

BUSINESS SURVIVAL KIT



Provided by the Altavista Area Chamber of Commerce and Altavista On Track
Compiled by Group One Associates, Inc. and updated 9-13

INTRODUCTION

Congratulations to you for opening your own business or exploring the possibility! Business ownership, like any other endeavor, is full of ups and downs. The information contained in this guide will assist in exploring the many aspects involved in operating a business. While it cannot address every possible scenario an entrepreneur may encounter, it does provide a basic overview of key areas of importance to all companies.

A business owner must also recognize that a critical part of operating a company is knowing when to seek outside assistance. Ideally, prudent entrepreneurs will surround themselves from the beginning with a team of professionals that may include, but not be limited to, a banker, insurance agent, lawyer, marketing contact, business consultant, and accountant. Spending time up front with these experts will save time and money in the long run. Staying in touch throughout the year if only to briefly touch base will enable them to provide the best service.

Additionally, compiling a business plan should be a top priority for a current or prospective entrepreneur. Between 70-90% of businesses fail during the first three years of operation and the number one reason for failure may be attributed to lack of planning. Many of these failures may have been alleviated if the owner had a realistic understanding of all the practices and activities necessary to operate a successful business. Identifying these factors before launching a business enables the entrepreneur to create an action plan to address each area and to operate from a proactive versus reactive mode.

The benefits and sections of a business plan are presented in more detail within this guide. Creating this document and updating it at least annually, will greatly assist an owner with the many challenges faced on a daily basis and with long-range planning.

To follow are many additional listings of assistance available to the new or aspiring entrepreneur and other pertinent business and statistical information. Use these resources as a tool to help build a strong business foundation. The additional time and effort expended in the earliest stages of a business usually translates to time well spent in the long term.

PROFILE OF AN ENTREPRENEUR

- Knowledgeable and experienced in the type of business one plans to start.
- Ability to work 12-16 hours per day seven days a week if necessary.
- Able to work for little or no salary for indefinite periods of time.
- Willing to delay or postpone vacations.
- Possesses sufficient personal cash reserves to inject into the business.
- Has the support of family and friends.
- Works well with all types of people such as, but not limited to, employees, suppliers, business and other professionals, town, state, and federal government representatives, and most importantly customers or clients from every walk of life.
- Ability to multi-task and wear a variety of "hats".
- Organized and focused.
- Ability to work independently under stressful conditions and stringent deadlines.
- Able to juggle daily business activities while simultaneously looking ahead at the "big picture".
- Readily accepts criticism.
- Learns from past mistakes.
- Ability to keep accurate and current business records as required for a specified business.
- Ability to prioritize quickly and often.
- Confident, energetic, enthusiastic, and possessing a positive attitude.
- A good sense of humor is always helpful.

*Business owners unable to meet any of the above must honestly assess how that gap will be filled. Also, there is no guaranteed recipe for success. Virtually all ventures take longer and cost more than the entrepreneur ever envisioned. Plan accordingly!

Steps to Starting a Business in Campbell County

All individuals or organizations wishing to start a business in Campbell County must contact the Community Development office and the Commissioner of the Revenue's office. The following information is provided to help guide you through the process. Starting a Business in Campbell County is also available on the Campbell County Economic Development website at www.campbellvirginia.com.

Step One: Community Development

The permit required by the Community Development office prior to operating a business depends upon the zoning classification of the property and the business type.

Home Occupation Permit

A zoning home occupation permit is required for all home-based businesses locating in residential and agricultural districts. The applicant is required to sign a Home Occupation permit certifying that he/she agrees to comply with all Campbell County home occupation ordinances.

Applicant Information Required

1. Owner of property
2. Type of business
3. Intensity of business
4. Payment of all outstanding real estate taxes

NOTE: If the applicant is **NOT** the property owner, a letter signed by the property owner allowing the operation of the business on the property must be provided at the time of application.

Occupancy Permits

A zoning/building permit is required for all zoning districts.

Change of Occupancy- Permit required for a change of occupancy in an existing building with the same type of business.

Change of Use & Occupancy- Permit required for a change of occupancy in an existing building with a different type of business.

Applicant Information Required

1. Owner of property
2. Type of business
3. Intensity of business
4. Payment of all outstanding real estate taxes

NOTE: If the applicant is **NOT** the property owner, a copy of the lease agreement allowing the operation of the business on the property must be provided at the time of application.

The following applies to both Home Occupation and Occupancy Permits:

The applicant must provide information regarding the type of business to be operated on the property (examples: professional office, beauty salon, machine shop, restaurant, etc.).

The applicant must provide information regarding the INTENSITY of the business proposed. Information regarding the expected levels of traffic, types of machinery involved and manufacturing processes proposed must be provided at the time of application.

All food related businesses (service or manufacturing) MUST contact the Health Department and the U.S. Department of Agriculture prior to the

application of Occupancy Permits to ensure health and U.S.D.A. requirements are met. If public water and/or sewer are available at the business site, CCUSA should be contacted to ensure all requirements can be met.

All delinquent property taxes MUST be paid in full before the issuance of any permits.

State law requires that individuals or organizations in the construction industry may require a Class A, B, or C contractor's license issued through the Virginia Department of Professional & Occupational Regulation (www.dpor.virginia.gov) depending upon the type of work performed.

Applicants for Home Occupancy or Occupancy Permits must apply in person at the Campbell County zoning office. When in doubt, call prior to visiting the zoning office to ensure all application requirements can be met at that time.

While there is no charge for zoning permits, permits issued by the Building Inspections Office do require a fee. All fees must be paid by cash, check or money order. Credit cards are **not** accepted at this time.

Contact Information

Campbell County Community Development
85 Carden Lane
Citizens Services Building
P O Box 100
Rustburg, VA 24588
Telephone: (434) 332-9597
Fax: (434) 332-9693
www.co.campbell.va.us

Step Two: Commissioner of the Revenue’s Office

After receiving a Home Occupation or Occupancy Permit from the Campbell County Zoning office and/or Building Inspections Office, individuals or organizations wishing to start a business must apply for a Business License with the Commissioner of the Revenue’s Office.

Business License Application- Information required:

1. Federal Employer Identification Number (FEIN) or social security number
2. Applicant name
3. Mailing address
4. Physical address (location of the business)
5. Type of operation
6. Telephone numbers
7. Contact person
8. Estimate the gross receipts of the operation for the remaining months in the calendar year. This determines the business license fee (see schedule).

Fee Chart

Rate Chart

Amt. Gross Receipts	License Fee	License Type	Tax Rates: Per \$100 of Gross Receipts
\$0.00-\$14,999.99	\$20 License Fee	Wholesalers	\$.05
\$15,000-\$29,999.99	\$30 License Fee	Public Utilit.	\$.50
\$30,000-\$99,999.99	\$40 License Fee	Contractors	\$.16
Over \$100,000	See Rate Chart	Retailers	\$.20
		Personal	
		Ser. & Rep.	\$.35
		Professional	
		Services	\$.50
		*Wholesales file for business licenses based upon gross purchases.	

The Commissioner of the Revenue's office accepts cash, check or money orders for payment of business license fees. Credit cards are not accepted at this time.

Step Three: Circuit Court Clerk's Office

Once the business license application is submitted with the required fees, the applicant must register his/her Trade or Fictitious Name with the Campbell County Circuit Court Clerk's office if the business will be operated under a name other than that list on the business license application.

Register the trade or fictitious name- information required:

1. The trade name
2. Name and address of the applicant
3. Physical address of the business operation
4. Type of business
5. The entity type (sole proprietorship, partnership, corporation, etc.)
6. Signature notarized or signed before Deputy Circuit Court Clerk. Submit name registration form to the Circuit Court Clerk's office with \$10.00 fee (\$12.50 for corporation). Payment accepted by cash, check, or money order. Corporations must also submit an attested copy of the trade name registration form to the State Corporation Commission.

Step Four: Issuance of Business License

Once the applicant registers their trade or fictitious name with the Circuit Court Clerk's office, the applicant must submit both the Trade Name Registration and Occupancy Permit (Zoning) to the Commissioner of the Revenue's office.

The Commissioner of the Revenue's office will issue a business license after all requirements are met.

PLEASE NOTE:

All delinquent personal property taxes must be paid in full before any business licenses are issued.

The Commissioner of the Revenue's office can assist applicants appearing in person with obtaining a Federal Employer Identification Number, completing the Name Registration Form and with obtaining a Virginia Sales Tax account number.

The Commissioner of the Revenue's office provides federal, state, and local tax forms to individuals and businesses.

Total processing (Zoning, Commissioner of the Revenue, and Circuit Court Clerk's office) averages 45-60 minutes

Please see Campbell County Code Section 14 for information on possible penalties for not obtaining proper permitting or licenses.

Contact Information

Campbell County Commissioner of the Revenue's Office
Calvin Massie, Commissioner of the Revenue
Michele Roakes, License Administrator
85 Carden Lane
Citizen Services Building
P O Box 66
Rustburg, VA 24588
Telephone: (434) 332-9584
www.co.campbell.va.us

BUSINESS INFORMATION & NUMBERS

***PLEASE NOTE THAT ALL INFORMATION AND NUMBERS ARE SUBJECT TO CHANGE.
ALLOW ADEQUATE TIME TO RESEARCH INDIVIDUAL BUSINESS CIRCUMSTANCES.**

Air Pollution Control Hazardous Materials Permit	Facilities emitting gases or particles. Facilities with air emissions units (Incinerators, dry cleaners, certain fuel burners, etc.). Facilities using/ operating with any hazardous material.	Campbell County Department of Health Environmental Services (434) 332-9550 Virginia Department of Environmental Quality (434) 582-5120 Campbell County Fire Marshall (434) 332-9540 Virginia ABC Board (804) 213-4400 Campbell County Building Inspections (434) 332-9596
Alcoholic Beverage Licenses	All selling alcoholic beverages.	Commissioner of the Revenue's Office (434) 332-9518
Building Permits	Anyone erecting a structure or modifying building structures. Town residents must obtain a zoning permit before a building permit will be issued.	Virginia State Corporation Commission (804) 371-9967
Business, Professional & Occupational Licenses (BPOL)	All businesses located or operating in Campbell County	
Certificates of Authority	Contractors doing business in VA but incorporated elsewhere	

Contractor Licenses	Practicing electrical, mechanical (heating, ventilation and air conditioning), plumbing and home improvement contractors.	Virginia Department of Professional & Occupational Regulation. (804) 367-8500
Electrical Permits	Those installing or replacing electrical equipment.	Campbell County Building Inspections (434) 332-9596
Employer ID Number	Businesses required to file Federal tax documents	Internal Revenue Service (800) 829-1040 or (800) 829-4933
Food Service Permits	All food establishments.	Campbell County Dept. of Health (434) 332-9550 U.S. Dept. of Agriculture (202) 720-2791
Home Occupation Permit	Businesses located in residential dwellings.	Campbell County Comm. Dev. Office (434) 332-9597
Mechanical Permits	Those installing or replacing mechanical equipment.	Campbell County Building Inspections (434) 33-9596
Plumbing Permits	Those installing or replacing plumbing equipment.	Campbell County Building Inspections (434) 592-9596
Occupancy Permit	Those building new facilities for business use, changing the use of a building or changing the business of an existing commercial building.	Campbell County Comm. Dev. Office (434) 332-9597
State Occupation/Business Lic.	Occupations and professions that require state licensure.	Various state agencies (804) 786-0000

Trade Name Registration	Businesses operating under a trade or fictitious name.	Campbell County Circuit Court Clerk's Office (434) 332- 9517
Trademark Registration	Any person who owns/uses a trademark in Virginia	Virginia State Corporation Commission (804) 371-9610
Town of Altavista Community Development		
Building Inspections	(434) 332-9597	
Zoning	(434) 369-5001	
Addressing	(434) 369-5001	
Business Licenses	(434) 369-5001	
Economic Development	(434) 369-5001	
Treasurer's Office	(434) 369-5001	
Campbell County Circuit Court Clerk's Office		
Trade Name Registration	(434) 332-9517	
Campbell County Commissioner of the Revenue's Office		
Business Licenses	(434) 332-9518	
Campbell County Community Development		
Building Inspections	(434) 332-9596	
Zoning	(434) 332-9597	
Addressing	(434) 332-9639	

Campbell County Economic Development
Economic Development (434) 332-9595

Campbell County Health Department
Environmental Services (434) 332-9550

Campbell County Public Safety
Fire Marshall (434) 332-9540

Internal Revenue Service
Employer ID Number (800) 829-1040

Virginia Department of
Environmental Quality
Lynchburg Office (434) 582-5120

Virginia Department of
Taxation
VA Tax ID number (804) 367-8036

Virginia State Corporation
Commission
SCC (800) 552-7945

Altavista On Track (434) 401-9729
www.AltavistaOnTrack.com

Altavista Chamber of Commerce (434) 369-6665
www.altavistachamber.org

Campbell County Economic Development
www.campbellvirginia.com (434) 332-9595

Town of Altavista
www.AltavistaVA.gov (434) 369-5001

* Region 2000 Small Business Development Center
www.cvcc.vccs.edu (434) 832-7607

U.S. Business
www.business.gov 1-800-FED-INFO

U.S. Department of Agriculture
www.usda.gov (434) 332-6640

Internal Revenue Service
www.irs.gov (800) 829-1040

Virginia Department of Business Assistance
www.dba.virginia.gov (804) 371-8200

Virginia Department of Environmental Quality
www.deq.virginia.gov (434) 582-5120

Virginia Department of Taxation
www.tax.virginia.gov (804) 367-8036

Virginia State Corporation Commission

www.scc.virginia.gov

(800) 552-7945

* A representative from Region 2000 Small Business Development Center provides free business consultations one day each month to new and existing business owners. Contact the Altavista Area Chamber of Commerce at (434) 369-6665 to schedule an appointment.

If you have additional questions or need assistance please contact the Altavista Area Chamber of Commerce (434) 369-6665, Altavista On Track (434) 401-9729 or Region 2000 Small Business Development Center (434) 832-7607.

Creating a Business Plan

Why does one even need a business plan? The business plan provides five major benefits:

- Determines the feasibility of an idea (reality check).
- Provides direction and focus to the owner(s).
- Assists the owner by providing a method to measure the stability and/or growth of the business.
- Required to obtain any type of financing.
- Serves as a “business resume” to related third parties such as vendors, leasing companies, etc.

Three Major Sections of the Business Plan:

- The Business
 1. Description of the business
 2. Products/services offered
 3. The market for the product and or services/promotion
 4. Competition
 5. Operating procedures
 6. Location
 7. Decision makers
 8. Personnel/professional staff
- Financial information
 1. Projected income on a monthly basis for year one and annually years two and three.
 2. Cash flow projections on a monthly basis for year one.
 3. Projected balance sheet for year one.
 4. Assumptions for all projections.
 5. Break-even analysis.
 6. Personal financial statements for each owner or shareholder.
 7. Equipment list

- Supporting information
 1. Tax returns of borrowers
 2. Leases/Legal Documents/Franchise Agreement/Licenses
 3. Purchase Agreements
 4. Other relevant information such as blueprints, store layout, etc.

BUSINESS PLAN RESOURCES ON THE INTERNET*

www.bplans.com

www.planware.org

www.businessplans.org

www.bizplanit.com

www.paloalto.com

www.vfinance.com

www.sba.gov

www.Toolkit.com

www.entrepreneur.com

* Sites have sample business plans for various types of businesses, financial calculators, and financial statement templates, as well as useful suggestions and tips for effective business plan writing.

Marketing Plan Outline

- I. Identification of products and services to be provided by the business.
- II. Company history
 - a. Identification of target markets and how they will be reached.
 - b. Demographic profile of customer base
 - c. Future markets to be explored
 - d. Market coverage (local, regional, national international)
 - e. Industry trends
 - f. Market research (primary and secondary)
- III. Projected business revenue patterns (seasonality issues, industry business cycles, etc.)
- IV. Pricing policies and considerations
- V. Direct/Indirect competitive analysis
- VI. Promotion Strategies
 - a. Current marketing programs
 - b. Future marketing activities
 - c. Description of how impact of each will be measured
 - d. Associated timelines

Legal Issues

The form of business ownership chosen is dependent on a variety of factors. Options include sole proprietorship, partnership, C-corporation, S-corporation, Limited Liability Company, and Professional Corporation among others. The main factors involved in this choice pertain to tax issues and protection from personal liability. Choosing the proper organizational form for a business provides a layer of protection for that company and the owners. It is advisable to consult with an attorney and CPA before making a final decision.

Other areas that may require the services of an attorney include the purchase of property, obtaining a loan, tax issues, employment issues, litigation, financial difficulties, and disposing of business assets. An attorney can also assist in complying with the Uniform Commercial Code of Virginia.

Insurance Issues

Choose a commercial insurance agent who is familiar with your type of business and can advise you on the types of coverage and amounts required. Types of insurance include building, personal property (inventory, equipment, etc.) general liability, worker's compensation, bonding, commercial vehicle, life insurance, business interruption, and health insurance. Having the proper types and amounts of insurance in force is crucial to providing another layer of protection for the business and its owners.

Business Registration Issues

I. Business Entity types

- Sole Proprietorship- Is the easiest to start and the most common type of business. It is owned and operated by one person who receives all the profits and is personally liable for all losses.
- Partnership- Is an entity owned by two or more persons who operate a business for profit as co-owners. Each person contributes money, property, labor, and/or skills, and agrees to share in the profits or losses of the business. Each partner is personally liable for all losses.
- C-Corporation- Is more difficult and expensive to form but offers some tax and liability advantages. Ownership is divided into shares of stock.
- S-Corporation- Same as C-Corporation except profit or loss is passed through to the shareholders of the company. Many small companies choose this option but it is advisable to consult an attorney before making the determination.
- Limited Liability Company- Owners have the limited liability like a corporation, but the business is treated like a partnership for income tax purposes.

II. State Corporation Commission Registration

- Sole Proprietorship- No filing required and if the business operates under a fictitious name it must be registered with the Clerk of Circuit Court of the county or city where business will be transacted.
- Partnership- A partnership certificate must be signed and filed with the Clerk of Circuit Court in the county or city where business will be conducted.
- Limited Partnerships, Corporations, Limited Liability Companies, etc. Must complete Articles of Incorporation or Articles of Organization and file with the State Corporation Commission. The charter fee for a stock corporation is based on the number of authorized shares of stock shown in the articles of incorporation. The rate is \$75 for the first 25,000 shares of stock, \$50 for each additional 25,000 shares, and \$25 for filing the Articles of Incorporation and an annual registration fee (please note that all fees are subject to change).

III. Federal Employer Identification Number (EIN)

Sole proprietors with no employees may operate a business using the proprietor's social security number. A federal identification number must be obtained if:

- You are a sole proprietor with at least one employee or a Keogh Plan.
- The business is a partnership.

- The business is a corporation.
- You are the new owner of an existing business that is required to use a federal identification number (the former owner's may not be used).
- You are a sole proprietorship who enters into a partnership or corporation.
- The partnership or corporation must obtain its own federal identification number.

IV. Virginia Unemployment Commission

The business is subject to Virginia unemployment tax if at least one of the following conditions is met:

- The business has at least one or more employee (ten employees if your operation is agriculture) during any 20 weeks calendar year.
- The business has \$1,500 in total gross quarterly payroll (\$20,000 if your business is agricultural; \$1,000 if domestic labor).
- Acquired a business subject to this tax.
- Been subject to Federal Unemployment Tax.
- You are a government operation or political subdivision.

- A nonprofit organization under section 501(c)(3) of the Internal Revenue Code and had four or more employees some portion of a day during any 20 different weeks in a calendar year.

The law requires that you contact us anytime you meet the criteria mentioned above.

Rates range from a minimum of .83 percent of the first \$8,000 of each employee's annual wages to a maximum of 6.93 percent.

Virginia Employment Commission

3125 Odd Fellows Road

Lynchburg, VA 24502

(434) 947-6671

www.vec.virginia.gov

Worker's Compensation Insurance

As a general rule, a business with more than two employees is required to carry workers compensation coverage. This premium must be paid by the employer and not deducted from the wages of any employee.

An employee is viewed broadly under workers compensation law and includes part-time, seasonal and temporary workers, minors, trainees, immigrants and working family.

For a contractor or other business that hires subcontractors to assist in their trade or complete a contract, the contractor/business must count the subcontractor's employees when counting the number of employees to assess coverage required. If the total of the contractor's employees plus

the subcontractors employees is more than two then coverage is required. This requirement applies regardless of whether the subcontractors have their own workers compensation coverage.

Virginia does not provide a waiver or exemption form for a sole proprietor or other business that is not required to carry coverage under the Act.

An employer that is not required to carry coverage may obtain coverage voluntarily.

An employer may insure for workers compensation through a commercial insurance policy, a self-insurance program or group self- insurance association or through a professional employer organization. Commercial insurance is not available through the Commission. It is available through an insurance agent or carrier.

Virginia Worker's Compensation Commission

1000 DMV Drive

Richmond, VA 23220

(804) 367-2069

www.vwc.state.va.us

V. Department of Taxation

Sales And Use Tax

Application must be made to the state in order to obtain a certificate to collect sales and use tax. There is a one-time charge for certification.

Apply to:

Virginia Department of Taxation

Office of Customer Service

Box 1115

Richmond, VA 23218-1115

(804) 367-8037

The form R-1 application is available online at www.tax.virginia.gov.

The sales and use tax is imposed at the state and local levels in Virginia. A seller is subject to a sales tax imposed on gross receipts derived from retail sales or leases of taxable personal property unless the retail sales or leases are specifically exempt by law. Current tax rates may be verified with the appropriate offices.

Retail sales are defined as sales to any person for any purpose other than for resale. If retail sales of tangible personal property are made in Virginia during the regular course of business, sales tax must be collected on the gross receipts and sent to the Department of Taxation. The tax must be collected from customers by separately showing the amount of tax and adding it to the price.

Income Tax Withholding

When a federal identification number is obtained, information will be sent to the business regarding federal withholding for employees. Employers are also required to register with the Virginia Department of Taxation and to withhold state income taxes from employees' wages.

Virginia Department of Taxation

Office of Customer Services

P O Box 1115

Richmond, VA 23218-1115

(804) 367-8037

www.tax.virginia.gov

Payroll and Wages

Employers operating a business in Virginia must establish regular pay periods and rates for all employees except executive personnel. The federal minimum wage is \$7.25 per hour. Additional information may be obtained from:

Virginia Department of Labor and Industry
Division of State Labor Law Administration
Powers-Taylor Building
13 South Thirteenth Street
Richmond, VA 23219

Lynchburg Field Office
3704 Old Forest Road
Suite B
Lynchburg, VA 24501
434-385-0806

(804) 786-2386

www.Doli.state.va.us

VI. Other State Agencies

Business and Occupational Licenses

The Virginia Department of Professional and Occupational Regulation issues state licenses and regulates the following businesses and occupations:

- Architects
- Asbestos Workers
- Auctioneers
- Backflow Prevention Device Workers (tradesmen)
- Barbers

- Body Piercers
- Boxers, Professional
- Branch Pilots
- Cemetery Salepersons
- Common Interest Community Manager
- Contractors
- Cosmetologists
- Electricians (Tradesmen)
- Elevator Mechanics (Tradesmen)
- Esthetician
- Fair Housing
- Gas Fitters (Tradesmen)
- Geologists
- Hearing Aid Specialists
- Home Inspectors
- HVAC (Tradesmen)
- Interior Designers
- Land Surveyors & Photogrammetrists
- Landscape Architects
- Lead Abatement Workers
- Martial Arts (Professional)
- Nail Technicians
- Onsite sewage system professionals
- Opticians
- Polygraph Examiners
- Professional Engineers
- Real Estate Appraisers, Salespeople, and Brokers
- Residential Building Energy Analysts
- Soil Scientist Professional

- Surveyor Photogrammetrist
- Tattooists
- Waste Management Facility Operators
- Water and Wastewater Works Operators
- Water Well System Providers (Tradesmen)
- Waterworks Operators
- Wax Technicians
- Wetland Delineators
- Wrestlers, Professional

For additional information about state business and occupational license requirements contact:

Virginia Department of Professional and Occupational Regulation

Perimeter Center, Suite 102

9960 Mayland Drive

Richmond, VA 23233-4917

(804) 367-8500

www.dpor.Virginia.gov

Trademark Registration

State Corporation Commission

Division of Securities and Retail Franchising

1300 East Main Street

Richmond, VA 23219

(804) 371-9051

www.scc.virginia.gov

Virginia Business One Stop

(804) 371-0438

<http://bos.virginia.gov/index.shtml>

General Business Information for those considering starting, running, expanding, or moving a business to Virginia.