

BUSINESS SUCCESS

“WAYS TO MAKE IT HAPPEN”

The Simpsonville Chamber of Commerce prepares this fact sheet for small business owners.

It is designed to offer guidance **only** and should not be construed as a substitute for competent legal advice or accounting service. Whenever you are in doubt, see your attorney or accountant.

LICENCE & REGULATION

Practically all business are subject to some degree of regulation by government, the nature and extent of such regulations depend upon the type of business and the provisions of local statutes.

The minimum regulation is the requirement that the business be registered. Proprietorships and partnerships are generally registered with the Clerk of the County in which they operate. Corporations are registered with an agency of the state in which they are incorporated. The filing of the partnership agreement and the corporate articles will usually be handled by the attorney by whom they were drawn, but registration of a proprietorship is so simple that it may be handled directly by the proprietor.

BUSINESS LICENSES are required in all city or municipal districts. Counties do not charge for a business license. It is best to check with the local City & County Clerks office as to whether or not a license is required for your particular business.

Employment agencies are subject to regulation by both federal and state agencies, as to minimum wages, hiring practices, working conditions, hours of work and workman's compensation. These requirements should be checked with the agencies involved or with an attorney.

ALCOHOLIC BEVERAGES such as liquor, malt beverage, and wine requires a license.

ABC Commission
1205 Pendleton Street
Columbia, SC 29201
(803) 734-0470

FOOD PERMIT is required for businesses engaged in any food-related business, such as processing, handling, cooking, storage, and distribution of food products.

Greenville county Health Department
Environment Health Division
200 University Ridge
PO box 2507
Greenville, SC 29602
(864) 467-8800

If you feel your business may require special permits, contact:

Department of Consumer Affairs
2221 Devine Street
Columbia, SC 29250
(803) 734-9452

TAXES

EMPLOYER – EMPLOYEE TAXES

You are required to withhold from the wages paid to your employees:

1. State Income Tax
2. Federal Income Tax
3. FICA (Social Security Tax)

SOUTH CAROLINA STATE TAX WITHHOLDING NUMBER

All businesses employing one or more persons must obtain a state tax withholding number so that the employer's tax records may be kept.

South Carolina Tax Commission
211 Century Drive
Suite 210
Greenville, SC 29607
(864) 241-1200

STATE UNEMPLOYMENT INSURANCE TAX

This tax is applicable to both new and existing business and is assessed at the rate of 2.7% on the first \$7,000 wages of each employee.

S.C. Employment Security Commission
Employer Status Division
706 Pendleton Street
Greenville, SC 29602
(864) 241-1200

SOUTH CAROLINA SALES TAX

The state of South Carolina collects a 5% retail sales tax. You must have a sales tax number to collect this tax.

South Carolina Tax Commission
211 Century Drive
Suite 210
Greenville, SC 29607
(864) 241-1200

FEDERAL IDENTIFICATION NUMBER (SS-4 FORM)

IRS requires that all businesses must obtain an ID number from them so that accurate tax records can be kept.

U.S. Internal Revenue Service
1835 Assembly Street, Room 653
Columbia, SC 29201
(800) 829-1040

SMALL BUSINESS TAX WORKSHOP

IRS conducts a tax workshop each month for small businesspersons. An overview of business taxes; introduction to business income tax returns; record keeping information; tax planning; employment taxes, and compliance procedures. Call IRS to register for the workshop to obtain the packet entitled YOUR BUSINESS TAX KIT.

GENERAL INFORMATION ON TAXES

Self-employed individuals, including partners, are required to estimate their tax liability in advance and to make quarterly payments so that at least 80% of their tax is paid by January 15, of the ensuing year. Call IRS for additional information in Columbia, (800) 829-1040.

Taxes on real and personal property are assessed by local units of government based on assessed values fixed by the local assessor. A business is usually required to file a statement of personal property and (equipment and inventories) which is subject to review and adjustment by the assessor. Your city or county clerk can give you information on this.

WORKMAN'S COMPENSATION INSURANCE

You must carry compensation insurance if you have 4 or more employees (full and part-time).

South Carolina Industrial Commission
Workman's compensation Division
1800 Laurel Street
Columbia, SC 29202
(803) 737-5700

ZONING

Your city and county zoning division can tell you if an area is zoned residential, commercial, and etc. Special permits may be obtained to locate a business in an area zoned for another use.

Simpsonville City Hall
118 NE Main Street
Simpsonville, SC 29681
(864) 967-9526

Greenville County Planning Commission
301 University Ridge
Greenville, SC 29602
(864) 467-7270

BUILDING INSPECTION

You should have your building inspected before you obtain a license. Building permits are required if you are building or remodeling. Permits can be obtained at the building inspection department. Your building should be ready before you have it inspected as re-inspection charges are assessed for a second inspection. Check the zoning of your building for other rules that may apply to you.

Simpsonville City Hall
118 NE Main Street
Simpsonville, SC 29681

Greenville County Coding
301 University Ridge
Greenville, SC 29602
(864) 467-7060

TRADEMARK & SERVICE MARKS

Trademarks & Service Marks may be registered if desired. Information and applications can be obtained from:

The Secretary of State
Wade Hampton Office Building
PO Box 11350
Columbia, SC 29201
(803) 734-2158

PATENTS, TRADEMARKS & INVENTIONS

U. S. Department of Commerce
Patent & Trademark Office
Washington, DC 20231
Trademarks (703) 557-3158
Copyrights (202) 287-8870

COPYRIGHTS

Copyright forms are available from the Library of Congress. According to the 1978 revisions of copyright law, materials set in a tangible medium are automatically copyrighted, but must be registered formally in order for the courts to be able to judge the validity of a claim. More information about the copyright procedure can be obtained from: US Dept. of Commerce (see above)

PATENTS & INVENTIONS

Publications concerning patent laws, trademarks and inventions are available at the government bookstore and U.S. Department of Commerce. The Georgia Department of Industry and Trade has an excellent "Inventors Checklist" and related publications. Patent attorneys and agents are listed in your local Yellow Pages. Patent applications should be filed with the Commissioner of Patents and Trademarks at the following address:

U.S. Department of Commerce
Patent and Trademark Office
Washington, DC 20230
(703) 557-3158

WAGE & HOUR LAWS

U.S. Department of Labor
Employment Standards Division
Greenville, SC
(864) 292-3847

U.S. Department of Labor
Employment Standard Administration
Wage and Hour Division
1835 Assembly Street
Columbia, SC 29201
(803) 765-5981

FICTITIOUS NAME ACT

If your business uses or will use any name other than your own name, you must register under the Fictitious Name Act.

South Carolina Secretary of State
Wade Hampton Office Building
PO Box 11350
Columbia, SC 29211
(803) 734-2158

INCORPORATION

If you plan to incorporate your business, you must register with the State of South Carolina. You will want competent legal service also.

South Carolina Secretary of State
Corporation Division
Wade Hampton Office Building
PO Box 11350
Columbia, SC 29211
(803) 734-2158

DIRECTORY OF FURTHER SOURCES OF INFORMATION

SOUTH Carolina PUBLIC LIBRARIES

Greenville County (864) 242-5000
Simpsonville Branch (864) 963-9031

CHAMBERS OF COMMERCE

Simpsonville Area Chamber of Commerce
PO Box 605, 211 North Main Street
Simpsonville, SC 29681
(864) 963-3781 FAX (864) 228-0003

BETTER BUSINESS BUREAU

113 Mills Avenue
Greenville, SC
(864) 242-5052

U.S. GOVERNMENT BOOK STORE

275 Peachtree Street, NE
Atlanta, Georgia 30303
(404) 331-6947

U.S.GOVERNMENT CUSTOMS OFFICE

Columbia Airport
Columbia, SC
(803) 794-0782

U.S. GOVERNMENT DEPARTMENT OF COMMERCE

Phone (803) 765-5345

International trade, patent copyrights, trademarks, disclaimers, business import and export business, statistical information.

U.S. Census Department – demographics for business, neighborhoods by ages, by income, etc.

North Carolina phone (704) 371-6144

U.S. FEDERAL TRADE COMMISSION

(404) 347-4836

U.S. GENERAL INFORMATION

North Carolina phone (704) 376-3600

Statistical, research & general as related to business

U.S. SOCIAL SECURITY ADMINISTRATION

U.S. Social Security Administration
1430 Wade Hampton Blvd.
Greenville, SC
(864) 233-1116
(800) 772-1213

U.S. TREASURY

DEPARTMENT OF INTERNAL REVENUE SERVICE

(803) 765-5376

U.S. SMALL BUSINESS ADMINISTRATION

(803) 765-5376

SCORE (Service Corps of Retired Executives)

(803) 765-5131

GENERAL BUSINESS COMMENTS

The Small Business administration, in cooperation with SCORE (Service Corps of Retired Executives) volunteers, is available for management advice and guidance. Request a SBA Form 641 to apply for this free service.

All too often, the small business owner feels that his needs are financial when they are actually managerial. In such firms, money can ease the pressure temporarily, but further indebtedness only intensifies the basic problem. Money alone cannot provide the sound management needed to continue the business.

Trade association and public libraries contain a wealth of information on your particular business. Libraries should have a copy of the National Trade and Professional Associations of the United States. This is a good source of business and trade associations for your particular business.

Being your own boss is a big responsibility. It requires strict discipline on your part as to the hours worked and how you spend the business income. Be budget and money Conscious. don not mix personal funds and business funds. Have two separate checking accounts, one for business and one for personal.

If the business is a partnership or a corporation, legal advice is a must. also, get a good accountant to insure that you have proper record keeping. for information on business incorporation procedure, contact the Secretary of State for South Carolina.

You should realize that most companies do not become an overnight success; this will require a lot of hard work on your part.

do not use any more borrowed money than you absolutely need. Remember that the interest you pay deducts from your net profit. Try to put as much profit as you can back into the business during the early growth period of your firm.

Analyze each purchase you make and be sure you need each item you buy for the business. In some instances, used equipment, such as typewriters, adding machines, desks, etc. can be purchased instead of new equipment. Keep in mind the extra start-up expense for a new business such as utility and telephone deposits, organization expense, etc. Don't overbuy and overstock inventory – try to anticipate the future market and competition for your business.

Another important factor to consider is site location. Paying a higher monthly rent for a good location could be more advantageous to the success of your business. Parking for customers and walk-by traffic, along with other factors, are very important for certain types of business.

INSURANCE

Most businesses find it desirable to have insurance that shields their assets and earning from uncontrollable risks and unexpected hazards. A reliable insurance agent should be sought as to the types and amount of coverage appropriate in individual circumstances.

Following are some of the types of coverage, which may be appropriate in many businesses:

1. Fidelity bonds on employees handling money or other valuables
2. Theft insurance
3. Public liability
4. Workman's Compensation (Generally REQUIRED by law)
5. Fires and windstorm on buildings and contents
6. Business insurance

Note: Have adequate insurance, but do not overbuy on coverage that you do not need.

BUDGETING

First thing you must know in budgeting is what your anticipated expenses are going to be for the period being budgeted. then, how much in sales must be generated to pay these expenses? What will be left? You must try to determine the high and low points in your operation in order to provide the adequate amount of cash. A sales analysis of previous periods will indicate when the high and low points occur.

This forecasting helps you to plan for financing the purchase of inventory and for carrying your accounts receivable. controlling inventory and accounts receivable can help that the strain from your working capital.

YOUR BUSINESS EDUCATION

As a new businessperson, you will have many questions. SBA offers courses, conferences and workshops on basic management areas of small business. They are held periodically in the various cities of South Carolina. You may want to check with the Small Business Administration, Strom Thurmond Federal Building, 1835 Assembly Street, 3rd floor, Columbia, SC 29201, and find out when the next workshop, course, or conference will be conducted in your area. SBA also offers many Business Development brochures and pamphlets to aid the small businessperson. Write to SBA and ask for publications 115A and 115B. Simpsonville Area Chamber of Commerce also has good information.

SBDC/SCORE are working together to help you to be a profit-making business owner. Please let us know how we can be of service to you. For further details, call SBDC at (864) 250-8894 and/or SCORE at (864) 271-3638.