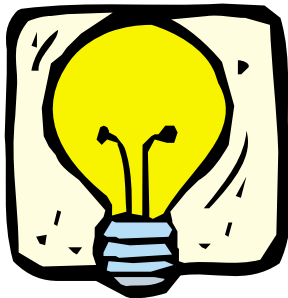


Starting A Business In West Contra Costa County

SO YOU HAVE A GREAT IDEA.....

BUSINESS OPPORTUNITIES AND IDEAS COME FROM
MANY DIRECTIONS : ...

You may be producing craft items that you have been using as personal gifts. How do you go about setting up a business to sell your creations in stores or at craft shows?



You may have eaten out last night and been disappointed in your dinner. Could you build a take-out restaurant around your family barbecue sauce recipe and great customer service?

You may have gotten off BART and wished that you could get a cup of coffee? Could you set up a coffee cart near the BART station?

Starting your own business can be an exciting experience. It has many rewards:



- Financial rewards
- Independence
- Feeling good about yourself
- Creating jobs for others
- Helping your clients and customers

This booklet is designed to help you through some of the steps you will have to take to start a business in West Contra Costa County.

WHAT DOES OWNING

A BUSINESS MEAN

Starting and running a business takes a lot of time and work. What are some of the hats worn by business owners? Look at the following list:



- | | |
|----------------------|-----------------------|
| General Manager | Marketing Director |
| Advertising Director | Graphic Artist |
| Production Manager | Production Worker |
| Service Provider | Office Manager |
| Order/Fulfillment | Bookkeeper/Accountant |
| File Clerk | Secretary |
| Receptionist | Customer Relations |
| Shipping/Receiving | Inventory Control |
| Central Supply | Personnel/Hiring |
| Supervision | Personnel Training |
| Legal Issues | Public Relations |
| Security | Financial Management |



In the start-up stage of developing your business, you may feel that you have to make all of the decisions and do all or most of the work. As your business grows, you will discover that your duties and responsibilities will increase. You will reach a point when you must share or delegate some of your responsibilities in order to reduce your work load, grow your company, and stay competitive.

Often business owners fail to find other business people to help them because they want to make all of the decisions and to have full control over all activities. This can take time away from what you do best.



If you are a cook and will be opening a restaurant, your time may be best spent in creating and cooking new menu items. Your bookkeeping could be taken care of by an accountant.

If you are opening a computer repair shop, your time will be best spent on repairing computers. You may want to hire an office manager to handle customers, scheduling, and phone calls.

Decide the best use of your time. Before starting your business, contact the Local Resources listed at the back of this booklet. You will find counseling services and low cost classes. Libraries contain many books on business start-up. A business reference librarian can help you find information for your type of business.

You are not alone in this process of starting a business....help is available in your community.

"I want to make and sell gift baskets and would like to operate a home-based business. Could you please tell me the requirements for obtaining a home-based business license?"



BUSINESS LICENSE

Before signing a lease or beginning a business, make sure that your type of business is allowed at that location. If your business will be located in an unincorporated area, the county controls all your requirements. If your business is within the city limits, the city controls most of your requirements. You can contact the business license and zoning departments of the city in which you are going to locate to learn about the regulations.



El Cerrito

City Offices
10890 San Pablo Avenue
El Cerrito, CA 94530
Business Licenses: (510) 215-4310
Planning/Zoning: (510) 215-4330

El Sobrante (unincorporated)

County Finance Building
625 Court Street, Room 100
Martinez, CA 94553
Business Licenses:
(925) 646-4230

Richmond

City Offices
2600 Barrett Avenue
Richmond, CA 94804
Licenses & Permits:
(510) 620-6742

San Pablo

One Alvarado Square
San Pablo, CA 94806
Business Licenses:
(510) 215-3010
Planning/Zoning:
(510) 215-3030

Unincorporated areas

County Application and Permit Center
651 Pine Street (North Wing, 2nd Floor)
Martinez, CA 94553
(925) 646-1600

If your location choice satisfies the business license department and the zoning regulations, you can apply for a business license. You will be asked to fill out a form telling about your business name, ownership, and location. You may also be asked to estimate how much money you will make. Many cities base the amount they charge for the business license on the amount of money your business will earn.

LOCATION

The location you choose for your business is very important. You must be sure that it is convenient for your customers, appropriate for your type of business, allows room for you to grow, and is affordable. When looking at locations, question a real estate broker, talk to surrounding shop owners and use your observation skills to find out:

What is the history of this location? What company moved out and why?

Is this location convenient for my customers and suppliers?

What are the traffic patterns?

Can signs and the store be seen from the street?

Is there good foot traffic?

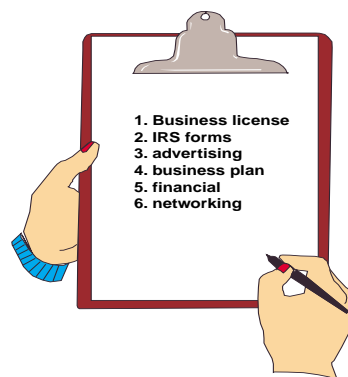
What stores are near mine?

Where is my closest competition?

Is there enough parking for my customers?

Be sure to plan for your business growth. Will the location allow for expansion?

Many entrepreneurs are opening home-based businesses. Each city has its own guidelines and regulations for operating a business from a home. If you are considering locating your office in your home, contact your business license department and zoning commission for the regulations for your area.



FICTITIOUS BUSINESS NAME REGISTRATION

A business name is called fictitious if it does not include the owner's full legal name. For example, if James Johnson wants to open a consulting practice and is well known in the community, he may wish to operate with his legal name as his business name. He will not have to file a fictitious name statement. If he decides to name his business James Johnson Business Consultations, he will have to register. When anything is added to the real name, the name becomes fictitious. If the name indicates additional owners such as James Johnson and Associates, the name is fictitious.

NAME (FICTITIOUS)	NOT FICTITIOUS	FILE A DBA	NO DBA NEEDED
Ray's Cafe		•	
Joe Adams Gardening Service		•	
The Clothing Broker		•	
Ames-Adams Publishing		•	
	Gloria Vanderbilt		•
	H&R Block		•

A made-up or fictitious business name must be registered. The process for registration is also called "filing your DBA" (Doing business as) and is accomplished through 2 steps:



1. Publish your fictitious name in a general circulation newspaper that is published in the county in which your business is located. You will fill out a form and pay a fee at the newspaper office for the paper you have chosen. The notice will be printed for 4 weeks. After your notice has appeared in the paper for 4 weeks, the paper will send you a publication certificate.

2. The Publication Certificate has to be filed with the City or County Clerk who issued your business license. Some newspapers will publish your DBA and also file for you after publication. This will save you an additional trip.

CONTACT NEWSPAPERS IN YOUR COUNTY AND ASK :

Do you publish Fictitious Name Statements?

What do you charge for this service?

Do you also file with the City or County Clerk? Is there an addition fee for this?

What information do I need to bring with me in order to complete the Fictitious Name Statement?

SOME LOCAL NEWSPAPERS WHICH FILE FICTITIOUS NAME STATEMENTS ARE :

Contra Costa News Register
1601 North Main,
Walnut Creek, CA
(925) 934-2780 (specializes
in legal publications and
county recordings)

Hills Newspapers Inc.
6208 La Salle Ave. ,
Oakland, CA
(510) 339-8777 (El Cerrito
Journal & other local papers)

West County Times
4301 Lakeside Drive,
Richmond, CA
(510) 758-8400

Fees for filing a Fictitious Name Statement range from \$35 to \$55.

Choosing a name for your business will be one of your most important decisions. If you purchase a franchise, that decision will be made for you. If you buy an existing business, you may want to keep the same name or change to a new one. If you develop your own business, you will also have to develop a business name.

SOME THINGS TO THINK ABOUT IN CHOOSING
A NAME ARE :

1. Is the name appropriate for the type of business? Even though cute and clever names are easily remembered by customers, they may not give a businesslike impression.
2. Does your name describe your business? A business name can be used to advertise your product or service. For example; Royal Office Supply, Anderson's Financial Planning, and Sam's Take-out Ribs tell customers what service or product the company provides. Royal Company, Anderson Associates, and Sam's Place don't describe the business.
3. Is your name restrictive? Try not to make your name so specific that you cannot grow and expand your business without that name losing its descriptive value. You may start by providing one service and later wish to expand into providing related products and additional services. Sam's Take-out Ribs is descriptive; it tells us what food item is provided and that we will be taking it out of Sam's shop. The name will be restrictive if Sam plans to expand his business to include other food items and sit down restaurant service.
4. Is your name too long to fit on computer labels? How would your name be abbreviated or shortened?
5. How does your name translate into other languages?
6. Where will your name appear in directories? Consider the first letter of your name; this will determine its alphabetical listing in directories such as the Yellow Pages. Customers usually look through the first few listings in directories when they are deciding who to call. It is to your advantage to be closer to the A's than the Z's. Ames-Allen Publishing gets first listing in publishing directories. It is a completely fictitious name; no one in the company has the name Ames or Allen.

ACME

SoupTime

Epoch

Nails By Jane

Take Out

FixAll

PERFECTIONS

Connor's

Saddle Up

Shoe Village

WOOD ARTZ

LEGAL STRUCTURE

One of the most important decisions you will make is deciding who will own your business. The term used for this is "legal structure". There are advantages and disadvantages to each form of business organization.

SOLE-PROPRIETORSHIP

A sole-proprietorship is owned by one person. You may have employees to assist you with running the business, but you will be responsible for making the business and financial decisions.

The advantages of a sole-proprietorship are:

- Easy to form
- Less paperwork than a Corporation
- Less expensive to form
- Fewer legal regulations
- The business owner receives all of the profits
- The business income is taxed as personal income
- Total control

The disadvantages are:

- Personal liability for your business' debts
- Heavy responsibility
- Limited ability to get loans

PARTNERSHIP

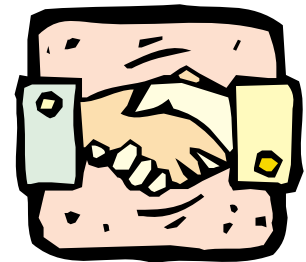
A partnership is a legal business relationship in which two or more people agree to share ownership and management of a business. Each partner owns a percentage of the business. A partnership agreement must be developed before the business opens. It is a contract between the partners that tells how you want your business relationship to work. Partnerships can often have problems as individuals disagree on management and financial issues. The development of a partnership agreement makes the owners talk about issues and make decisions on how to handle them before the business opens its doors. Books in the library can assist you in

The advantages of a partnership are:

- Easier to form than a Corporation
- Less expensive to form; less paperwork
- Shared responsibility
- Expanded financial resources

The disadvantages are:

- Unlimited personal liability
- Transfer of ownership can be difficult



All Partnerships should have a Partnership Agreement. Many friendships and good working relationships have ended over business disagreements. When money enters the picture, friendships are often put aside. Take time and carefully prepare a partnership agreement and have it notarized. In a Partnership Agreement, you will put in writing:

- The purpose of the partnership
- The goals of the partners
- The amount of money each partner will contribute for start-up
- Additional money each partner will contribute during the life of the business
- The way partners will take money out of the business
- The management powers and work responsibilities of each partner
- The methods for settling disputes such as mediation or arbitration.
- The procedure for continuing the company if a partner dies or wants to leave.

A good book which covers these issues is *The Partnership Book* by Dennis Clifford. It is available in the library.

There are some legal advantages to forming as a *Limited Liability Company* or as a *Corporation*. These forms of legal structure offer some protection of personal property in case of a law suit against your business. The following resources are available to help you make your decision:

- Business Consultants
- Accountants
- Lawyers
- The Small Business Administration
- Local Business Development Centers
- Business classes
- Books on Legal Structure (check your local library)



SPECIAL PERMITS

Some businesses require special permits and licenses in order to operate. Your local business license department can give you information about the agencies you will need to contact. You will also want to contact the California Office of Permit Assistance. This office can be reached by calling (916) 322-4245. When you contact COPA, a Business Development consultant will assist you determine the permits you need and the agencies you should contact.

FOOD PRODUCTS AND CATERERS

Food products for sale to the public can not be made in the kitchen of your home; food must be prepared in a licensed commercial kitchen. Contact the following agencies for permit information:

California State Department of Health Services
Food and Drug Branch
185 Berry Street, Suite 260
San Francisco CA 94107
(415) 904-9738

County Environmental Health Department
1111 Ward Street, Martinez,
(510) 646-2521

City Business License and Zoning Departments

CONTRACTORS

Under California law, contractors offering to do work above \$300 must be licensed. A Pocket License is issued by the state and shows the kind of work for which the contractor is licensed and the license expiration date. To get a pocket license, you must:

- have 5 years of journeyman experience.
- pass a written exam that tests your knowledge of trade skills and the law.

Information on licenses and permits is available from:

- Contractors State License Board 1(800)321-2752
- MECA, Inc.
660 Marina Way South,
Richmond CA 94804
(510) 620-0754

MECA operates a builders exchange and plan room and publishes a business and construction weekly. They also have a consulting division that does professional, technical and management consulting.

CHILD CARE PROVIDERS

The following agencies can provide information of the permits and licenses care providers will need.

California Children Services
595 Center Avenue
Martinez, CA
(925) 313-6100

Child Care Council 233-KIDS
This agency can provide information on permits,
marketing, and rates for licensed day care.

Community Care Licensing
(510) 286-7062

SELLER ' S PERMIT

The final seller of a product or a businesses that provides a taxable service is responsible for collecting sales tax. An example of a taxable service is an auto mechanic; tax is not charged on the repair service, but is charged on the parts used in the repair. The sales tax is collected for and paid to the State Board of Equalization. If your business requires you to collect sales tax from your customers, the agency will issue a Seller's Permit. You will be asked to fill out a form which will include information about your business name, legal structure, estimated business income and expenses, your driver's license number, Social Security number. Contact the State Board of Equalization for a copy of the registration form so you will know the information required and by prepared if the application is to be filed in the Agency office. Sometimes this process can be completed by mail.

State Board of Equalization
1001 Galaxy Way, Suite 212
Concord, CA 94524
(925) 687-6962



BANK ACCOUNT

The only way to tell if your business is making a profit is to keep all business money separate from personal money. Your business will need a separate business bank account. All business income in the form of checks and cash must be deposited into that account. Contact banks in the area to see which ones have the services and terms you need. Introduce yourself to the bank manager. Tell the manager or loan officer that you are starting a business and are interested in opening an account with them. Ask if they loan money to your type of business. You may not need a loan at this time. As your business grows, you may need funding to hire employees, buy products or raw materials to fill large orders, or purchase an updated computer system. It will help you to be known by the bank's personnel and to have chosen a bank that will loan to your type of business.

If you are operating your business with a fictitious name, you will be required to give the bank a copy of your DBA Publication Certificate. This proves that you have the right to deposit and/or cash checks made out to that fictitious name.

Even though your main purpose is setting up a business bank account, you may need other banking services. Look at the following list and see what other services you may need.



TAX CONSIDERATIONS

All businesses are required to get a federal identification number from the IRS; this is called an EIN number. Usually, a sole proprietorship with no employees can use the owner's Social Security Number until employees are hired.

When you receive a federal identification number, the IRS will send you quarterly and year-end tax forms. These must be filled out and returned, even if you have no employees.

If you have employees, you must pay federal withholding taxes, F.U.T.A. (unemployment taxes), and F.I.C.A. (Social Security taxes). If you have no employees, you are liable for quarterly estimated income taxes and self-employment tax. The self-employment tax is the same as the Social Security tax that is withheld from an employee's paycheck. It is the business owners' contribution to Social Security.

The IRS provides information for business owners. Call them at 1 (800) 829-1040 and ask for:

- Tax kit for your business' legal structure
- Information on estimated tax
- Federal identification number application form

Also contact the California State Franchise Tax Board for information on state taxes and estimated tax payments. Call the Board at 1 (800) 852-5711 or 1 (800) 338-0505



THE BUSINESS PLAN

A business plan is a written document prepared by the owner. The plan describes the business, the product and the marketing strategy of the business. Financial projections are included. Banks and investors require the business plan. The plan tells the reader "here are the steps I will take to get to another place and here are the **projected** results of those steps".

The business plan will include prior activity and most importantly it includes estimated or projected future activity. The process of preparing a business plan assists the owner in evaluating the reasonableness of his projections. The plan will serve as a guide for the owner. Most successful businesses operate with a plan or budget.

Many business owners obtain assistance in the preparation of their business plans. The local Small Business Development Centers, Small Business Administration, the business sections of local libraries, and the Internet provide business plan information and assistance. Business consultants and accountants also provide such assistance for a fee. The input of the owner to the plan is vital. Investors and lenders are relying on the owner to be knowledgeable about every aspect of the business plan.

ELEMENTS OF A BUSINESS PLAN

I Executive Summary

A brief description of the business and a summary of the contents of the business plan.

I Description of the Business

A detailed description of the products sold or services offered. An industry overview. The target customer, competition and the marketing strategy. The management and personnel.

III Financial Section

Pro forma cash flow statements, past and projected. Use of desired funding. Income statements, balance sheets, sales forecasts and other related financial data. Existing businesses must include prior year's financial statements.

IV Supporting Documents/Appendixes

Market research, letters of reference, personal resumes and any additional data to assist the readers of this plan in understanding you and your business.



CITY OF SAN PABLO

One Alvarado Square, San Pablo, CA 94806
Finance Division (510) 215-3020
Business License Division (510) 215-3010
Fax (510) 235-7059

BUSINESS LICENSE APPLICATION

New _____ Renewal _____ Change _____
If change of ownership, list previous owner/business name _____

BUSINESS NAME _____ START DATE _____
BUSINESS ADDRESS _____ APT/SUITE NO. _____
CITY & STATE & ZIP _____
PHONE NO. (____) _____ BUSINESS TYPE _____

MAILING INFORMATION IF DIFFERENT THAN ABOVE:
MAILING ADDRESS _____
CITY & STATE _____ ZIP CODE _____

OWNERS NAME _____ PHONE NO. (____) _____
ADDRESS _____ APT/SUITE NO. _____

CITY & STATE & ZIP _____
WORKING OUT OF YOUR HOME? _____ OWNERS SOCIAL SECURITY NO. _____
FEDERAL ID NO. _____ STATE ID NO. _____

RESALE/STATE BOARD NO. _____
STATE CONTRACTORS NO. _____
OWNERSHIP TYPE: (CHECK ONE) SOLE PROPRIETOR _____ PARTNERSHIP _____ CORPORATION _____

Permission from the property owner is required before license will be issued.
I am the property owner and give the above person(s) permission to conduct
business at the above address.

Property owner signature _____ date _____

YEARLY FEE:		QUARTERLY FEE: (Contractors Only)	
Basic Minimum Fee	\$106.00	Minimum Fee	\$66.00
2-24 Employees @ \$20 each	_____	Per Employee @ \$6.75 each	_____
Over 25 Emp. @ \$13.50 each	_____	Total Fee	\$_____
Additional Fees (see Fee Schedule)	_____		
Late Penalties (1mo 20%; 2mo 30%; 3mo.50%)	_____		
Total Yearly Fee	\$_____		

I DECLARE THAT I AM THE OWNER AND/OR EMPLOYEE OF THE BUSINESS DESCRIBED, AND
TO THE BEST OF MY KNOWLEDGE THE INFORMATION CONTAINED ON THIS APPLICATION IS
TRUE AND CORRECT.

SIGNATURE _____ DATE _____

ZONING DEPT. USE: Home Occupat. Permit required:
Yes No License Approved Denied
By _____ Date _____

FINANCIAL STATEMENTS

Financial statements are the documents that reflect the financial condition of a business. Financial statements reflect both past financial activity and they are also estimated or projected for future financial activity. Various persons require the financial statements of a business; owners, lenders, potential investors and taxing authorities.

The goal of most businesses is to make a profit. Profit is defined as the excess of revenue or sales over expenses. The document that reflects the amount of profit a business made or plans to make is referred to as an **Income Statement or Profit and Loss Statement**.

Income Statement shows how much revenue and expenses was incurred by a business over a period of time. The expenses are listed and subtracted from the revenue or sales and the amount of net income or loss is shown. The maximum period of time an income statement will cover is one year.

In addition to the income statement there are other financial statements required of a business.

Balance Sheet The statement that reflects the amount of assets owned by a business, the debts or liabilities of a business and the owners equity in the business. **Assets** are items of value owned by the business. The business is viewed as a separate entity for accounting purposes. **Liabilities** are the debts, amounts owed by the business. **Owners Equity or Capital** represents the amount of assets the owner invested in the business plus the net profit retained in the business.

Statement of Owners Equity This statement shows how much personal funds the owner has placed in the business and or taken out of the during a particular period of time. In addition this statement shows the increase or decrease in owners equity due to net income or net loss.

Cash Flow Statement This statement reflects all the sources of cash inflow to a business, customers, owner, loans, sale of assets, etc. and the uses of all the cash outflows. Cash outflows are typically used for operating expenses, debt repayment, purchase of asset, owners personal withdrawals, etc. Note that credit sales and purchases would not be included in the cash flow statement.

Projected Financial Statements Business plans and loan applications usually required estimated or projected financial statements. Lenders in particular want to see how much cash flow and profits the business anticipates generating over the life of the loan. It is important for the business owner to review projected financial data **prior** to making major operational decisions.

SAMPLE FINANCIAL STATEMENTS

**Tasty Catering Service
Income Statement
For the Year Ended December 31, _____**

Revenue		
Catering services		\$68,000
Restaurant sales		12,000
<i>Total revenue</i>		<i>\$80,000</i>
 Expenses		
Salaries	\$25,000	
Food	16,000	
Kitchen rental	12,000	
Insurance	3,000	
Advertising	1,000	
Supplies	1,000	
Miscellaneous	1,000	
<i>Total expenses</i>		<i>\$59,000</i>
 Net Income		 \$21,000

**Tasty Catering Service
Balance Sheet
December 31, _____**

Assets		Liabilities	
Cash	\$5,000	Accounts Payable	\$2,000
Supplies	1,000	Notes Payable	6,000
Equipment	6,000	Total Liabilities	8,000
Van	20,000		
		 Owners Equity	 \$24,000
		Total Liabilities &	
Total Assets	\$32,000	Owners Equity	\$32,000

**Tasty Catering Service
Statement of Owners Equity
For the Year Ended December 31, _____**

Capital Balance January 1, _____	\$20,000
Net Income	21,000
	41,000
Subtotal	41,000
Less: owners drawings	17,000
	\$24,000
Capital balance December 31, _____	

**Tasty Catering Service
Cash Flow Statement
For the Year Ended December 31, _____**

Cash flow from operations	
Receipts from Customers	\$80,000
Disbursements for operating expenses	59,000
	\$21,000
Cash flow from operations	
Cash Flow from financing activities	
Reduction of Notes Payable	5,000
Owners withdrawals	17,000
	(22,000)
Cash flow from financing activities	
Net decrease in cash flow	(1,000)
Beginning cash balance	6,000
Ending cash balance	\$5,000

ACCOUNTING SUPPORT

Most non-accountants are not familiar with financial statements and would have great difficulty in preparing them without the assistance of a trained accountant. To familiarize yourself with accounting terminology and use consider taking a short-term course or workshop. You may refer to your local library, bookstores and Internet for accounting books and reference materials. If you have started your business, you should consider hiring a bookkeeping service or accountant.

Banks and other lending institutions often require financial statements that are reviewed or audited by a certified public accountant. Ask businesses that you frequent for a referral to their accountant. Your local Business Development Center and or Chamber of Commerce can also refer you to an accountant or bookkeeping service.

Maintain all business receipts, invoices and cancelled checks. At minimum open a separate checking account for your business. You must be able to document all business expenses for tax reporting purposes. Taxes must be withheld from employees pay, therefore have your accounting system established prior to hiring employees.

Additional federal tax forms that are required for small businesses are the "Schedule C" and the "Schedule SE." The samples on the following pages reflect the reporting of business income and self employment tax liability.



Schedule C
(Form 1040)

Profit or Loss from Business
(Sole Proprietorship)

OMB No. 1545-0074

1999
09

Department of the Treasury
Internal Revenue Service (99)

Partnerships, joint ventures, etc. must file Form 1065 or Form 1065-B.
Attach to Form 1040 or Form 1041. See instructions for Schedule C (Form 1040).

Name of Proprietor Jane B Doe		Social Security Number (SSN) 044-11-7248
A Principal Business or Profession, Including Product or Service (see instructions) Service: Catering		B Enter Code from Instructions
C Business Name. If No Separate Business Name, Leave Blank. Tasty Catering Service		D Employer ID Number (EIN), If Any 99-9999999
E Business Address (include suite or room no.) City, Town or Post Office, State, & ZIP Code 2600 Mission Bell Drive San Pablo, Ca. 94806		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you 'materially participate' in the operation of this business during 1999? If 'No,' see instructions for limit on losses ... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 1999, check here ▶		

Part I Income		
1 Gross receipts or sales. Caution: If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here ... ▶ <input type="checkbox"/>	1	80,000.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	80,000.
4 Cost of goods sold (from line 42 on page 2)	4	
5 Gross profit. Subtract line 4 from line 3	5	80,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	80,000.

Part II Expenses. Enter expenses for business use of your home only on line 30.		
8 Advertising	8	1,000.
9 Bad debts from sales or services (see instructions)	9	
10 Car and truck expenses (see instrs)	10	
11 Commissions and fees	11	
12 Depletion	12	
13 Depreciation and Section 179 expense deduction (not included in Part III) (see instructions)	13	
14 Employee benefit programs (other than on line 19)	14	
15 Insurance (other than health)	15	3,000.
16 Interest:		
a Mortgage (paid to banks, etc)	16a	
b Other	16b	
17 Legal & professional services	17	
18 Office expense	18	
19 Pension and profit-sharing plans	19	
20 Rent or lease (see instructions):		
a Vehicles, machinery, and equipment	20a	
b Other business property	20b	
21 Repairs and maintenance	21	
22 Supplies (not included in Part III)	22	1,000.
23 Taxes and licenses	23	
24 Travel, meals, and entertainment:		
a Travel	24a	
b Meals and entertainment		
c Enter nondeductible amount included on line 24b (see instructions)		
d Subtract line 24c from line 24b	24d	
25 Utilities	25	
26 Wages (less employment credits)	26	25,000.
27 Other expenses (from line 48 on page 2)	27	29,000.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	28	59,000.
29 Tentative profit (loss). Subtract line 28 from line 7	29	21,000.
30 Expenses for business use of your home. Attach Form 8829	30	
31 Net profit or (loss). Subtract line 30 from line 29.		
• If a profit, enter on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.		
• If a loss, you must go on to line 32.		
32 If you have a loss, check the box that describes your investment in this activity (see instructions).		
• If you checked 32a, enter the loss on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.		
• If you checked 32b, you must attach Form 6198 .		
	31	21,000.
	32a	<input checked="" type="checkbox"/> All investment is at risk.
	32b	<input type="checkbox"/> Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 1999

**Schedule SE
(Form 1040)**

Self-Employment Tax

OMB No. 1545-0074

▶ See instructions for Schedule SE (Form 1040).

1999

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040.

17

Name of Person with Self-Employment Income (as shown on Form 1040)

Social Security Number of Person
with Self-Employment Income ▶

044-11-7248

Who Must File Schedule SE

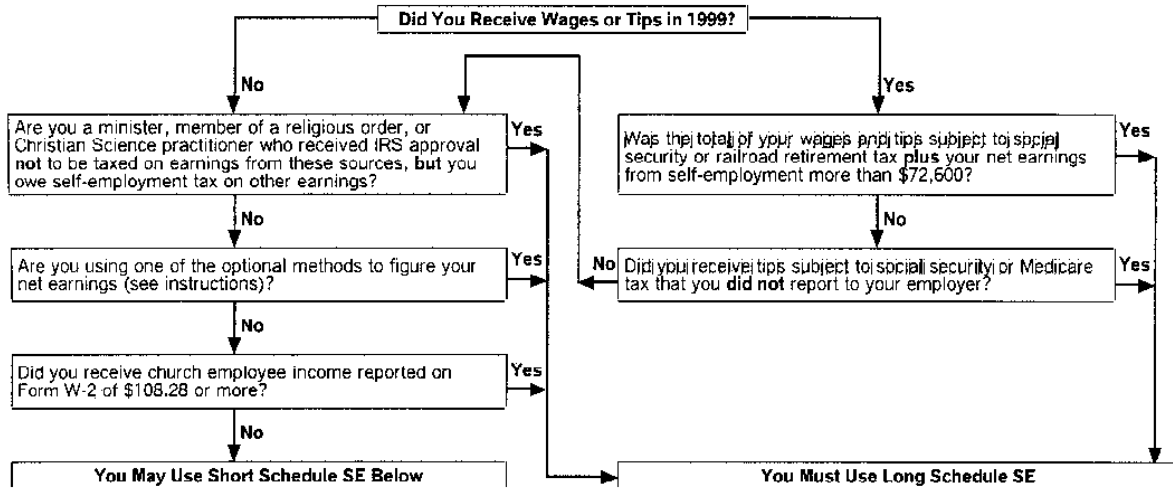
You must file Schedule SE if:

- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **Or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is **not** church employee income. See instructions.

Note: Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either 'optional method' in Part II of Long Schedule SE. See instructions.

Exception: If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner, and you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write 'Exempt - Form 4361' on Form 1040, line 50.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



Section A – Short Schedule SE. Caution: Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a	1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see instructions for amounts to report on this line. See instructions for other income to report	2	21,000.
3	Combine lines 1 and 2	3	21,000.
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	4	19,394.
5	Self-employment tax. If the amount on line 4 is: • \$72,600 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 50. • More than \$72,600, multiply line 4 by 2.9% (.029). Then, add \$9,002.40 to the result. Enter the total here and on Form 1040, line 50.	5	2,967.
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	1,484.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 1999

City of Richmond
Business Start-up Check List

Permit License

Issuing Agency

BUSINESS LICENSE

All businesses/persons conducting business of any kind in Richmond are required to have a City of Richmond Business License. New businesses are required to receive clearances from the Planning Building, and Fire Departments prior to being issued a business license.

License applications must be processed in person in order to receive the proper clearances. A free schedule is available from the Finance Department Business License Unit.

City of Richmond Finance Department

Business License Unit
2600 Barrett Avenue
Richmond, CA 94804
(510) 620-6742

FICTITIOUS BUSINESS NAME STATEMENT

If you will conduct business under a name other than your legal name, you will need to file a Fictitious Business Name Statement with the County Clerks Office.

County Clerks Office

822 main Street
Martinez, CA 94553
(925) 646-2954

SALES AND USE/SELLER'S PERMIT

If you will be selling tangible personal property in the State of California, you must apply for a Sales and Use Permit.

Board of Equalization

1515 Clay Street #303
Oakland, CA 94612
(510) 622-4100

HEALTH PERMIT

A Health Permit is required for businesses which dispense food to the public. The permit must be obtained prior to opening.

County Health Department

2120 Diamond Boulevard #200
Concord, CA 94520
(925) 646-5225

ALCOHOLIC BEVERAGE LICENSE

If you want to sell alcoholic beverages from your business, you must obtain an Alcoholic Beverage License. The type of license needed will depend if you sell for on site or off site consumption/use.

Department of Alcoholic Beverage Control

7677 Oakport Street #200
Oakland, CA 94621
(510) 639-0628

STATE INCOME TAX/

CORPORATE INCOME TAX

Every business in the State of California is required to submit an annual tax statement to the Franchise Tax Board.

Franchise Tax Board

1970 Broadway
Oakland, CA 94612
(800) 852-5711

FEDERAL INCOME TAX

For information regarding employee withholdings, self employment tax, sole proprietorship, partnership and Corporation taxes, contact the Internal Revenue Service (IRS).

Internal Revenue Service (IRS)

21 Broadway Street
Oakland, CA 94612
(800) 829-1040

EMPLOYER REGISTRATION

If you hire employees, you must register with the State Employment Development Department within 15 days after your employees are hired.

Employment Development Department

3478 Buskirk Avenue #215
Pleasant Hill, CA 94523-4345
(925) 977-8265

MISCELLANEOUS

Child Care State License	(510) 286-7062
Contractors State License Board	(800) 321-2752
Richmond Planning Department	(510) 620-6706
Richmond Building Department	(510) 620-6868
Richmond Fire Department	(510) 307-8031
Richmond Police Department (Permits)	(510) 620-6675
Richmond Redevelopment Agency	(510) 307-8140
Richmond Chamber of Commerce	(510) 234-3512
Small Business Administration	(415) 744-1628
Pacific Gas and Electric	(800) 743-5000
Water Utility-East Bay MUD	(510) 232-5051
Telephone-Pacific Bell	(800) 310-2355
Exporting	(415) 705-2230
Importing	(415) 705-4340
County Business License	(925) 646-4122

RESOURCES

CHAMBERS OF COMMERCE

El Cerrito Chamber of Commerce
10848 San Pablo Avenue
El Cerrito, CA 94530
(510) 233-7040

El Sobrante Chamber of Commerce
3817 San Pablo Dam Road, Suite 330
El Sobrante, CA 94803
(510) 223-0757

Richmond Chamber of Commerce
3925 Macdonald Avenue
Richmond, CA 94805
(510) 234-3512

San Pablo Chamber of Commerce
One Alvarado Square
San Pablo, CA 94806
(510) 234-2067



WEBSITES

Websites useful to small business owners.

Site Address	Comments
www.contracosta.cc.cc.us	short-term business class schedule
www.sbdcc.net	business links, taxes, demographics
www.ci.richmond.ca.us	City of Richmond department information
www.sba.gov	U.S. Small Business Administration
http://dir.yahoo.com/Business_and_Economy/Small_Business_Information	business plan, variety of related information
www.entrepreneurmag.com	variety of small business information
www.celcee.edu	extensive entrepreneurial database

LOCAL RESOURCES

For information on business ownership and types of businesses, contact the business reference librarian at your local library:

Contra Costa Library El Cerrito Branch 6510 Stockton Street El Cerrito, CA 94530 (510) 526-7512	Richmond Main Library 325 Civic Center Plaza Richmond, CA 94804 (510) 620-6561	(510) 374-3998 Contra Costa Central Library 1750 Oak Park Boulevard, Pleasant Hill, CA 94523 (925) 646-6434
Contra Costa Library El Sobrante Branch 4191 Appian Way El Sobrante, CA 94803 (510) 374-3991	Contra Costa Library San Pablo Branch 2101 Market Avenue San Pablo, CA 94806	

For information on programs and services for individuals interested in starting a business, contact the following:

Contra Costa College Business Department Entrepreneurial Training Center 2600 Mission Bell Drive San Pablo, CA 94806 (510) 235-7800, Ext. 4322	Contra Costa Small Business Development Center 22425 Bisso Lane, Suite 270C Concord, CA 94520 (925) 646-5377
West County Business Development Center Development Corporation 334 11th Street Richmond, CA (510) 236-3788	Small Business Administration, San Francisco District Office Business Information Center 4455 Market Street, 6th Floor San Francisco, CA 94105 (415) 744-4242

SCORE

(Service Corp of Retired Executives)

These counselors are retired business owners and managers who volunteer their time to provide free business counseling to new and existing business owners. An appointment can be arranged with them by contacting the Richmond Chamber of Commerce at (510) 234-3512.

GO FOR IT!

This brochure is dedicated to all persons who dream of owning a business. Take the time to gather all the information, use all the resources available to you and be patient. You possess what is the key to your success, "your business idea and your determination."

We are here to support you in making your dream a successful business.

Barbara Williams, CPA

CREDITS

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