

CHECKLIST FOR STARTING A BUSINESS IN SOLANO



SMALL
BUSINESS
DEVELOPMENT
CENTER

SOLANO



WRITING A BUSINESS PLAN

There are no set rules for drafting your business plan, but to be the most successful it is best to follow consistent guidelines. A great resource is the SBA Build Your Business Plan Guide, [found here](#). A popular alternative is an executive summary, examples of which can be [found here](#).

To increase your chance of success, take the time upfront and before anything else to explore and evaluate your business and personal goals. Use this reflection to build a comprehensive and well-thought-out business plan. Your business plan is just as valuable a tool to you as it is to your potential investors.

Your business plan has a number of uses. Committing yourself to writing a business plan is a methodical way to mentally construct your business. Accomplishing the technical aspects of business planning will allow you to better utilize your time and resources with the ultimate goal of establishing a realizable business.

BUSINESS STRUCTURE

There are several forms of legal entities of businesses, each with their own advantages and disadvantages. It is best to thoroughly research the structures and settle on the one that best fits your needs and goals. No classification is any better than another, they are only different. You can learn more about the various business structures [here](#).

All new businesses that are not a sole proprietorship must file formation documents with the Secretary of State. The required forms can be found [here](#).

Any contracts between owners of a partnership should be drawn up before beginning business.

Information about the tax implications of each business structure can be found [here](#).

FICTICIOUS BUSINESS NAME STATEMENT

A licensed business name is necessary if the company name differs from your own. A filing of a fictitious business name statement is also required before you can open a business checking account in the title of the business. This statement is filed with the county government. Your local county website should have a section specifically designed for the filing of fictitious name statements. Counties will vary, but most will require a small fee. Usually for an additional fee a notice will run in the local newspaper announcing the creation of your fictitious business name.

Be sure to check the availability of your desired business name. [California Business Name Availability](#) provides information on how to check to make sure a business name does not already exist and may be used.

For information on filing a fictitious business name in Solano, go [here](#).

ZONING

It is imperative to determine zoning regulations and requirements prior to signing any lease or contract; the intended location of your business must have the proper zoning for your planned use of the site.

Zoning maps can usually be found at your city or county website.

If you will be operating the business out of your home your must follow the requirements for home occupants, if any, in your municipality.

The Solano Planning Services website, [found here](#), has a plethora of information concerning permits and zoning in Solano. Visit the site to find zoning maps, permit forms, and information about the various planning commissions and programs shaping Solano.

BUSINESS LICENSE

Business licenses are required before your business can begin. In order to operate your business you must comply with a range of city, state, and federal rules and regulations. The SBA website, [found here](#), offers a search tool for discovering which licenses are necessary for your business based on your industry and location.

Business licenses can typically be purchased at City Hall and the price typically ranges \$40 and up, depending on the number of persons you intend to employ.

If you intend to run your business out of your home, it may also be necessary to obtain a Home Occupation Permit. Additionally, you should check with your homeowner's association as some neighborhoods prohibit the running of businesses out of the domicile.

The California Business Portal, [found here](#), provides information on how to obtain Business Permits, Licensing and Registration in California.

California Seller's Permit Application, [found here](#), is required for all business selling or leasing tangible property (including anything you did not prepare such as sodas, etc.).

SPECIAL LICENSES AND PERMITS

The licenses and permits necessary to run your business legally are determined by the type of business you wish to establish.

The CalGOLD database, [found here](#), provides detailed information on business permit, license, and registration requirements from all levels of government. Here you can find detailed information including a description of the requirement, contact information for the supervising agency, and a direct link to the agencies' website. Their catalog of information will assist you in finding the appropriate permitting information for your business, as well as direct you to links and contact information for the agencies that administer and issue business permits, licenses, and registration requirements from all levels of government.

The State Department of Consumer Affairs lists more than 200 regulated occupations and professional services. Their website, [found here](#), offers valuable licensing information.

Police Regulated Businesses are businesses within an industry that have a history of being associated with illegal activities. These

businesses often include, but aren't limited to, pawn shops, massage parlors, tattoo and piercing parlors, and card rooms, although it differs by county. A full list of police regulated businesses can be found at your local police station. If your business falls into the category of a police regulated business then your business will be subject to investigation and review prior to the granting of licenses.

FEDERAL EMPLOYEE IDENTIFICATION NUMBER (EIN)

For federal tax information and a copy of the "Tax Guide for Small Businesses", an invaluable resource to help understand how to properly file federal taxes, can be [found here](#).

Everything you need to know about Employer ID Numbers (EIN) can be [found here](#).

IRS Small Business Tax Center, [found here](#), offers resources and general information for small business owners and self-employed individuals, around business taxes, employee guidelines and tax workshops available in your area.

STATE BUSINESS TAX & EMPLOYEE PAYROLL TAXES

California State Tax information can be [found here](#).

Your Federal Tax ID number, otherwise known as the Employer Identification Number (EIN), is comparable to a Social Security number for your business. One can be obtained by filling out Form SS-4 which is available online [here](#).

The Employment Development Department (EDD) is a department within the California State Government that promotes California businesses as well as aids employees and employers. They release yearly editions of their handbook, "California Employer's Guide," which covers broad topics concerning how to succeed in business. The most recent edition can be [found here](#).

Beginning January 1, 2017, Assembly Bill 1254 stipulates that all employers in California will be required to electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department.

HIRING EMPLOYEES IN CALIFORNIA

It is a legal obligation to invest in Workers Comp Insurance prior to the hiring of any employees. This can be done with your insurance agent or broker, but CA State also has established a State Fund. This fund is the largest supplier of Workers Comp Insurance in the state and grants many opportunities to low-income startups.

An important distinction when hiring employees, especially for tax purposes, is classifying their employment status appropriately. The IRS has a helpful publication for understanding the different classifications and rights of certain employees, this can be [found here](#).

Along with many other resources, the SBDC offers this simple, easy to use step-by-step guide to hiring and maintaining employees, [found here](#).

BUSINESS INSURANCE

Businesses are major investments; sometimes a life's work can go into opening a business. Unfortunately, the truth is that it's not uncommon for businesses to be robbed, vandalized, or otherwise destroyed. It's incredibly important for all business owners to invest in Liability and Property Insurance, to protect your building, inventory, and equipment.

Many insurance companies offer Business Insurance and most will work with you to create a policy that best fits your needs. Contact your insurance agent or shop around before settling on a policy.

ACCOUNTING TIPS

All expenses and income needs to be well-tracked. One of the most common factors in the failure of new businesses is the mismanagement of funds. It's important to establish bookkeeping procedures and deal with all expenditures and revenues similarly, this will make income reporting and cash management easier and more realistic.

There are a number of easy-to-use accounting programs, the most popular being QuickBooks software, which is utilized by approximately 85% of all small business owners. There are advantages and disadvantages to all accounting software so it's important to compare/contrast various programs before settling on a program.

For most small businesses, a simple, inexpensive program will suffice for needs. While there are many extremely expensive, extremely

complicated programs that exist, programs like a basic QuickBooks is designed to be used by entrepreneurs with no formal accounting training. Additionally, there are a number of free and open-source programs with growing communities. A list of these free small business accounting programs can be [found here](#).

FINANCING TIPS

It takes money to make money and all businesses need capital to start and grow. Typically this capital will come from savings, home equity, or friends and family. Also check out Norcal SBDC's guide to financing your small business, [found here](#).

The next most frequent source of funding is some kind of business loan. If you are considering a business loan, it is a good practice to contact multiple lenders, and to do so early.

Begin your search for the appropriate lender at your own bank or credit union. If they don't offer commercial business loans, chances are they will be able to recommend lenders within the community who will be able to help you.

The U.S. Small Business Association (SBA) guarantees small business loans through local lenders. These loans are particularly helpful for minorities, persons with low-income, and persons with questionable credit. You can learn more about California's guaranteed loan fund [here](#).

Lenders will want you to be successful, as a loan is, in many senses, an investment in you and your business. Lenders will be very clear about their requirements and timelines. A directory of non-profit organizations offering small business loans can be [found here](#).

When applying for a business loan, lenders will want to see a copy of your business plan. Generally, lenders will be very clear and upfront about the information they require, and your application won't be affected by a frank discussion about the presentation of your business plan. The SBA offers tools and tips on how to write a concise business plan.

Crowd-funding has become a popular method for small companies to get off the ground while gaining exposure. Sites like [Kickstarter](#), [IndieGoGo](#), [GoFundMe](#), and [Kiva](#) offer entrepreneurs, inventors, and artists a platform for raising capital to fund their projects. Usually, a service or product will be offered in exchange for donations.

FUNDING RESOURCES

Small Business Administration (SBA) provides approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. 504 loans are made available through Certified Development Companies (CDCs), SBA's community based partners for providing 504 Loans.

TECHNOLOGY/GREEN RESOURCES

Prospective companies with a focus on developing environmentally efficient products and procedures have many resources available to them in terms of funding and development.

The California Innovation Hub Initiative (iHub) serves to assist in stimulating partnerships, economic development, and job creation through specific research clusters at state-designated iHub locations. Information about the program can be [found here](#).

California offers incentives to corporations working to produce energy efficient products. A database of those incentives available can be found at the Database of State Incentives for Renewable & Efficiency (DSIRE), [found here](#).

Other rebates and incentives can be [found here](#).

RESOURCES FOR VETERANS

There are many state programs and incentives available to veterans, including priority counseling, more access to funding, and priority in procuring government contracts.

The SBA gives special privilege to veterans, more information about how the SBA can help veterans can be [found here](#).

California's main designated program for connecting veteran business owners with government contracts is CalVet, [found here](#).

The Veterans Business Outreach Center has support and information for veterans starting businesses in California. More information can be [found here](#).

RESOURCES FOR WOMEN

The Women's Business Enterprise National Council (WBENC), [found here](#), is a nationwide non-profit organization dedicated to advocating women-owned businesses. Their main focus is developing relationships between major corporations and women-owned small business.

The National Association of Women Business Owners (NAWBO), [found here](#), is a community of professional women entrepreneurs that promote economic development within the entrepreneurial community.

RESOURCES FOR FOOD SERVICE BUSINESSES

Incubator programs cut the start-up costs that often prevent new businesses from succeeding. The costs of startup can be especially staggering in restaurant and other food based businesses, Additionally, FDA regulation concerning food sales often mean razor-sharp margins from profit. Kitchen Incubators, sometimes called "Shared Kitchens" allow for food service entrepreneurs to gain valuable experience before investing heavily in their own equipment.

National Business Incubator Association, [found here](#), is the world's leading organization advancing business incubation and entrepreneurship. Each year, it provides thousands of professionals with information, education, advocacy and networking resources to bring excellence to the process of assisting early-stage companies.

Culinary Incubator, [found here](#), is a website dedicated to small food businesses who are trying to find a commercial kitchen to cook their product. It includes a map of culinary incubators throughout the United States.

Getting Started in the Specialty Food Business, [found here](#), is a guide written by Extension Food Scientists, covering everything from food product development to pricing.

FDA Guidance Documents, [found here](#), provide information on how to follow federal regulations for the food industry, including food labeling and food ingredients and packaging.

A Health Permit in Solano County, [found here](#), is required for food preparation and service, food product and marketing, laundries, etc.

California Department of Alcoholic Beverage Control, [found here](#), administers the provisions of the Alcoholic Beverage Control Act, including licensing, enforcement, and regulatory mandates. Their website provides links to license and industry information for businesses selling alcoholic beverages.



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