.

- **SBA Express loan.** This program provides financing for a small business through guaranteeing a percentage of the bank's loans to the business. The maximum loan is \$350,000 and typically not more than a 50% guarantee. The loan is administered by the bank and is termed "Express" because documentation has been greatly reduced and red tape is at a minimum. Eligible expenditures are for land and building, machinery and equipment, inventory, and working capital.
- **SBA Guaranteed Loan Program 7(A).** This program provides financing to small businesses through guaranteeing a percentage of the bank's loan to the business. Eligible expenditures are for land and building, machinery and equipment, working capital, and some restructure of existing debt. The maximum loan amount is \$5,000,000 and the SBA will guarantee up to \$3,750,000 and not more than 75% of the total loan unless it there is an Import/Export component, allowing a guarantee of 90%. Smaller 7a loans (\$150,000 or less) can carry a guarantee of 85%. Typically, the length of the loan is 7 years for working capital, 10 years for equipment and up to 25 years for real estate, with a weighted average on multi-use loans.
- **SBA 504 Loan Program.** This program provides financing for small businesses through a low interest, fixed rate, and a long-term loan. There are two loans made; one by a Community Development Company and one by a Bank. The SBA takes a second line position behind the bank. Eligible expenditures are for land and building, permanently fixed machinery and equipment. The minimum SBA will finance is \$125,000, and the maximum is \$20,000,000. Job creation is a requirement of the program. The rates are fixed, and the terms can be up to 25 years. The borrower is only required to inject 10% of the total project cost as equity.
- **Micro Lenders.** These are lenders that specialize in loans less than \$50,000. These are typically score based loans, but some do allow for lower credit scores, but with higher interest rates.
- **Revolving Loan Fund.** Businesses in Cherokee County, an eligible Appalachian Region county, may qualify for loan funds through the Business Development Revolving Loan Fund. **ARC.gov/Index.asp** The Business Development Revolving Loan Fund (RLF) is a \$3 million pool that can be used in the Appalachian Region for loans to projects that create or save jobs and that:
 - Promote industrial locations or expansions
 - Encourage downtown locations or expansions
 - Complement local development strategies
 - Satisfy other public purposes

All loan programs require that certain standards be met. A loan applicant must be of good character, show the ability to operate a small business successfully, and have a good reasonable amount of his/her own resources to invest to withstand possible losses. In addition, the following will be required:

- Credit Report
- Collateral if available; list of collateral and its value
- Appraisals required on real property used as collateral
- Personal guarantees required of those persons (or companies) with 20% ownership
- Secondary collateral may be required
- Personal financial statements & financial statements of business (if applicable)
- Business Plan
- Projections of Revenue on a monthly basis for three years
- Profitability in less than 12 months
- Experience in the industry

Assistance in business planning and projections can be found through several sources, including the Small Business Development Center at KSU and SCORE, as well as the SBA website.

DEMOGRAPHIC INFORMATION

A variety of free demographic information is provided online at AtlantaRegional.com or through the Cherokee Office of Economic Development at CherokeeGA.org and the Cherokee County Chamber of Commerce at CherokeeChamber.com. This information breaks down the population by different categories such as age, sex, race, income, and education. It can be used to help identify the number of people who may use your business or services.

Other sources include:

Georgia Information Source

GeorgiaAllies.com

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

Georgia County Guide

CountyGuide.UGA.edu

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

Georgia Labor Market Information

DOL.Georgia.gov/get-labor-market-information

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

LEGAL ASPECTS OF STARTING A BUSINESS

Deciding what form of legal entity your business will take is an important decision. This will have an impact on the future of your business including your protection under the law, and the rules and regulations (for example, federal and state taxes) that will apply to you.

It is recommended that before you enter into any of these four forms of business that you contact an attorney, CPA, or other qualified individual. Speaking with someone informed about the legal entities of business will reduce the risk of mistakes in the business setup. You can probably do the necessary paperwork and procedures yourself, but it makes sense to leave it up to the professionals. Also, contact the KSU SBDC for more information.

THERE ARE FOUR BASIC FORMS THAT A NEW BUSINESS CAN TAKE:

- Sole Proprietorship
- Partnership (general or limited)
- Corporation (C or S)
- Limited Liability Company (LLC)

A **sole proprietorship** is usually owned and operated by one person. Under the law, it is not actually considered a legal entity. It is instead considered an extension of the person who owns the business. This individual has sole ownership of assets, but is also solely liable for the debts of the business

A **partnership** can be formed in two ways. A general partnership is comprised of two or more individuals who join to start a business. Each person has proportional ownership of the business assets and proportional liability for business debts. Each person also had authority in running this business. A partnership agreement can be drawn up to alter each person's particular liability. However, despite this document, creditors may collect from each and every member of the partnership (this may include personal assets).

A **limited partnership** is made up of one or more general partners as well as one or more limited partners. Limited partners contribute capital and share in profits/losses. These limited partners, however, take no part in the running of the business and are not held liable for the organization's debts.

Whether taking part in a general or limited partnership, it is advisable that you draw up a partnership agreement. This document will detail each partner's rights and their responsibilities. Partnerships are required to file both federal and state income taxes. While the partnership is not typically taxed, each partner reflects charges for the partnership on his/her personal tax returns.

A **corporation** is an entity, which must be approved by the state of Georgia through the Office of the Secretary of State. A corporation must file federal, state, and local taxes on its operation. One advantage to a corporation is the protection from liability afforded to shareholders. However, when an organization is small, creditors may require personal guarantees of predominate owners. Another advantage to the corporation is the ease of raising capital through the sale of common or preferred stock. A disadvantage of the corporation is that the organization's income will essentially be taxed twice (once on the business's corporate tax return and again on the shareholders, personal income tax returns for any dividends paid to the shareholders).

There are two types of corporations: C and S. The distinctions between a C Corp and a S Corp can be very complicated and very dramatic. It is important that you consult a professional prior to filing for either status.

Continued on next page...

To incorporate your business, you must file paperwork with the Georgia Secretary of State. Once incorporated, you will be required to register and pay fees annually. Publication of the intent to incorporate is also required. In Cherokee County, that notice must be provided through the Cherokee Tribune:

Cherokee Tribune
 521 East Main Street
 Canton, GA 30114
 770-479-1441

The **limited liability company (LLC)** is a business entity that includes some of the characteristics of the other business entities. The owners are known as members, and the LLC shields its members from personal liability like a corporation; however, the profits generated by the business pass through the business entity and are taxed at the members' individual levels.

As with all formal business entities, it is created by the Georgia Secretary of State's office by filing the necessary paperwork and fees. The Secretary of State's Corporations Division can be contacted as follows:

2 MLK Jr. Dr. S.E.
 Suite 315, Floyd West Tower
 Atlanta, Georgia 30334
 Phone: 404-656-2817 Toll-free: 844-753-7825
<https://ecorp.sos.ga.gov/>

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

The chart below is intended to be a snapshot of the different characteristics of different business entities:

Considerations:	Limited Liability	Ownership	Entity Taxation Issues and Rates	Individual Taxation Issues and Rates	Deductibility of Insurance Premiums and Benefit Plans.
Type of Organization					
Single Member Limited Liability Company	Yes	Any type of owner. Only one class of stock.	One level of federal tax.	Generally, no restrictions on deductibility of losses. Taxed on profits, not cash distributions. Self employment tax.	Health insurance premiums deductible.
Limited Liability Company	Yes	At least two owners; any type of owners and multiple classes of stock permitted.	One level of federal tax. State withholding on distributions to non-residents.	Generally, share of losses deductible up to basis in interest. Self employment tax.	Health insurance premiums deductible.
S Corporation	Yes	Up to 75 owners; generally required to be US citizens. Only one class of stock permitted.	One level of federal tax. State withholding on distributions to non-residents.	Generally, share of losses deductible up to basis in interest. No self employment tax.	Health insurance premiums deductible if meet certain requirements.
C Corporation	Yes	Unlimited owners of any type, and multiple classes of stock are permitted.	Two levels of federal tax (corporate earnings and dividends). State tax also imposed.	No individual deduction for share of corporate losses. No self employment tax.	Health insurance premiums deductible. Group term life insurance premiums deductible for coverage up to \$50K Cafeteria plans available if non-discriminatory.
Sole Proprietorship	No	One owner; one classes of ownership.	One level of federal tax, and no state taxation.	Generally, no restrictions on deductibility of losses. Taxed on profits, not cash distributions. Self employment tax.	Health insurance premiums deductible.
Partnership	No, general partners. Yes, limited partners.	At least two owners; any type of owners and multiple classes of stock permitted.	One level of federal tax. State withholding on distributions to non-residents.	Must meet material participation tests to deduct losses. Self employment tax.	Health insurance premiums deductible.

If your business will be in one of these related industries, you may be required to apply for licensing through the state of Georgia. For more information on license verification and renewal, visit [SOS.GA.Gov](https://sos.ga.gov).
sos.ga.gov/index.php/licensing/online_licensure_applications

Profession	License Type
Athlete Agent Regulatory Commission:	Athlete Agent
Architect and Interior Designers:	Architect- Initial Exam
Athletic Trainers:	Athletic Trainer
Chiropractic Examiners:	Chiropractor- Initial Exam
Georgia Construction Industry Licensing Board:	Utility Foreman
Georgia State Board of Cosmetology and Barbers:	Master Cosmetologist, Nail Technician, Hair Designer, Esthetician, Cosmetology Instructor, Nail Tech Instructor, Hair Designer Instructor, Esthetician Instructor, Cosmetology Apprentice, Esthetician Apprentice, Hair Designer Apprentice, Nail Tech Apprentice, Master Barber, Barber Instructor, Barber Apprentice
Georgia Board of Podiatry:	Podiatrists
Georgia Board of Professional Counselors, Social Workers, Marriage & Family Therapists	The online application is for Master Social Workers - By Examination Only (This is only for applicants who have NOT taken the exam! If you have taken the exam, you must submit a paper application) If you are trying to obtain licensure for CSW, AMFT, MFT, APC or LPC, you must submit a paper application.
Georgia Board of Professional Engineers and Land Surveyors:	Professional Engineer - Comity (Already registered as a PE in another state) and who holds an NCEES council record.
Georgia State Board of Cemeterians:	Preneed Sales Agent
Georgia State Board of Funeral Service:	Funeral Director, Embalmer, Funeral Apprentice
Georgia State Board for the Certification of Librarians:	Librarian
Georgia Board of Nursing	Registered Nurses
Georgia Board of Examiners of Licensed Practical Nurses:	Licensed Practical Nurses
Optometry:	Optometrists - Initial Exam
Georgia State Board of Physical Therapy:	Physical Therapist, Physical Therapist Assistant
Georgia Board of Private Detective and Security Agencies:	Employee-In-House Security Guard, Employee-Security Guard and Employee-Private Detective, Classroom Training Instructor, Firearm Training Instructor, Classroom-Fire Arm Training Instructor
State Licensing Board for Residential and General Contractors:	Residential Basic Individual, Residential Basic Qualifying Agent
Georgia State Board of Speech Language Pathology and Audiology:	Speech Language-Pathologist– Initial Licensure by Examination AFTER COMPLETION OF A PCE ONLY– NOT for PCE Temporary Permit licensure, NOT for Initial Licensure as an SLP, NOT for licensure by Endorsement
Georgia Board of Veterinarians:	Veterinarian - Initial Exam
Georgia State Board of Examiners for the Certification of Water and Wastewater Treatment Plant Operators and Laboratory Analysts:	Water Operator Class I, Water Operator Class II, Water Operator Class III, Water Operator Class IV, Water Distribution System Operator, Water Laboratory Analyst, Wastewater Operator Class I, Wastewater Operator Class II, Wastewater Operator Class III, Wastewater Operator Class IV, Wastewater Collection System Operator, Wastewater Laboratory Analyst, Wastewater Industrial
Georgia Board of Massage Therapy:	Initial Licensure
Lactation Consultant Advisory Group:	Lactation Consultants—Initial Licensure

LICENSING AND PERMITS INFORMATION

Business License (also called an Occupational Tax)

If you plan to operate a business in the state of Georgia, you must obtain a city or county business license. In some cases, such as home-based businesses and some county areas outside the incorporated city limits, no license is needed. You should discuss the details of your situation with the licensing department. The fee for a license is contingent on the location, type, and size of your business.

To determine if your business is located within the city limits, go to

cherokeega.com/applications/taxbills/taxbillsearch.cfm

Enter the address in the "Street Address" section and hit Enter. The "District" on the next page will be listed as either "City of...." or "Cherokee County at large".

If your business will be located within the Ball Ground City limits:

City of Ball Ground
210 Valley Street,
Ball Ground, Georgia 30107
770-735-2123
CityofBallGround.com

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

City of Canton
110 Academy Street,
Canton, Georgia 30114
770-704-1500
CantonGA.gov

If your business will be located within the Holly Springs City limits:

City of Holly Springs
3237 Holly Springs Parkway,
Holly Springs, Georgia 30115
770-345-5536
HollySpringsGA.us

If your business will be located in Unincorporated Cherokee County:

Cherokee County Development Service Center
1130 Bluffs Parkway, Ground Floor,
Canton, Georgia 30114
770-721-7810
CherokeeGA.com/DSC/Business-Licenses

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

City of Nelson
1985 Kennesaw Avenue,
Nelson, Georgia 30151
770-735-2211
NelsonGeorgia.com

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

City of Waleska
8891 Fincher Road,
Waleska, Georgia 30183
770-479-2912
CityofWaleska.com

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

City of Woodstock
12453 Highway 92,
Woodstock, Georgia 30188
770-592-6054 – Licensing Department
WoodstockGA.gov

ZONING

Once you have chosen a tentative location for your business, contact the zoning department to determine the permitted uses of that location. There might be special restrictions on that area. **DO NOT INVEST ANY MONEY IN A LOCATION UNTIL ZONING HAS BEEN THOROUGHLY RESEARCHED!!!**

The Office of Zoning Administration can help you determine if your location and type of business are in compliance with ordinances. You will be required to submit your business plans to the zoning office to determine if the business complies/can be adapted to comply with the following:

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

Sign permits are required for erecting and placing any mounted or free-standing signs. Applications are filed through the zoning office. For specific information about the signage, contact your local Zoning Administrator or Commissioner's office. If your plans do not/cannot meet these specifications, you can discuss options with the zoning office. If you find the current zoning classification of your potential location does not allow for your business, you may file an appeal for rezoning. In order to file this appeal, contact the Zoning Administrator's office. An answer on this appeal can usually be expected 4-5 weeks after submission of your application packet.

[See Licensing & Permits for City & County Contact Information \(Previous Page\)](#)

BUILDING CONSTRUCTION, RENOVATION, AND OCCUPANCY

A building permit must be obtained for both new construction and renovations or additions to existing buildings. Before you may construct a new facility or renovate an existing one, you must have this permit. Once you have obtained a building permit, complied with the regulations pertaining to the area you are in, and construction is complete, your facility will be inspected. You will then apply for a Certificate of Occupancy. Without this certificate, it is illegal for your business to reside in the facility.

[See Licensing & Permits for City & County Contact Information \(Previous Page\)](#)

HEALTH PERMITS

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

Cherokee County Health Department

1219 Univeter Road,

Canton, GA 30115

770-345-7371

nghd.org/locations/health-depts/cherokee-health.html

TRADE NAME REGISTRATION

In the state of Georgia, every person, firm, or partnership that conducts business has two options regarding trade name registration:

- 1) The business name must include the last name of the individual owner of the business.
- 2) If using a fictitious name (one not including the last name of the individual owner), the fictitious name must be registered in the office of the Clerk of the Superior Court of the county where the business is located.

A corporation or limited liability company will not need to file this registration, as it will already be registered with the Georgia Secretary of State. The fee for Trade Name registration is approximately \$10.

The Clerk's office will provide any paperwork that needs to be completed. Similar to publishing your intent to incorporate a business, you must publish a notice of your Trade Name registration in the local newspapers. You must also file the required affidavit. Notice of the filing of the Trade Name registration must be published once a week for two weeks in the legal section of the publication. Prices range from \$10 to \$40. In order to run your legal advertisement, contact:

Cherokee Tribune

521 East Main Street

Canton, Georgia 30114

770-479-1441

TribuneLedgerNews.com

Continued on next page...

Failure to register a Trade Name will not nullify contracts signed by the unregistered entity. The court, however, is authorized to assess court costs against the parties who have failed to register the trade name or partnership name at the time an action is filed. Thus, the trade name registration prevents a company from having to pay all court costs in an action by or against a company. If you have a question as to whether your business needs to register a trade name, contact the Clerk's office.

To file your Trade Name registration, contact:

Cherokee County Clerk of Court
90 North Street G170
Canton, Georgia 30114
678-493-6511
CherokeeGA.com/Clerk-of-Courts/

Federal Licensing

Most new small businesses will most likely not require any type of federal licensing to conduct business, unless you will be engaged in one of the following activities:

- Rendering investment advice
- Making alcoholic products
- Making tobacco products
- Preparing meat products
- Making or dealing in firearms

You will, however, need a Federal permit to also start large operations such as a television station, radio station, common carrier, or producer of drugs or biological products. These businesses are all heavily governmentally regulated. For more information on federal licensing for these types of businesses contact:

The U.S. Department of Alcohol, Tobacco, and Firearms
2600 Century Parkway NE Suite 300
Atlanta, Georgia 30345
404-417-2600
ATF.gov

The U.S. Federal Drug Administration
60 8th Street NE
Atlanta, Georgia 30309
404-253-1171
FDA.gov

The U.S. Federal Communications Commission
3575 Kroger Boulevard #320
Duluth, Georgia 30096
770-935-3370 or 888-225-5322
FCC.gov

3600 Hiram Lithia Springs Road SW
Powder Springs, GA 30127
770-222-4220

THE SECRETARY OF STATE

The Georgia Office of the Secretary of State can provide you with much information regarding many different areas of your business including:

- Corporation – establishing your LLC with online forms and applications
- Professional Licensure – information regarding applying for and renewing professional licensures
- Securities & Business Regulation – including securities, cemeteries, and charities
- Elections and Georgia Voter Information
- State Capitol information

Many of the resources from the Office of Secretary of State are now available conveniently online. You can access these resources by visiting the Office of the Secretary of State website:

SOS.State.GA.US

If you do not have online access, or wish to contact a specific department at the Office of the Secretary of State, listed below are addresses and phone numbers for those departments:

Contact	Address	Phone	Fax	Email
Executive Office	214 State Capitol Atlanta, Georgia 30334	844-753-7825	404-656-0513	soscontact@sos.ga.gov
Administration	2 MLK Jr. Dr. S.E. Suite 814, Floyd West Tower Atlanta, Georgia 30334		404-656-0513	
Corporations Division	2 MLK Jr. Dr. S.E. Suite 315, Floyd West Tower Atlanta, Georgia 30334	404-656-2817	404-657-6380	corporations@sos.ga.gov
Elections Division	2 MLK Jr. Dr. S.E. Suite 802, Floyd West Tower Atlanta, Georgia 30334	844-753-7825	404-651-9531	elections@sos.ga.gov
Professional Licensing Boards Division	237 Coliseum Drive Macon, GA 31217	478-207-2440	877-588-0446	plb@sos.ga.gov
Securities Division	2 MLK Jr. Dr. S.E. Suite 313, Floyd West Tower Atlanta, Georgia 30334	478-654-6034		securitties@sos.ga.gov
Press Secretary	214 State Capitol Atlanta, Georgia 30334	404-656-4269		
Personnel Office	2 MLK Jr. Dr. S.E. Suite 813, Floyd West Tower Atlanta, Georgia 30334	404-656-5551	404-651-9530	hr@sos.ga.gov
South Georgia Office	238 East Second Street Tifton, Georgia 31794	229-391-3732	229-391-3734	soosouth@sos.ga.gov
North Georgia Office	1903 Courthouse West Cherokee Avenue Cartersville, Georgia 30120	115 404-654-6076		sosnorthwestga@sos.ga.gov

TAXES

State of Georgia

Sales and Use Taxes

Every business that sells tangible personal property, such as merchandise, to customers is required to obtain a seller's permit. This is issued from the state sales tax agency. (There are some businesses, however, that are exempt from this requirement.) Typically, a separate permit must be obtained for every business in which property subject to sales tax is sold. If selling to a retailer, wholesalers and manufacturers usually do not have to collect sales tax on the goods they will sell. This, however, is contingent on whether the retailer has a valid seller's permit and can provide you with a "resale certificate".

Similarly, retailers are not required to pay sales tax on items you purchase for resale. You may purchase blank resale certificates at office supply stores. If state law requires that your business collect sales and use tax, you must keep detailed records of your gross receipts from sales/rentals. These records must include all sales/rentals whether or not you believe them to be taxable. Your records must also include evidence of all deductions you claim on sales/tax returns. In addition, you must record the total purchase price of all tangible personal property acquired for sale, lease, or consumption. Sales tax forms must be filed monthly. The taxes must also be paid on a monthly basis. You can contact the Georgia Department of Revenue to petition for special permission to pay/file quarterly. (Contact info below.)

State Excise Taxes

In addition to federal excise tax, you may be responsible for collecting state excise tax as well. The categories are comparable to the federal categories. Alcoholic beverages, tobacco products, motor carriers, and trucks with no more than two axles are included in the taxed categories. You should contact the Georgia Department of Revenue for complete information.

Georgia Department of Revenue - Headquarters

1800 Century Boulevard, NE
Atlanta, GA 30345
877-423-6711
dor.georgia.gov

Regional Office

314 East Main Street Suite 150
Cartersville, GA 30120
770-387-4060

Estimated State Income Taxes

The State of Georgia also requires that you pay estimated state income taxes. The payment dates for estimated state tax are the same as those for federal payments (See Section K. Federal Income Taxes above). The Form 500ES should be completed for sole proprietorships or partnerships. A 9% per year penalty can be imposed for failure to file an estimated return or failure to pay the correct amount of tax.

FEDERAL

Federal Excise Taxes

There are some forms of business on which the U.S. government requires additional taxation. This will be a tax that you are responsible for collecting. This tax does not come out of your pocket. Typically, it is added to the sale price of your product or service. Quarterly Federal Excise Tax Return is used to file most federal excise taxes. Federal excise taxes can be broken into nine general categories of products and services.

- Motor vehicle use tax (vehicles greater than 55,000 lbs. gross weight)
- Retailers tax (certain types of fuels)
- Retail excise tax on the sales of the following: Heavy trucks/trailers, tires and tubes, recreation equipment (e.g. fishing/hunting supplies), firearms, and ammunition
- Air transportation tax (if you are transporting people by air, you must collect this tax)
- Communications taxes (e.g. telephone or teletype services)
- Wagering taxes
- Taxes on U.S. mined coal
- Environmental taxes (imposed in petroleum products, various chemicals, and hazardous wastes)
- Alcohol, firearms, ammunitions, and tobacco taxes

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

Internal Revenue Service

1899 Powers Ferry Road
Atlanta, Georgia 30339
404-338-7962
IRS.Gov

Federal Income Taxes

The amount and way you will pay federal income taxes will be dependent on the legal form in which your business is organized.

For a sole Proprietor or member of a Partnership: In either of these arrangements you will be required to make estimated federal income tax payments and federal self-employment tax payments in advance. These individual payments are due in four installments. These payment deadlines are April 15, June 15, September 15, and January 15 for one whose tax year is the calendar year. Any amount left unpaid will be due April 15 of the following year. The Form1040-ES is used to file these taxes. 90% of your estimated tax must be paid during the course of the year.

For a Corporation: The corporation is responsible for paying estimated corporate taxes if it has taxable income. These taxes can be due as soon as the fourth of the month of the corporation's first tax year. The proper form for filling these taxes is the Form 1120-W. You must deposit these payments in a bank licensed to accept federal tax payments. The corporation will be issued a coupon book. These coupons will carry the corporation's tax ID number and are to be used with all federal tax payment deposits.

Continued on next page...

All forms necessary to file any of the estimated taxes mentioned previously are available at your local IRS office. A coupon book will be mailed to you upon receipt of your SS-4 (the form filed requesting a tax ID number.) For more information, contact the Internal Revenue Service.

Internal Revenue Service

1899 Powers Ferry Road
Atlanta, Georgia 30339
404-338-7962
IRS.Gov

Employer Taxes

There are taxes that as an employer you are responsible for both withholding from employee wages as well as paying yourself. For more complete information on employer taxes, see Labor and Safety Regulations Information on page 37 in this guide.

Federal Tax Identification Numbers

Your federal tax identification number is the number used to file your taxes. It acts in a similar capacity to your social security number on your personal income taxes. In fact, if you are a sole proprietorship, you will probably use your social security number. In partnerships and corporations, you will need a Federal Tax ID number. To determine whether you need a Tax ID number, contact the Internal Revenue Service.

Internal Revenue Service

1899 Powers Ferry Road
Atlanta, Georgia 30339
404-338-7962
IRS.Gov

UTILITIES

Establishing Water, Sewer, and Garbage Service

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

If your business will be located within the Ball Ground City limits:

City of Ball Ground
210 Valley Street,
Ball Ground, Georgia 30107
770-735-2123
CityofBallGround.com

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

City of Canton
110 Academy Street,
Canton, Georgia 30114
770-704-1500
CantonGA.gov

If your business will be located within the Holly Springs City limits:

City of Holly Springs
3237 Holly Springs Parkway,
Holly Springs, Georgia 30115
770-345-5536
HollySpringsGA.us

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

City of Nelson
1985 Kennesaw Avenue,
Nelson, Georgia 30151
770-735-2211
NelsonGeorgia.com

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

City of Waleska
8891 Fincher Road,
Waleska, Georgia 30183
770-479-2912
CityofWaleska.com

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

City of Woodstock
12453 Highway 92,
Woodstock, Georgia 30188
770-592-6006
WoodstockGA.gov

To establish service in the Unincorporated Cherokee County contact:

Cherokee County Water and Sewerage Authority
140 West Main Street
Canton, Georgia 30114
770-479-1813
CCWSA.com

Establishing Gas Service:

There are many gas services that serve Cherokee County. Below are just a few.

Atlanta Gas Light

AtlantaGasLight.com
800-427-5463
404-584-3950

Constellation

Constellation.com
Business: 888-635-0827
Residential: 877-677-4355

Gas South

Gas-South.com
1-877-472-4932

Georgia Natural Gas

GNG.com
855-936-7438
770-850-6200

Infinite Energy

InfiniteEnergy.com
Rates: 1-877-529-9908
Customer Care Residential: 877-342-5434
Customer Care Business: 866-634-2748

SCANA Energy

ScanaEnergy.com
877-467-2262

True Natural Gas

TrueNaturalGas.com
770-502-0226

Establishing Electrical Service:

There are four different electrical companies that serve Cherokee County.

Please call a customer service representative to see which company serves your area.

Amicalola EMC

AmicalolaEMC.com
706-253-5200

Cobb EMC

CobbEMC.com
770-429-2100

Georgia Power

GeorgiaPower.com
888-660-5890

Sawnee EMC

SawneeEMC.com
770-887-2363

Establishing Telephone Service:

For more information on which telephone service provider you need, you may contact the Cherokee County Chamber of Commerce at 770-345-0400.

AT&T – Woodstock

ATT.com
888-944-0447

ETC Communications – Ball Ground, Nelson

ETCnow.com
678-454-2271

Windstream – Canton, Holly Springs, Waleska

Windstream.com
Small & Medium Businesses: 855-439-2889
Large Enterprise: 866-624-3505

LABOR & SAFETY REGULATION INFORMATION

Educating Yourself on Labor/Safety Issues

The Georgia Department of Labor is available to provide consultation to new businesses in the state. The local and state departments offer educational seminars and presentations throughout the year. These classes cover a wide range of labor-related topics such as labor laws, labor issues, prevailing wages, unemployment insurance, benefits, and employment services. It would be advisable to contact the local Georgia Department of Labor (GDOL) office regarding these classes. These seminars are intended to provide you with all the information you need to prepare you for the employment aspect of running a business. You should begin these classes up to one year before your intended start-up. At these seminars you will be provided with a section of the instructional workbook. The Georgia Department of Labor can walk you through any employment and labor challenges.

Georgia Department of Labor

Cobb/Cherokee Office

465 Big Shanty Road NW

Marietta, Georgia 30066

770-528-6100

Dol.Georgia.gov

OSHA

The issuing and enforcing of occupational and safety health regulations is handled by the United States Department of Labor. The Occupational Safety and Health Administration (OSHA) is the federal agency which administers these policies. The requirements put forth by OSHA include posting notices to employees and maintaining accurate records of employee injuries. OSHA will provide you with the information on all requirements as well as related publications. OSHA policies and regulations must be posted in the workspace for all employees to see.

In addition of OSHA the U.S. government also supports the Employment Standards Administration, Mine Safety and Health Administration, Veterans Employment and Training Service, and the Pension and Welfare Benefits Administration. Each of these departments are designed to protect both the employer and employee. Similar to OSHA, each issue enforces a unique set of requirements and regulations.

Occupational Safety and Health Administration

2296 Henderson Mill Road #200

Atlanta, GA 30345

770-493-6644

OSHA.gov

U.S. Department of Labor

61 Forsyth Street SW #6T50

Atlanta, GA 30303

678-237-0400

OSHA.gov

EMPLOYER TAX RESPONSIBILITIES

Income Taxes

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

Georgia Department of Revenue – Regional Office

314 East Main Street
Cartersville, GA 30120
770-387-4060
DoR.Georgia.gov/Location/Cartersville

Unemployment Insurance Taxes

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

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

For further information on Unemployment Tax information contact the Georgia Department of Labor Field Tax Office.

Georgia Department of Labor Field Tax Office

465 Big Shanty Road
Marietta, Georgia 30066
770-528-6100
DOL.Georgia.gov

Workers' Compensation Insurance

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

State Board of Workers' Compensation

270 Peachtree Street NW
Atlanta, GA 30303
1-800-436-7442
SBWC.Georgia.Gov

DRUG FREE WORKPLACE

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

Cherokee County Chamber of Commerce

3605 Marietta Highway

Canton, Georgia 30114

770-345-0400

CherokeeChamber.com

APPLICATION, HIRING, & TERMINATION PROCESS

There are basic ground rules to hiring and firing employees. There are legal requirements to acquiring or terminating employees. If handled incorrectly, personnel issues can result in legal problems. These challenges can be large enough to shut your business down. It is important to make sure all your bases are covered.

Application and Hiring

DON'T

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

DO:

- *Limit your interview questions to job duties.* There is no reason to ask questions that do not apply to the responsibilities of the position. You may ask an applicant if he/she has any barriers to completing the duties. Do not ask question like "Do you have children?" or "Are you married?" Small talk is acceptable if the interviewer is careful. Do not venture into conversations that might produce seemingly discriminatory information.
- *Make sure all company procedures follow employment statutes.* Have your advisors or attorney review your system for application, hiring, and termination before you begin hiring and periodically thereafter.
- **EDUCATE YOURSELF!!!** The best way to prevent problems is to be familiar with the law. When you are in doubt about any issue concerning labor or safety, contact the Georgia Department of Labor. See the Resource Directory at the end of this guide for contact information.

Continued on next page....

Termination

DO:

- *Review company policies.* If you have not yet developed company policies regarding the application, hiring, and termination, call the Georgia Department of Labor. Make a checklist of your procedures. Make sure that you have followed the rules in the firing process. If you have not yet completed your checklist, **YOU SHOULD NOT TERMINATE THE EMPLOYEE YET.** Take care to finish all steps in the process to alleviate any questions and possible legal repercussions.
- *Have a stated code of expected employee behavior.* Many employers face problems due to unclear expectations of conduct. It is easier to prove reasons for termination if such a code is in place. This documentation will be helpful if you are faced with paying restitution because it will show that you had a sufficient cause to terminate the employee.
- *Conduct an exit interview.* This allows you to tie up any loose ends. Final paychecks can be issued, and company property (e.g. keys, paperwork, and files) can be returned. Ask the employee what he/she liked or disliked about your company. Ask for feedback on aspects of your company of which this person has knowledge. This person might be a bit more forthcoming with problems or constructive criticisms than someone who still works there.
- *Keep termination of an employee between you (management) and the employee.* The fired employee will appreciate your decision on this matter. Termination should not be discussed with other employees. Privacy can help you avoid harsh feelings and legal repercussions.
- *Have employees sign a release.* If you are offering the fired employee severance pay or anything else of value, have him/her sign a release of liability to the company. This may protect you in case of legal action.

Where to Find Your Labor Source

There are many resources through which one can find employees. The first things that typically come to mind are the classified advertisements in local newspapers. You can place ads in these publications for week long and even month long periods. Contact the publication you wish to use for more specific information. The Georgia Department of Labor is an agency that can assist you in finding employees. For more information on how this department can help you, call 770-528-6100. DOL.Georgia.gov

Section Three

Additional Resources

RESOURCE DIRECTORY

Business Planning Resources

Kennesaw State University

Small Business Development Center
Drew Tonsmeire
470-578-6450
dtonsmeire@georgiasbdc.org
Coles.Kennesaw.Edu/coles-overview/centers-and-institutes/small-business-development-center/index.php

First Stop Business Information Center

Georgia Secretary of State
404-656-2817 or 844-753-7825
sos.ga.gov/index.php/corporations/first_stop_business_guide

Business Development Resources

Cherokee County Chamber of Commerce

3605 Marietta Highway
Canton, GA 30114
770-345-0400
CherokeeChamber.com

Georgia Department of Economic Development

75 5th Street NW Suite 1200
Atlanta, GA 30308
404-962-4000
Georgia.org

Cherokee Office of Economic Development

One Innovation Way
Woodstock, GA 30188
770-345-0600
CherokeeGA.org

Additional Resources

Chattahoochee Technical College

Shane Evans
770-528-4545
SEvans@ChattahoocheeTech.edu
ChattahoocheeTech.edu

Goodwill Industries of North Georgia, Inc.

Business Development Office
9425 Highway 92 Suite 142
Woodstock, GA 30188
770-874-0901
GiNG.org

U.S. Small Business Administration

1-800-827-5722
SBA.gov

Georgia USA Small Business Resource Directory

GeorgiaSBDC.org/Directory/

Which includes the following:

- State Resources, Agriculture
- Consultation Education
- Environmental Assistance
- Exporting, Federal Resources
- Funding, Healthcare Insurance
- Historic Preservation
- Leadership Programs
- Local & Regional Resources
- Procurement
- Technology & Incubators
- Teen Small Business Web Guide
- Tourism, Women & Minorities

Business Marketing Resources

Georgia County Guide

CountyGuide.UGA.edu

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

Georgia Information Source

GeorgiaAllies.com

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

Georgia Labor Market Information

DOL.Georgia.gov/get-labor-market-information

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

Other Online Resources for Entrepreneurs

All Business

allbusiness.com

Business Planning Expert

bplans.com

CCH-Business Owner's Toolkit website

BizFilings.com/toolkit

Duct Tape Marketing

ducttapemarketing.com

Entrepreneur.com

entrepreneur.com

Kauffman Foundation's Resources for Entrepreneurs

entrepreneurship.org

My Own Business

scu.edu/mobi/

PriceWaterHouseCooper – Vision to Reality

pwc.com

The Wall Street Journal Center for Entrepreneurs

wsj.com/news/business/small
business-marketing

Salary.com

salary.com

SCORE

score.org

GLOSSARY OF TERMS

- Assets** – Resources, owned or controlled by a company, that have future benefits. These benefits must be quantifiable in monetary terms
- Balance Sheet** – A list of a company’s assets, liabilities, and owner’s equity at a particular point in time
- Break Even** – The unit of volume where total revenue equals total cost; there is neither profit nor loss
- Capacity** – The amount of goods or work that can be produced by a company given its level of equipment, labor, and facilities
- Capital** – The funds necessary to establish or operate a business
- Cash Flow** – the movement of money into and out of a company; actual income received, and actual payments made out
- Cash Flow Statement** – A presentation of the cash inflows and outflows for a particular period of time; these flows are grouped into major categories of cash from operations, cash investing activities, and cash-financing activities
- Collateral** – assets pledged in return for loans
- Conventional Financing** – Financing from established lenders, such as banks, rather than from investors; debt financing
- Debt Financing** – Raising money for a business by borrowing, often in the form of bank loans (See Conventional Financing above)
- Debt Service** – Money being paid out on a loan; the amount necessary to keep a loan from going into default
- Disbursements** – Money paid out
- Equity** – Shares of stock in a company; ownership interest in a company
- Expenses** – Outflows of resources to generate revenues
- Fixed Costs** – Those costs that are not responsive to changes in volume over the relevant range of time
- Income Statement** – A matching of a company’s accomplishments (i.e. sales) with effort (expenses from operations) during a particular period of time (Revenues - Expenses = Net Income)
- Leasehold Improvements** – The changes made to a rented store, office or plant, to suit the tenant and make the location more appropriate for the conduct of the tenant’s business
- Letter of Intent** – A letter or other document by a customer indicating the customer’s intention to buy from a company
- Liabilities** – Commitments to payout assets (typically cash) to or render services for creditors
- Licensing** – The granting or permission by one company to another to use its products, trademark, or name in a limited, particular manner
- Liquidity** – The ability to turn assets into cash quickly and easily
- Market Share** – the percentage of total available customer base captured by a company.
- Net Worth** – The total ownership interest in a company, represented by the excess of the total amount of assets minus the total amount of liabilities
- Partnership** – A legal relationship of two or more individuals to run a company
- Profit Margin** – The amount of money earned after the cost of goods or all operating expenses are deducted; usually expressed in percentage terms
- Pro Forma Statements** – A financial statement detailing management’s predictions
- Receipts** – Funds coming into the company; the actual money paid to the company for its products or services; not necessarily the same as a company’s actual receipts
- SBA** – Small Business Administration
- SBDC** – Small Business Development Center
- Sole Proprietorship** – Company owned and managed by one person
- Variable Costs** – Those costs that are directly responsive to changes in volume over the relevant range of time
- Venture Capitalists** – Individuals or firms who invest money in new enterprises
- Working Capital** – The cash available to the company for the ongoing operations of the business

