

**STARTING AND GROWING
A BUSINESS
IN**



Published by

MITCHELL COUNTY DEVELOPMENT AUTHORITY
In Partnership with the
Entrepreneur Friendly Committee

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WELCOME

Our economic system is based upon free enterprise and the rights of each person to take a chance, follow a dream, and open a business. The information included in this document has been compiled to answer many of the questions that arise when a person begins to think about opening a business.

Owning and operating a business is hard work. It takes dedication, patience, and an assortment of skills and money. The individuals who have worked to gather this information are supportive of your desire to follow your dream. Take the time to read the material. Knowing how to handle the many details of going into business and knowing yourself is very instrumental in the success of your business.

This information may lead to additional questions. Do not hesitate to find an answer, no matter what the question. There is help available to find the answers.

We ask your help in identifying additional topics that should be included in this guide. The more information we can provide, the better we can assist you and the others who will follow.

We commend you and look forward to working with you. Please call us if you have additional questions.

Mitchell County Development Authority – 229-336-2061

Camilla Chamber of Commerce – 229-336-5255

Pelham Chamber of Commerce – 229-294-4924

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NOTICE: The contents of this publication are presented for informational purposes only and should not be considered in any way legal or professional assistance. We encourage you to seek the advice and counsel of a licensed professional when dealing with legal and financial matters.

While care has been taken to provide accurate, up-to-date information, the information presented has been collected from numerous sources and is subject to errors and changes and should be further researched for updates and accuracy.

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 Mitchell County Development Authority and the Chambers of Commerce have designed this booklet to simplify your transition into the role of an entrepreneur. Starting and Growing a Business in Mitchell County will make establishing your own business easier by giving you “one stop shopping” for much of the information you will need. The Mitchell County Development Authority, Camilla Chamber and the Pelham 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 booklet 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. However, 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 an 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 workdays, 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 on 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.

SELF BIZ QUIZ

Are you the type 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	
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	
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	
4	I am able to find solutions to challenges or problems.	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	
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	
7	I am a hard working person. I do what it takes to succeed.	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	
9	I am able to successfully manage risk associated with creating and growing the business.	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	
11	I am motivated by success and driven to do well.	1 2 3 4 5 6 7 8 9 10	
12	I believe in working with others who can help me make my dream a reality.	1 2 3 4 5 6 7 8 9 10	
CAPACITY RELATED TO BUSINESS SKILLS			
Consider Yourself and Other Members of Your Management Team			
13	Ability to assess market opportunities	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	
15	Ability to provide products or services	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	
17	Fiscal management	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	
19	Personnel or team development & management	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	
21	Quality Control	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	
23	I regularly network to gain information for my business	1 2 3 4 5 6 7 8 9 10	
24	I have an extensive resource network, which I am constantly building	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	
26	I have two or more partnerships associated with my business	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	
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	
29	There is good balance between my work and personal life	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	
31	My community is supportive of me and my undertaking	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	

SCORE SELF BIZ QUIZ

Questions	Total Points		Value Factor		Points
1 – 2		X	1.0	=	
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, Lincoln, Nebraska (www.ruraleship.org)

CHECK LIST 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

- Refine your ideas in writing. Determine exactly where you want to go.
- Decide what business you want to start. Be specific in your business definition.
- 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 or service. This research can be performed by students, professionals, or even on your own.
- Build your personal skills by taking formal management/business courses. Contact Southwest Georgia Technical College, Moultrie Technical College or Darton College for options.
- Contact the Small Business Development Center 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/ customer service.

SIX MONTHS BEFORE START-UP

- Determine the focus of your business. What do you want to specialize in? It is easier to excel in one area than in many?
- Start writing your business plan.
- Define your target markets. Who is your intended clientele? Toward whom should you aim your advertising?
- 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 little or lots of space? Would your business be better suited downtown or in a rural part of the county? Is a storefront 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.
- **WARNING:** Do not sign any leases or purchase documents.

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 by contacting the Georgia Office of the Secretary of State if anyone is using a name.
- 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. 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 ideas.
- Choose your business' legal form. Will you be a partnership, sole proprietorship, or corporation? 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 Small Business Development Center 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 affects 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 and refining your business plan.

TWO MONTHS BEFORE START-UP

- Prepare the marketing plan. How are you going to market your project 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 licensing and permits, pg. 20)
- 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 towards adults? What form is your business taking: Do you have all legal documents needed?
- Prepare a preliminary balance sheet. Contact the Small Business Development Center (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 regulation pg. 32)
- Determine advertising, promotion, and public relations strategies.
- Order opening inventories. Talk to your suppliers for estimated opening needs.
- Complete improvements to your facility.
- Start your hiring process. (See Labor/Safety regulation pg. 32)
- Refine your business plan. It is suggested you not proceed with the following steps unless you have received a firm commitment for all necessary funds.

ONE MONTH BEFORE START-UP

- Fine-tune your cash flow budget.
- Prepare for your grand opening. The Camilla Chamber or Commerce or the Pelham Chamber of Commerce can be of assistance in planning your event. Be creative but 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 for your business. You should put thought and time into it.
- Review your final checklist.
- Hire your staff. (See Labor/Safety regulation pg. 32)
- 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, 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 use of time you have available. You might consider reading some time management materials or speaking with someone who you think manages time wisely.
- Continuously update your product/service. What is good about your product? Make it better. What doesn't work with your product? Eliminate the problem as much as possible. If people patronize your business for the original product, 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. Let them guide you. 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 moneymaking ideas.
- Check cash flow budget against actual performance.
- Maintain good communication 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 will be 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 OFFICIAL GRAND OPENING/RIBBON CUTTING UNTIL YOU HAVE BEEN IN BUSINESS FOR A COUPLE OF WEEKS. If you do, you can make sure that you've worked the "bugs" out and that all 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 business plan into several components helps make drafting it a more manageable task.

You can also go to Google on the internet and type in "Business Plan" to get free samples of business plans.

Introduction

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

Marketing

- Discuss the products/services offered.
- Identify the customer demand for your product/service.
- Identify your market, its size, and locations.
- Explain how your product/service 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 & 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 of 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 owner.
- When you feel comfortable with the content and structure make an appointment to review and discuss it with your lender. The business plan is a flexible document that should change as your business grows.

SOURCE: www.sba.gov

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, then you should rethink your idea.

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

Researching Your Markets

It is recommended that you research the potential market demand for your product or service. 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 owners
- Interview suppliers, vendors, bankers

Secondary Data:

- Visit your public library
- Contact trade associations (i.e. trade shows and trade journals)
- Contact the SBDC, the Mitchell County Development Authority, the Camilla and Pelham Chambers of Commerce. See the Resource Directory for contact information.
- Use various search engines on the Internet (i.e. Yahoo, Google, MSN, Lycos, Alta Vista, dogpile, ask.com, 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 Small Business Development Center (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 is very important. Where your product is located can affect how well it sells.
- How much will they pay? The pricing of your product 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 the 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 (_____ # months)
Monthly Costs		
Salary of Owner/Manager	<hr/> <hr/>	<hr/> <hr/>
All other salaries/wages	<hr/> <hr/>	<hr/> <hr/>
Rent (building/equipment)	<hr/> <hr/>	<hr/> <hr/>
Advertising	<hr/> <hr/>	<hr/> <hr/>
Office Expense	<hr/> <hr/>	<hr/> <hr/>
Telephone and Fax	<hr/> <hr/>	<hr/> <hr/>
Internet Service	<hr/> <hr/>	<hr/> <hr/>
Other Utilities	<hr/> <hr/>	<hr/> <hr/>
Insurance	<hr/> <hr/>	<hr/> <hr/>
Taxes, inc. Soc. Security	<hr/> <hr/>	<hr/> <hr/>
Maintenance/Repairs	<hr/> <hr/>	<hr/> <hr/>
Legal/Professional Fees	<hr/> <hr/>	<hr/> <hr/>
Loan Payments	<hr/> <hr/>	<hr/> <hr/>
Miscellaneous	<hr/> <hr/>	<hr/> <hr/>
SUBTOTAL	<hr/> <hr/>	<hr/> <hr/>
One Time Start Up Costs***		
Fixtures & Equipment	<hr/> <hr/>	<hr/> <hr/>
Decorating & Remodeling Installation	<hr/> <hr/>	<hr/> <hr/>
of Fixtures/Equip. Starting Inventory	<hr/> <hr/>	<hr/> <hr/>
Deposits for Utilities	<hr/> <hr/>	<hr/> <hr/>
Legal/Professional Fees	<hr/> <hr/>	<hr/> <hr/>
Licenses & Permits	<hr/> <hr/>	<hr/> <hr/>
Adv/Promotion for Opening Other	<hr/> <hr/>	<hr/> <hr/>
TOTAL ESTIMATE OF CASH NEEDED FOR START UP		
***To determine these amounts, get estimates from suppliers, contractors, professionals, or your accountant. Be sure to allow for contingencies.		

DEMOGRAPHIC INFORMATION

A variety of free demographic information is available on the Internet or through the Mitchell County Development Authority and the Chambers of Commerce. This information breaks down 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 service.

www.fedstats.gov
www.factfinder.census.gov
www.dca.state.ga.us
www.georgiifacts.net
<http://quickfacts.census.gov>
www.mitchellcountyga.net

PROCUREMENT

DOING BUSINESS WITH THE GOVERNMENT

Through the Governor's Small Business Center, learn how to become a registered vendor with the State of Georgia and its many agencies. Visit the Governor's Small Business Center website for more information, a list of current bid opportunities and to register online.

Source: Governor's Small Business Center – www.doas.state.ga.us

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 you contact an attorney, CPA, or other qualified individual before you enter into any of these four forms of business. 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 Small Business Development Center 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)

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. All personal assets are reachable by creditors or judgments.

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 has authority in running this business. A partnership agreement can be drawn up to address 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 profit/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 responsibilities. Partnerships are required to file both federal and state income tax. While the partnership is not typically taxed, each partner reflects profits or losses 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 operations. 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. There are two types of corporations: C and S.

The “C” corporations have their own tax identification numbers and pay their own taxes. The “S” corporation is the opposite. It is not taxed as if it is a corporation at all. Instead it is taxed similarly to a partnership. Its gains and losses are reflected on the personal income tax of the shareholder. The S corporation is a pass-through entity for tax purposes. (The distinctions between S and C corporations can be complicated. It is very important that you consult with someone who is knowledgeable on the subject before making a decision.)

In order to incorporate your business, contact the Office of the Secretary of State. You will then reserve your corporation name. The incorporation process must be completed within 90 days. The Office of the Secretary of State will instruct you in the completion of all documents needed. You will be required to pay an incorporation fee every year by April 1.

The Office of the Secretary of State

214 State Capitol
Atlanta GA 30334
404-656-2881
www.sos.state.ga.us

This incorporation process includes publishing your intent to incorporate in the local newspaper's legal publication. To publish your intent to incorporate, contact:

The Camilla Enterprise

13 South Scott
P.O. Box 365
Camilla, GA 31730
229-336-5265

An attorney can usually perform the necessary procedures for you for several hundred dollars. How much it will cost depends on the attorney and your business.

A Limited Liability Company (LLC) is one that is owned by one or more persons known as members. It is a mixture of other forms of organization. This form combines some of the best features of partnerships, corporations, and S corporations. Similar to a corporation, you must reserve a name and file the articles of incorporation. You and your fellow members should write an operating agreement to control the conduct of the business.

An LLC shields the personal assets of members as if they were shareholders in a corporation. It also eliminates double taxation. Because an LLC is a somewhat new organizational form, it is unclear how the partnership tax rules will apply. You may not be able to conduct interstate trade as an LLC. Many state and foreign governments have not yet approved this form. In addition, an LLC may not have a perpetual life. While this form of organization is gaining popularity, you must take great care in the establishment of an LLC to ensure pass-through tax treatment.

LICENSING AND PERMIT 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, 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. Around Mitchell County, occupational taxes vary.

If your business will be located outside the city limits of Camilla, Pelham, Baconton or Sale City:

Mitchell County Building and Zoning
18 North Court Street
Camilla, GA 31730
229-336-2060

If your business will be located *within* the Camilla city limits:

City of Camilla Planning and Zoning Department
Camilla City Hall
30 East Broad
Camilla, GA 31730
229-336-2207

If your business will be located *within* the Pelham city limits:

Pelham City Hall
108 Hand Avenue
Pelham, GA 31779
229-294-7900

If your business will be located *within* the Baconton city limits:

Baconton City Hall
333 East Walton Street
Baconton, GA 31716
229-787-5511

If your business will be located *within* the city limits of Sale City:

Sale City, City Hall
122 East Broad Street
Sale City, GA 31784
229-336-7885

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 in that area. **DO NOT INVEST ANY MONEY IN A LOCATION UNTIL ZONING HAS BEEN THOROUGHLY RESEARCHED!!!**

The Zoning Department 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 or can be adapted to comply with the following:

- Current zoning classification
- Building setbacks
- Off-street parking availability and service entrance requirements
- Buffer yards and/or required screening
- Lot area minimum
- Sign regulations

Sign permits are required for erecting and placing any mounted or freestanding signs. Applications are filed through the zoning office. For specific information about signage, call the Zoning Office in the city you wish to locate in. If your plans do not/can not 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 a request for rezoning. In order to file this request, contact the appropriate Zoning Office. They will also give you an idea of the time frame for an answer to the request.

BUILDING CONSTRUCTION & RENOVATION

A building permit must be obtained for both new construction and renovations of and 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, the facility will be inspected for a Certificate of Occupancy. Without this certificate, it is illegal for your business to reside in the facility.

City of Camilla Building Inspector

Planning and Zoning Department
30 East Broad St.
Camilla, GA 31730
229-336-2207

City of Pelham Building Inspector

Pelham City Hall
108 Hand Ave.
Pelham, GA 31779
229-294-7900

Mitchell County Building Inspector

Mitchell County Building and Zoning
18 North Court Street
Post Office Box 302
Camilla, GA 31730
229-336-2060

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 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 office of the Secretary of State. The fee for trade name registration is approximately \$100.00

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 vary. In order to run your legal advertisement, contact:

The Camilla Enterprise
13 South Scott
P.O. Box 365.
Camilla, GA 31730
229-336-5265

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.

TRADEMARK AND SERVICE MARK

Trademarks and Service Marks may be registered, if desired. The registration is for 10 years and a small fee is required. These are also federal trademarks laws. These apply where interstate shipments are involved and are obtained from the U.S. Patent Office. A product must be sold, shipped, and invoiced interstate prior to getting such protection from the Patent office. Information and applications can be obtained from:

Special Services Division
Secretary of State
214 State Capitol
Atlanta GA 30334
404-656-2881

To file your trade name registration, contact:

Clerk of Court
Mitchell County Court House
11 West Broad Street, Room 109
Camilla, GA 31730
229-336-2022

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 alcohol products
- Making tobacco products
- Preparing meat products
- Making or dealing in firearms

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

The U.S. Department of Alcohol, Tobacco, and Firearms (ATF)
2600 Century Parkway Suite 3430
Atlanta GA 30345
404-679-5130

The U. S. Federal Drug Administration
60 8th Street
Atlanta GA 30309
404-347-4265

The U.S. Federal Communications Commission
3575 Kroger Boulevard
Duluth GA 30096
888-225-5322

State Licensing

Many licensing regulations should be considered when establishing a business or practicing certain regulated occupations in Georgia. Contact the Secretary of State's office for a listing of all occupations that require state licensing. You can find a complete list of occupations requiring state licenses in Appendix I. Before applying, you would be well advised to check the current licensing regulations through the office of the Secretary of State, the county, and the city.

For information, contact:

Georgia Secretary of State
Licensing Boards Division
166 Pryor Street SW
Atlanta GA 30303
404-656-3900

***The Office of the Secretary of State offers a timesaving booklet entitled **Consolidated Registration Information for Businesses**, more familiarly known as the **BLUE BOOK**. This book contains important phone numbers, addresses, and Internet addresses of offices and departments essential to your business.*

Bulk Sales Law

If you plan to purchase an established Bulk Sales business, you, as the purchaser, must comply with the Bulk Sales Law. It is required that, at least five days before the actual purchase, each creditor must be notified personally of the proposed sale. In counties with populations over 200,000, it is necessary to publish this intent to purchase one time, not less than seven days prior to the completion of the purchase. By all means, consult your attorney.

HEALTH PERMITS

If your business is to involve food processing, handling, storage, or distribution, you must obtain permits from the Mitchell County Health Department, which handles the permits for the entire county including the cities. If you are unsure if your business needs a permit, contact the Health Department or the Ga. Dept. of Agriculture

Mitchell County Health Department
88 West Oakland
Camilla, GA 31730
229-336-2055

Ga. Dept. of Agriculture
19 Martin Luther King Dr. SW
Atlanta GA 30334
404-656-3600
www.agr.state.ga.us

TAXES

PROPERTY TAX STRUCTURE

Property tax rates represent local tax liability per \$1,000 of fair market value and apply to real and personal property. Assessed value is 40% of appraised value.

The 2007 millage rate for Mitchell County is 30.573.

Mitchell County and the Cities of Camilla and Pelham have adopted 100% inventory tax exemption (Freeport Exemption) and a 1% local option sales tax, both of which have the effect of decreasing the property tax rates. The sales tax rate in Mitchell County is 7%.

THE BREAKDOWN OF LOCAL TAXES FOR 2007-2008 IS AS FOLLOWS:

	Mitchell County	Camilla	Pelham	Baconton	Meigs	Sale City
State	0.25	0.25	0.25	0.25	0.25	0.25
County	17.339	17.339	17.339	17.339	17.339	17.339
School	12.984	12.984	6.983	12.984	12.984	12.984
City	0.0	7.245	13.071	9.997	15.000	11.000
Other						
Total Mill Rate	30.573	37.818	37.643	40.570	45.573	41.573

FREEPORT EXEMPTION:

The “Freeport” or inventory tax exemption was passed by referendum on November 7, 1978, and applies to the following types of inventory.

- 1) Manufacturer’s raw material and goods in process inventory
- 2) Finished goods held by the original manufacturer
- 3) Finished goods destined to be shipped outside Georgia (This applies to warehouse, distribution, or manufacturing operations.)

Mitchell County and the Cities of Camilla and Pelham have implemented the Freeport Tax exemption and offer 100% inventory tax exemption.

Goods destined for shipment within the State of Georgia do not fall into this category and are taxed at a rate of 40% of market value.

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 the 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 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/use 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. Sales tax in Mitchell County is 4% - state sales tax and 3% local option sales tax for a total of 7%.

Contact:
Georgia Department of Revenue
Sales & Use Tax Division
1800 Century Blvd, Room 8100
Atlanta GA 30345
404-417-6601

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 more than two axles are included in the taxed categories. You should contact the Georgia Department of Revenue for complete information.

For information on state excise taxes, contact:
Georgia Department of Revenue
Alcohol & Tobacco Division
1800 Century Blvd., N.E. Room 4235
Atlanta GA 30303
404-417-4900
800-659-1855

STATE UNEMPLOYMENT TAXES

This tax on payroll is payable on the first \$8,500.00. It applies to all businesses. Employers are classified in accordance with their actual experience in the payment of contributions and with respect to unemployment benefits charges against their accounts so that contribution rates will reflect such benefit experience. An employer rate for any calendar year shall be determined on the basis of his record as of the computation date for each calendar year. Quarterly unemployment reports must be filed and returned to:

Georgia Department of Labor
PO Box 740234
Atlanta GA 30374-0234
404-232-3001

WORKER'S COMPENSATION INSURANCE

Firms with three or more employees must carry worker's compensation insurance either with a licensed insurance company or as a self-insurer.

Contact: State of Georgia
State Board of Worker's Compensation
270 Peachtree St. NW
Atlanta GA 30303-1299
800-533-0682
404-656-3818 or 404-656-3875
www.state.ga.us/sbwc/

MINIMUM WAGE AND OVERTIME WAGES

Obtain regulation regarding the minimum wage law as well as overtime wage laws. Even if you don't fall under federal minimum wage and overtime law, you are still subject to Georgia minimum wage law requirements.

Contact:
Georgia Department of Labor
26 South Harney Street
Camilla, GA 31730
229-522-3630

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. 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 for 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. Form 720 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.

They are:

- 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 have to collect this tax)
- Communications taxes (e.g. on telephone or teletype services)
- Wagering taxes
- Taxes on U.S. mined coal
- Environmental taxes (imposed on petroleum products, various chemicals, and hazardous wastes)
- Alcohol, firearms, ammunition, and tobacco taxes

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

Internal Revenue Service Atlanta
District Office
401 W. Peachtree St. NE
Atlanta, GA 30303
800-829-3676

FEDERAL INCOME TAXES

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

Sole Proprietor or a member of a Partnership: In either of these arrangements, you will be required to make estimated federal income tax payments. These individual payments are due in four installments. These payment deadlines are April 15th, June 15th, September 15th, and January 15th, for those whose tax year is the calendar year. Any amount left unpaid will be due April 15th, of the following year. The Form 1040-ES is used to file these taxes. 90% of your estimated tax must be paid during the course of the year.

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 month of the corporation's first tax year. The proper form for filing these taxes is the Form 8109. 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.

All forms necessary to file any of the estimated taxes mentioned above are available at your local IRS office. A coupon book will be mailed to you upon receipt of your Form SS-4 (the form filed requesting a tax ID number).

For more information, contact:

Internal Revenue Service
Atlanta District Office
401 W. Peachtree St. NE
Atlanta GA 30303
800-829-3676
www.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 Regulation Information.

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. It should be acquired prior to opening a bank account.

Internal Revenue Service
Atlanta District Office 401 W.
Peachtree St. NE
Atlanta GA 30303
800-829-3676

Federal Unemployment Taxes

Federal Unemployment Insurance Tax is the employer's responsibility. This is not withheld from employee wages. Consult the Employer's Tax Guide for more information on the various taxes that you will be required to pay. The Employer's Tax Guide is a booklet designed to help you with all aspects of taxation. Contact the Georgia and US Departments of Labor and Revenue to receive the Employer's Tax Guide and other relevant information.

If you are a sole proprietor, you are not required to pay withholding. You are, however, required to pay self-employment tax. Contact the Internal Revenue Service for complete details.

PATENTS AND INVENTIONS

Publications concerning patent laws, trademarks, and inventions are available at the Federal Bookstore and Department of Commerce. Patent attorneys and agents are listed in your local yellow pages.

Patents are registered at:

U.S. Department of Commerce Patent & Trade Marks Office
2021 Jefferson Highway
Washington, DC 20230
703-557-3158

UTILITIES

Establishing Electric, Gas, Water, Sewer, and Garbage Service

To establish electric, gas, water, sewer, and garbage service in an existing or new facility within the City of Camilla, Pelham, Baconton or Sale City, you must contact Customer Service at the appropriate Utility Department who will inform you as to the steps you must take. You may be required to sign a service contract and pay a deposit. To sign up for service you may need to present a copy of your lease agreement or closing statement and identification such as your driver's license or valid Georgia ID with social security number.

To establish utility service within the City of Camilla contact:

Camilla City Hall - Utilities Customer Service
30 East Broad
Camilla, GA 31730
229-336-2220

Additional information can be found at www.camillaga.net

To establish utility service within the City of Pelham, contact:

Pelham City Hall - Utilities Customer Service
108 Hand Ave.
Pelham, GA 31779
229-294-7900

To establish utility service within the City of Baconton, contact:

Baconton City Hall
333 East Walton Street
Baconton, GA 31716
229-787-5511

To establish utility service within the City of Sale City, contact:

Sale City, City Hall
122 East Broad Street
Sale City, GA 31784
229-336-7885

To establish electric service in the unincorporated areas of Mitchell County, contact Mitchell EMC and GA Power Company. The County does not provide utility services. Water is provided by individual wells, septic tanks for sewage disposal. Garbage pickup is provided by private companies, as is propane gas.

Mitchell EMC
475 Cairo Highway
PO Box 409
Camilla, GA 31730
229-336-5221 or 1-800-479-6034

GA Power Company
305 Cotton Ave. SE
Pelham, GA 31779
888-660-5890

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 aspects 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 an instructional workbook. After attending a certain number of these seminars, you will have the entire workbook. The Georgia Department of Labor or the U.S. Department of Labor can help walk you through all employment and labor issues and questions.

Georgia Department of Labor
26 South Harney Street
Camilla, GA 31430
229-522-3630
www.dol.state.ga.us

U.S. Department of Labor
Frances Perkins Building
200 Constitution Ave., NW
Washington, DC 20210
866-4-USA-DOL
www.dol.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 information on all requirements as well as related publications. OSHA policies and regulations must be posted in the workspace where all employees may see.

In addition to OSHA, the US 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 is designed to protect both the employer and employee. Similar to OSHA, each issues and enforces a unique set of requirements and regulations.

Occupational Safety and Health Administration
U.S. Department of Labor
1375 Peachtree Street NE, Suite 587
Atlanta GA
404-374-3573
www.osha.gov

DRUG FREE WORKPLACE

Your business can become eligible for 7.5% discount on your Workers' Compensation Insurance Premiums. This is possible through the DRUGS DON'T WORK PROGRAM. The Camilla Chamber of Commerce and the Pelham Chamber of Commerce has information available for you about the program, or you can find information through the resources listed here.

Georgia Chamber of Commerce
Atlanta, GA

www.gachamber.com/affiliates/drugs

U.S. Department of Labor
1375 Peachtree Street NE
Suite 587
Atlanta, GA 30367
404-347-3573

www.dol.gov

Georgia Department of Revenue
PO Box 38027
Atlanta, GA 30374-0001
404-656-4071

www.dol.gov.ga.us

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 legal problems can be large enough to close your business. It is important to make sure all your bases are covered. In addition to the do's and do not's listed below, contact the Georgia Department of Labor for more on correct hiring and firing policies.

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 problems.
- *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 if an applicant has any barriers to completing the duties. Do not ask questions like "Do you have children?" or "Are you married?" Small talk is acceptable if the interviewer is careful. Do not venture into conversation 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 for contact information.

TERMINATION DO'S:

- *Review company policies.* If you have not yet developed company policies regarding application, hiring, and termination, call the Georgia Department of Labor (GDOL).
- *Make a checklist of your procedures.* Make sure that you have followed the rules in the firing process. If you have not 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 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 discretion in 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 Force

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 the GDOL can help you, call 229-522-3630. There are many temporary personnel agencies located in the area which also have access to employees. Consult the yellow pages for a list of these companies.

Other places you might contact are Southwest Georgia Technical Collage and Moultrie Technical College.

FINANCING INFORMATION

When starting a business, one important consideration is where to obtain capital to bank your venture. Most start-up businesses require a capital contribution by the entrepreneur, usually 20%. The remaining financing may be available from local banks or may require private investors. There are several Small Business Administration loan programs available to businesses, all of which require bank participation. These loan programs, however, are not guaranteed. They are all subject to change based on the SBA's current budget.

- **SBA Low Doc.** This program provides financing for small businesses through guaranteeing a percentage of the bank's loans to the business. The maximum loan is \$150,000 and not more than an 80% guarantee. The loan administered by the bank is termed "Low Doc" 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 SBA will guarantee is \$750,000 and not more than 75% of the total loan.
- **SBA 504 Loan Program.** This program provides financing for small business through a low interest, fixed rate, long-term loan. The Small Business Administration takes a second lien position behind the bank. Eligible expenditures are for land and building, long-life machinery, and equipment. The minimum SBA will finance is \$125,000, and the maximum is \$1,000,000. Job creation is a requirement of the program.

While each of these programs has specific requirements for eligibility, there are certain standards that must be met for all loan programs. A loan applicant must be of good character; show the ability to operate a small business successfully, and have a reasonable amount of his/her own resources to invest to withstand possible losses. In addition, the following will likely be required:

- Credit Report
- Collateral adequate to secure the debt. 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)

How to Apply

You must first seek financing from a bank or other private source. If that is available at reasonable terms, the SBA cannot make a loan. Take your business plan to your banker and discuss your financial requirements with him/her. His/her involvement is essential. Then, call the Small Business Development Center to discuss the projects eligibility for SBA assistance at 229-420-1144.

SPECIAL CASES

Downtown Camilla – Camilla's historic downtown area represents an opportunity to the potential entrepreneur. Downtown is experiencing rejuvenation due to recent efforts to beautify and develop the area. If you are planning to open a full-service restaurant, you should be aware that special food service permitting will apply. When developing downtown, one may qualify for tax incentives and grants. The Camilla Downtown Development Authority can assist potential business owners with information regarding historic preservation requirements, building and zoning requirements, facade grants, state and federal tax incentives, and other topics regarding development in the downtown area. The Downtown Development Authority will be there to help you with starting a business downtown. For assistance contact:

Camilla Downtown Development Authority

Jud Vann, Chairman

Camilla, GA

229-336-5271

SEVEN SURE-FIRE WAYS TO SABOTAGE A LOAN PROPOSAL

In today's financial environment, banks have plenty of cash to lend but find themselves in a regulatory squeeze requiring that they issue loans only to the best applicants. "Best" is defined as being closest to zero risk. Gone are the days of the "character" loan to help you get over a crunch or a "confidence" loan to fuel projected growth. A business start-up loan you ask? You better rely on persistence.

If you are going to obtain a business loan, you need now, more than ever, to do your homework. Do not try to take shortcuts with your friendly loan officer. Cover all the bases your first time out!

This is a quick list of seven common errors or omissions found in failed loan requests.

1. Many applicants have not prepared the required documentation to support the loan proposal. The most common is the omission of a sound business or strategic plan. Not every business loan requires a business plan, especially if the business has a history of a strong cash flow. However, most banks require existing businesses to produce two or three years of financial projections along with a description of the project and history of the business. A new business will need a full business plan to explain the cash requirements and management issues of the business. For existing and new businesses, if a loan officer asks to see a three-year plan and it is not available, management looks bad.
2. Many small business owners actually go to a bank not knowing how much money they need to borrow. Nothing is more frustrating to a lender when he or she hears, "Well, how much can I get?" Always be specific about the loan amount and provide a detailed schedule showing how you intend to use the borrowed money and clearly demonstrate the need. Do not borrow more than you need.
3. If you do not document how you intend to pay the loan back, the deal is dead. Ordinarily, business loans must be paid back through continuing cash flow. To demonstrate repayment, three years of Historical Statement (Balance Sheet and Profit & Loss) are mandatory. Cash flow projections showing the impact of the loan for the first 12 months are a must. Make sure your financials are credible. Poorly prepared statements, especially internally prepared statements, are the kiss of death.
4. Many applicants are not realistic about how much and what type of asset-based collateral is needed to put their request over the top. Don't expect to obtain a long-term loan (five+ years) secured by inventories or receivable (current assets). You must be prepared to reach into your personal net worth and put up the hard stuff, mostly real estate. If you show reluctance to offer what you have, "doubt" about your confidence and commitment to the enterprise creeps into the application and the process gets tougher. Don't overstate the quick sale value of collateral; be realistic. Eventually, you will have to get appraisals, and if they come in short, you will have wasted everybody's time.
5. Aggressive tax strategies that result in no year-end tax obligations because no profit is claimed

by the firm will result in no evidence of repayment ability in your application. Federal tax returns, both personal and business are the final determinant of company performance and management integrity. Always claim 100 percent of your income, and whatever you do, don't plead to your banker, "It's done all of the time." You've just revealed that there is a huge contingent tax liability looming out there that could result in the business being closed when you're sent "up the river."

6. You should not ask the bank to do it all. Some applicants neglect the net worth component of the balance sheet. If the loan request puts the bank in over four times your net worth, the application is on shaky ground. High debt compared to your stake in the business gives the bank excessive control over the operation, and they don't want to own your company anyway. Keep things reasonable in owner's draw or officer's salary. Don't raise the possibility that the company is being milked. Before you submit your loan application, go to the library or go to your local SBDC and find the latest edition on the Robert Morris and Associates' (RMA) Annual Statement Studies. The Statement Studies contain composite balance sheets and income statements for more than 360 industries. This is valuable information for comparing your company to the industry, and more than likely your banker will evaluate your business based on this book or another similar source such as Dun and Bradstreet.
7. Don't be reluctant to tap into the vast amount of help to get a first class loan proposal pulled together. A good loan package or accountant will charge for this service, but it will be money well spent if you're not sure you can tackle the job yourself. This statement is especially true if government programs are involved, i.e. the U.S Small Business Administration. Preparing and submitting a business loan proposal can be a complex process, but with a common sense attitude and help from the Small Business Development Center, it will be a fruitful experience. Banks are in the business of lending money; keep that in mind. If you get turned down, keep on trying. Your project may be the perfect loan for a banker down the street.

Source: Tony O'Reilly, Executive Director of the Small Business Assistance Corporation in Savannah GA.

INTERNATIONAL TRADE

International trade can be difficult, but also can provide tremendous opportunities. Most start-up businesses will not be participating in international trade. However, if you choose to export or import goods, the following contacts may provide you with valuable information. The United States Export Assistance Center can provide you access to all federal exporting resources. The Georgia Department of Economic Development has an International Trade office. You may contact them at the following address:

Georgia Department of Economic Development

75 Fifth St. NW, Suite 1200
Atlanta, GA 30308
404-962-4114

United States Export Assistance Center

233 Peachtree St. NE
Atlanta, GA 30303
404-657-1900

RESOURCE DIRECTORY

When starting a business, it is important to have a diverse base of information sources. One way to ensure success is through education. The more you know about your field, the better off your business will be. The following is a list of potential resources for information.

- **Local Financial Institutions:**

Bank of Camilla –PO Box 111 (50 East Broad St.) Camilla	229-336-5225
Family Bank – PO Box 647 (134 Hand Ave, W.) Pelham	229-294-2821
Flint River National Bank – PO Box 301 (260 Hwy 19 North) Camilla	229-336-5666
Pelham Banking Co. – PO Box 512 (180 Mathewson Av SW) Pelham	229-294-2341
Planters & Citizens Bank – PO Drawer 449 (21 N. Harney St.) Camilla	229-336-5271
Southwest Georgia Farm Credit – PO Box 326 (40 E. Broad St.) Camilla	229-336-5237

- **Local Attorneys:**

Randall Chew – 151 Curry St. NE, Pelham	229-294-4460
Fred Hand, Jr. – 147 W. Railroad St., Pelham	229-294-4807
Patrick Millsaps – 2 W Broad St., Camilla	229-336-7425
Powell & Erwin, PC – 55 E. Oakland St., (PO Box 188) Camilla	229-336-3962
Robert Richardson – 84 E. Broad St., (PO Box 953) Camilla	229-336-0027
William Tyson, Jr. PC – 76 E. Broad St. Camilla	229-336-8831
Elizabeth Vann – 47 E. Oakland St., Camilla	229-336-8231

- **Certified Public Accountants:**

Marshall & Palmer – 137 Mathewson Ave., SW Pelham	229-294-9066
William R. Truluck – 84 E. Broad St., Camilla	229-336-7218
James B. Thomas – 170 Curry St. N.E., Pelham	229-294-2355
Richard Waters – 257 Newton Rd., Camilla	229-336-7218

• City Hall in Camilla: 30 East Broad St. Camilla www.camillaga.net	229-336-2220
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• Camilla Chamber of Commerce: Camilla Depot – 124 East Broad St. www.camillageorgia.com	229-336-5255
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• Camilla Downtown Development Authority: Jud Vann	229-336-5271
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• DeSoto Trail Regional Library: Located at 145 E. Broad, Camilla www.georgialibraries.org/~desoto/	229-336-8372
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• City Hall in Baconton: 333 East Walton St. Baconton	229-787-5511
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• City Hall in Pelham: 108 Hand Avenue, Pelham	229-294-7900
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• Pelham Chamber of Commerce: Pelham Depot – 128 East Railroad St. www.pelhamchamber.org	229-294-4924
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• Pelham Carnegie Library: 200 Hand Ave. Pelham.	229-294-6030
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• City Hall in Sale City: 122 East Broad St. Sale City	229-336-7885
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- **Sale City Library:** 154 South Barnes St, Sale City. 229-336-4510
- **Mitchell County Development Authority:** Promotes economic growth in the county through a variety of programs and services. Can serve as your connection to the existing economic and political community. Located at 186 East Broad St., Camilla
www.mitchellcountyga.net 229-336-2061
- **Mitchell County Government Offices:** 26 North Court St. Camilla 229-336-2000
www.mitchellcountyga.net
- **Better Business Bureau of Southwest Georgia:** Albany 229-883-0744
- **GA Dept. of Economic Development:** 75 Fifth St., NW, Atlanta GA 30308. 404-962-4003
www.georgia.org
- **GA Dept. of Labor:** Camilla Career Center Office - 26 South Harney St. 229-522-3630
www.dol.state.ga.us
- **US Dept. of Labor:** Provides info on OSHA. 1375 Peachtree St., NE, Suite 587 Atlanta 404-347-3573
www.dol.com
- **Southwest Georgia Workforce Investment Board:** Development Center 229-336-2233
 75 West Broad St. Camilla
- **Southwest Georgia Technical College:** 15689 US Hwy N., Thomasville 229-225-4096
www.southwestgatech.edu
- **GA Dept. of Revenue:** Albany office 229-430-8401
www.etax.dor.ga.gov
- **GA Secretary of State's Office:** 211 State Capitol, Atlanta 404-656-2881
 A variety of information can be obtained through this office, including the BLUE BOOK.
www.sos.state.ga.us
- **Georgia Hispanic Chamber of Commerce:** 2801 Buford Highway Suite 500, Atlanta 404-929-9998
 Promotes and supports the economic development of Hispanic businesses.
- **Minority Business Development Agency Regional Office:** 401 W. Peachtree Street, Room 1715 Atlanta GA 30308 404-730-3300
- **SBA Small Business Development Center:** 230 S. Jackson St. #333, Albany, Ga. 229-420-1144
 Offers a wide range of free business consulting services for potential business owners, inc. assistance in starting a business, obtaining financing, and developing marketing and managerial plans and Continuing Education classes.
www.georgiasbdc.org www.sbaonline.sba.gov
- **Southwest Georgia Regional Development Center (RDC):** 30 West Broad St., Camilla 229-522-3552
 Promotes economic development through the region including Mitchell County. The RDC works in conjunction with private lenders to provide financing for small businesses.
www.swgrdc.org

- **University of GA Cooperative Extension Service:** 4590 Hwy. 37 East, Camilla.
www.caes.uga.edu/extension 229-336-2066
- **USDA Mitchell County Service Center:** 30 W. Broad St. Camilla 229-336-0171
The A.A. McNeil Building
- **USDA Rural Development Center -** 30 W. Broad St. Camilla 229-336-0371
The A.A. McNeil Building
- **DUN AND BRADSTREET:** www.dnb.com 800-234-3867
- **SCORE – Service Corps of Retired Executives:** Free consultations, held at a convenient location. 706-845-8735

OTHER WEB BASED RESOURCES FOR ENTREPRENEURS

CCH – Business Owner’s Toolkit Website: www.toolkit.cch.com
Kauffman Foundations Resources for Entrepreneurs: www.entreworld.org
Price Waterhouse Cooper – Vision of Reality: www.pwcglobal.com
The Wall Street Journal Center for Entrepreneurs: www.startup.wsj.com
Microsoft Small Business Solutions: www.bcentral.com
Edward Lowe Foundation: www.edwardlowe.org
Entrepreneur.com: www.entrepreneur.com
Minority Business Entrepreneur (MBE) Magazine: www.mbeamag.com

Appendix I

STATE ISSUED LICENSES

State Board of Accountancy

Certified Public Accountant
Registered Public Accountant
Foreign Accountant
Public Accounting Firms

State Board of Architects and Interior Designers

Georgia Athlete Agent Regulatory Commission

Athlete Agents

Board of Athletic Trainers

Georgia Auctioneers Commission

Auctioneers
Auctioneer Corporations
Non-resident Auctioneers
Non-resident Corporations

State Board of Barbers

Georgia Board of Chiropractic Examiners

Construction Industry Licensing Board

Conditioned Air Contractors
Electrical Contractors
Low Voltage Contractors
Master & Journeyman Plumbers
Utility Contractors

State Board of Cosmetology

Composite Board of Professional Counselors, Social Workers and Marriage and Family Therapists

Professional / Associate Counselors Master / Clinical
Social Workers Marriage and Family Therapists

Georgia Board of Dentistry

Board of Examiners of Licensed Dieticians

State Board of Professional

Engineers and Land Surveyors

Professional Engineer / Engineer-in-Training Land
Surveyors / Land Surveyors-InTraining

State Board of Registration for Foresters

State Board of Funeral Service

State Board of Registration for Professional Geologists

State Board of Hearing Aid Dealers and Dispensers

State Board of Landscape Architects

Landscape Architects

State Board for the Certification of Librarians

Board of Nursing Home Administrators

State Board of Occupational Therapy

Occupational Therapists
Occupational Therapy Assistants

State Board of Dispensing Opticians

State Board of Optometry

State Board of Pharmacy

State Board of Physical Therapy

State Board of Podiatry

Board of Examiners of Licensed

Practical Nurses

Board of Private Detective and Security Agencies

Private Detective Employees
Private Detective Businesses
Private Security Businesses
Private Security Guards
Training Instructors

State Board of Examiners of Psychologists

Georgia Board of Nursing

State Board of Examiners for Speech Language Pathology and Audiology

Speech Language Pathologists Audiologists

**State Board of Registration of Used Motor Vehicle Dealers and Used Motor Vehicle Parts
State Board of Registration of Used Motor Dealers**

Used Motor Vehicle Dealers Used Motor Vehicle Parts Dealers

State Board of Veterinary Medicine

State Board of Examiners for the Certification of Water and Wastewater Treatment Plant Operators and Laboratory Analysts

Public Water Supply System Operator (Class I, II, III, IV)

Biological Wastewater Treatment System Operator (Class I, II, III, IV)

Industrial Wastewater Treatment System Operator
Water or Wastewater Lab Operator Wastewater Collection System Operator

Composite State Board of Medical Examiners

Physicians / Physician Assistants Physician

Resident-in-Training Perfusionist

Respiratory Care Professionals Acupuncturists

State Bar of Georgia

Lawyers

Office of the Commissioner of Insurance

Insurance Agents

Georgia Department of Agriculture

Pesticide Applicators

Real Estate Appraisers Board

Office of the Secretary of State - Securities Division

Stock Brokers / Dealers

Investment Advisers

Charitable Fundraisers

Source: Georgia Secretary of State website
(www.sos.state.ga.us/plb/)

Appendix II

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 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.

GDOL – Georgia Department of Labor

Income Statement – A matching of a company's accomplishments (i.e. sales) with effort (expenses from operations) during a particular period of time. (Revenues minus 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 conducting 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 pay out assets (typically cash) or to 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 the 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 prediction.

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 and not established as another form of legal entity.

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.

OTHER RESOURCES

The Office of the Secretary of State's BLUE BOOK provides postage paid response cards so you may access the following forms or agencies:

- Business Incorporation Forms
- Professional and Occupational Licensing Forms
- State Tax Application
- Internal Revenue Service Forms
- GA Dept. of Economic Development
- U.S. Small Business Administration
- UGA Small Business Development Centers
- Georgia Tech Services for Business and Technology
- Governor's Office of Consumer Affairs
- U.S. General Services Administration
- GA Dept. of Labor
- U.S. Department of Labor
- GA Dept. of Consumer Affairs – Office of Business and Economic Assistance
- US Export Assistance Center
- GA Dept. of Insurance
- GA Dept. of Agriculture

Also available through this booklet are various books and publications on starting a business and entrepreneurship.

Office of Secretary of State
214 State Capitol
Atlanta GA 30334
404-656-2881
www.sos.state.ga.us

The Secretary of State may authorize the filing of documents by electronic transmission and the Secretary of State shall be authorized to promulgate such rules and regulations as are necessary to implement electronic filing procedures.

The Secretary of State may prescribe and furnish on request forms for:

- An application for a certificate of existence;
- A foreign corporation's application for a certificate of authority to transact business in this state;
- A foreign corporation's application for a certificate of withdrawal;
- The annual registration; and
- Such other forms not in conflict with this chapter as may be prescribed by the Secretary of State.

Document	Fee
1) Articles of incorporation	\$100.00
2) Application for certificate of authority	225.00
3) Annual registration	30.00
4) Agent's statement of resignation	No fee
5) Certificate of judicial dissolution	No fee
6) Application for reservation of a corporate name	25.00
7) Civil penalty for a foreign corporation transacting business in this state without a certificate of authority	500.00
8) Statement of change of address of registered agent - \$5.00 per corporation but not less than	20.00
9) Application for reinstatement	100.00
10) Any other document required or permitted to be filed by this chapter	20.00

Acknowledgment

This book would not have been possible without the dedication of many individuals and the cooperation of many organizations. We would like to thank all those who contributed in any way.

Entrepreneur Friendly Committee