

Institute for
Economic
Development

Small Business
Development
Center



San Antonio SBDC

The University of Texas at San Antonio



South-West Texas Border

**Small Business
Development Center Network**

The University of Texas at San Antonio

Small Business Resource Guide

UTSA Small Business Development Center
501 W. Cesar E. Chavez Blvd.
San Antonio, TX 78207

A Partnership Program with the U.S. Small Business Administration

7/07/2016

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SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

What is the SBDC?

The Small Business Development Center (SBDC) is the largest management and technical assistance program serving the U.S. small business community. It consists of over 1,000 centers in all 50 states and territories. It is supported through a network of local, state and federal entities.

Southwest Texas Border Network and San Antonio SBDC

The Southwest Texas Border Network serves 79 counties through 11 centers, the largest of which is the UTSA SBDC in San Antonio.

The San Antonio SBDC covers 11 counties, which include: Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Kendall, Kerr, Medina and Wilson. Through the rural outreach program, three SBDC counselors live and support rural communities around Bexar County.

Functions of the SBDC

SBDCs help existing and new small business owners develop their management skills for a better chance at success. SBDCs provide the following services to local small business owners:

- Advising
 - SBDCs offer free, confidential, individual advising for small businesses on many topics
- Business Plan Development and Loan Assistance
 - New Venture planning: start-up information and general business counseling
 - Bookkeeping: asset management, record keeping systems, and procedures
 - Finance: ratio analysis, cash flow projections and sources of financing
 - Marketing: pricing, advertising and promotion, market analysis and distribution
 - Operations: production and inventory control, new product development and project management
- Training
 - SBDCs offer low-cost workshops, conferences, and courses geared to the needs of small businesses
 - Over 140 training classes each year are offered ranging from introductory courses to advanced seminars aimed at experienced small business owners
 - SBDCs provide managers, owners, and potential owners with the tools to analyze and help resolve business problems
 - Workshops help clients with:
 - Business Plans
 - Marketing information
 - Accounting procedures
 - Business finance issues
 - Other business areas

<http://utsa.ecenterdirect.com/conferencelist.asp>

Contact:

(210) 458-2460

(210) 458-2464 (fax)

www.sasbdc.org

Business Start-Up Essentials

Steps and Information to Start a Small Business

The following is a list of general information and agencies that should be helpful with starting a new business in San Antonio. There may be specific regulatory requirements for the type of business you are considering. The San Antonio SBDC is available to help you with this process.

- 1. Evaluate your business idea and prepare a business plan:**
Call the San Antonio Small Business Development Center (SBDC) at (210) 458-2460. Over 140 low-cost training workshops are available.
- 2. Make an appointment with a local SBDC business advisor for free, confidential advising:** Call (210) 458-2460.
- 3. Decide on the legal structure of your business:**
Sole Proprietorship, General Partnership, Corporation, Subchapter S Corporation, Limited Liability Company, Limited Partnership, Registered Limited Liability Partnership
- 4. Contact the appropriate local/state/federal agencies to register your business:**
Sole Proprietorship
Assumed Name Office
The Paul Elizondo Tower
101 W. Nueva Street, Suite 120
(210) 335-2223
<https://gov.propertyinfo.com/TX-Bexar/>
Partnership
We recommend that you contact an attorney regarding a partnership agreement.
Corporation or Limited Liability Company (LLC)
We recommend that you contact an attorney regarding a Corporation or LLC.
All businesses operating as Corporations or LLCs in Texas must file with:
Secretary of State
P.O. Box 13697
Austin, Texas 78711-3697
(512) 463-5555 <http://www.sos.state.tx.us>
- 5. Contact local City Office for building permits, construction permits, certificates of occupancy, zoning, building codes, licensing, regulatory requirements, small business resources, and start-up services:**
Planning & Development Services Department
1901 S. Alamo, 1st Floor
(210) 207-1111
<http://www.sanantonio.gov/dsd>
- 6. If you need to obtain a Federal Taxpayer ID# or Federal Employer ID#:**
Internal Revenue Service
8626 Tesoro Drive
(210) 841-2090
Tax related questions: (800) 829-1040 for individuals, (800) 829-4933 for businesses
Register online: <http://www.irs.gov>

- 7. Determine appropriate state taxes to be collected; obtain a state sales tax permit or franchise tax information:**
Texas Comptroller of Public Accounts
9514 Console Drive, Suite 102
(210) 616-0067
Tax related questions: (800) 252-5555
<http://www.window.state.tx.us/taxpermit/>

- 8. Hiring Employees:**
Workforce Solutions Alamo Career Center
7008 Marbach Road
(210) 436-0670
<http://www.twc.state.tx.us>
<http://employer.oag.state.tx.us>

- 9. Report Business Property:**
Bexar Appraisal District
411 N. Frio Street
(210) 224-8511

- 10. Select an accountant and an attorney:**
Ask other business owners in your industry for referrals or contact the local San Antonio Bar Association and the San Antonio CPA Society.

- 11. Open a business checking account and apply for a business loan (if applicable):**
Research local banks and credit unions for service fees, interest rates, and customer service.

- 12. Obtain proper business insurance/bonding:**
Some industries may have specific insurance requirements; discuss your needs with a commercial insurance agent.

- 13. Create business materials:**
Business cards, brochures, logo and website.

- 14. Develop a marketing plan for your products or services.**
MARKET! MARKET! MARKET Your Business!!

- 15. Another organization that may be helpful:**
SBA Answer Desk -- (800) 827-5722
Please reference the "Helpful Websites" attachment in the Business Start-up Essentials booklet.

Reminder: Follow up with your UTSA Small Business Advisor!

BUSINESS LEGAL STRUCTURE & NAME

The decision regarding business structure is a decision that a person should make, in consultation with an attorney and accountant, and taking into consideration issues regarding, tax, liability, management, continuity, transferability of ownership interests, and formality of operation. The most common forms are the Sole Proprietorship, Partnership, Corporation, or Limited Liability Company (LLC).

- **SOLE PROPRIETORSHIP**

- The most common and simplest form of business. A single individual engages in a business activity without necessity of formal organization. If the business is conducted under an assumed name, then an assumed name certificate (DBA) should be filed with the office of the county clerk in the county where a business premise is maintained. If no business premise is maintained, then an assumed name certificate should be filed in all counties where business is conducted under the assumed name.

- **GENERAL PARTNERSHIP**

- Created when two or more persons associate to carry on a business for profit. A partnership generally operates in accordance with a partnership agreement, but there is no requirement that the agreement be in writing and no state-filing requirement. If the business is conducted under an assumed name, then an assumed name certificate (DBA) should be filed with the office of the county clerk in the county where a business premise is maintained. If no business premise is maintained, then an assumed name certificate should be filed in all counties where business is conducted under the assumed name.

For Sole Proprietorship and General Partnership:

Contact:

Bexar County Courthouse
Assumed Name Office
300 Dolorosa, Suite 120
(210) 335-2223
<https://gov.propertyinfo.com/TX-Bexar/>

- Current fees:
Register name: \$9 Certified copy: \$7

- **CORPORATION**

- A Texas corporation is created by filing articles of incorporation with the Texas Secretary of State (SOS). The SOS will provide the necessary form for articles of incorporation which meets minimum state law requirements. Online filing of articles of incorporation is provided through SOSDirect (<http://www.sos.state.tx.us/corp/sosda/index.shtml>).

- **SUBCHAPTER S**

- An "S" corporation is not a matter of state corporate law but rather a federal tax election. A for-profit corporation elects to be taxed as an "S" corporation by filing an election with the Internal Revenue Service. Please contact the IRS or competent tax counsel regarding the decision to be taxed as an "S" corporation and the requirements for filing the election.

- **LIMITED LIABILITY COMPANY (LLC)**
 - Created by filing a certificate of formation with the Texas Secretary of State (SOS). The SOS provides a form that meets minimum state law requirements. Online filing of a certificate of formation is provided through SOSDirect (<http://www.sos.state.tx.us/corp/sosda/index.shtml>).
 - The LLC is not a partnership or a corporation but rather a distinct type of entity that has the powers of both. Depending on how the LLC is structured, it may be likened to a general partnership with limited liability, or to a limited partnership where all the owners are free to participate in management and all have limited liability, or to an "S" corporation without the ownership and tax restriction imposed by the IRS Code. Unlike the partnership, where the key element is the individual, the essence of the LLC is the entity, requiring for its creation more formal requirements.
 - The owners of an LLC are called "members". A member can be an individual, partnership, corporation, trust, or any other legal or commercial entity. Generally, the liability of the members is limited to their investment and they may enjoy the pass-through tax treatment afforded to partners in a partnership. As a result of federal tax classification rules, an LLC can achieve both structural flexibility and favorable tax treatment.
 - The operations are governed by the Texas Limited Liability Company Act, and the LLC is subject to Texas Franchise Tax. By filing Articles of Organization with the Texas Secretary of State, an LLC is formed. (See contact information for "Corporations"). The filing fee is \$300. The name of the LLC must contain the words "Limited", "L.C.", "LLC", or "Ltd."

- **LIMITED PARTNERSHIP**
 - A partnership formed by two or more persons and having one or more general partners and one or more limited partners. The limited partnership operates in accordance with a partnership agreement, written or oral, of the partners as to the affairs of the limited partnership and the conduct of its business. While the partnership agreement is not filed for public record, the limited partnership must file a certificate of limited partnership with the Texas SOS. The SOS provides a form for the certificate of limited partnership which meets minimum state law requirements.

- **REGISTERED LIMITED LIABILITY PARTNERSHIP**
 - In order to limit the liability of its general partners, a general or limited partnership may opt to register as a limited liability partnership. The SOS provides a form for registration as a limited liability partnership. Online filing of the registration is provided through SOSDirect.

For Corporation, Subchapter S, LLC, LP, or Registered LLP:

Contact:

Office of Secretary of State, Statutory Filings Division

P. O. Box 13697

Austin, Texas 78711-3697

(512) 463-5555

<http://www.sos.state.tx.us>

Note: See Page 26-27 in this Resource Guide for comparisons of the various legal structures.

The information on these two pages should not be considered a substitute for the advice and services of an attorney or tax specialist in deciding the business structure for your company.

Source: <http://www.sos.state.tx.us/corp/businessstructure.shtml>

SELECTING AND PROTECTING THE BUSINESS NAME

Is the name you have chosen being used by another business? Research the County Clerk's Assumed Names Registration, Texas Trademark Registration and U.S. Trademark Registration offices before filing or using a name.

If the business will operate as a Sole Proprietorship or a General Partnership, an Assumed Name Certificate (or DBA: Doing Business As) for each name (or deviation of that name) that the business will use must be on file with each county clerk's office in the county where the business will conduct business.

If the business will operate as a Corporation, Limited Partnership or Limited Liability Company and the business will be identified by a name other than the name on file with the Secretary of State, an Assumed Name Certificate must be filed with the Secretary of State, and in each county where the business will have a registered or principal office.

Filing of an Assumed Name Certificate does not impart any real name protection. It is merely a formal process that informs the public as to who the registered agent of a business is and how official contact can be made. Most banks will not allow you to open a business checking account without an Assumed Name Certificate.

Filing an Assumed Name Certificate does not reserve the business name for your exclusive use. Requests for name searches are not accepted over the phone. Filing must be renewed every 10 years.

A "Trademark Clearance and Opinion" from a patent and trademark attorney, an intellectual property attorney, or other competent attorney should be obtained before spending any significant time, money, or energy in using a business name.

- Common law rights to the name you use to identify your goods (Trademark - TM) and services (Service Mark - SM) are initially acquired by use. Therefore, businesses may use a TM or SM symbol to indicate a claim of ownership, even if no trademark application is pending, but first make sure it is not being used by another business.
- Trademark rights are not superseded by Assumed Names registration. The Texas Business & Commerce Code, Section 36.17, provides that the filing of an Assumed Name Certificate does not give the registrant the right to the use of the name when contrary to the common law or statutory law of unfair competition, unfair trade practices, or common law copyright.
- Additional rights are acquired by registering with:

Texas Secretary of State's Office
Trademark Division
Austin, Texas
(512) 463-5555

U.S. Patent and Trademark Office
Washington, DC
(800) 786-9199
<http://www.uspto.gov/>

BUSINESS START-UP COSTS

UTILITIES - You must understand the requirements of and have enough money available for deposits and fees required by utility companies that service your business:

- **Phone**

AT&T
(800) 499-7928

- If you plan to operate a business from your home, AT&T requires that you:
 - add an additional phone line, or
 - pay the commercial rate for the phone line used for both residential and business purposes
- Phone rates vary for residential and commercial use
- Costs include:
 - Deposit
 - Installation
 - Hourly service fee for installing wiring, jacks, and other services
- Monthly rate will vary depending on:
 - Number of lines
 - Selection of a long distance carrier
 - Special features requested

- **Electric/Gas**

City Public Service
(210) 353-2222

- Your deposit is based on many factors:
 - Location
 - Type of business
 - Electric/Gas requirements
- CPS requires a Certificate of Occupancy (C of O) from the City of San Antonio Building Inspections Department before services are activated

- **Water/Sewer**

San Antonio Water System
(210) 704-7297

- Be aware of possible impact fees

- **COMMERCIAL LEASE AGREEMENT** - Be aware that your lease agreement may contain "hidden" costs such as Common Area Maintenance (CAM), taxes, and insurance or escalation clauses, commonly referred to as "triple net." You may be able to get valuable demographic information about your immediate area from the commercial realtor or the management company/owner, or SBDCNET. Ask whether the commercial realtor involved in your closing represents one or several management companies and landlords. Find out who pays the related fees or commission.

- **BUSINESS INSURANCE** - Just like deciding how much and what type of insurance is right for your car or home, you will want to evaluate the need for business insurance. Shop around for direct writers (represent one insurance company) or independent agents (represent various companies) to advise and handle your insurance needs.
 - The basic types of business insurance are:
 - Liability Insurance insures against liability legally imposed upon your business because of the negligence of the business or its employees.
 - Casualty Insurance insures against loss or damage to the business. Some insurers will lump property and casualty insurance together and refer to the coverage as property and casualty insurance. In fact, packaged policies of property and casualty are often the best purchase a business owner can make.
 - Property Insurance insures against loss or damage to the location of the business and its contents. It can also insure the property of others in your control when the loss occurs. Property insurance can be for a specific risk.
 - Commercial Auto insures against property damage to vehicles and damage caused to others by those vehicles. Your personal automobile policy does NOT cover vehicles used by your business. If your business uses vehicles or anything that is required to be titled by your state, then you need a commercial auto policy.
 - Workers' Compensation is a system where the employee is not allowed, by statute, to sue their employer for on-the-job injuries; but, in return, the employer must participate in a system that provides nearly automatic payment to the employee in case of injury for medical bills and damages.
 - Business Interruption insures against loss or damage to the cash flow and profit of a business caused by the business being unable to operate because of interruption.

Notes:

EMPLOYER RESPONSIBILITIES

- If you have employees have them fill out Form I-9 (<http://www.usaid.gov/forms/Form-I-9-06-16-08.pdf>) and Form W-4 (<http://www.irs.gov/pub/irs-pdf/fw4.pdf>)
 - **Employee New Hire Reporting** (Information needed to report):
 - Employer Name
 - Employer Address
 - Employer Federal Tax Identification Number
 - Employee Name
 - Employee Social Security Number
 - Employee address
 - Must report within 20 days of hire date
- Contact:**
Office of the Attorney General
Tex-Hire
(888) 839-4473
(800) 732-5015 (fax)
<http://www.oag.state.tx.us/>

- **UNEMPLOYMENT INSURANCE TAX**
 - **FORM C-1** (Employer Status Report)
You must submit the C-1 once you have paid a total \$1,500 in gross wages in a calendar quarter or when you have employment for 20 weeks of the calendar year, whichever comes first.
 - **FORM C-3** (Employers Quarterly Report)
The tax rate for your business will be 2.7% of gross salary for the first 6 quarters. You will only be taxed on the first \$9,000 of gross wages
- Contact:**
Texas Workforce Commission
4801 NW Loop 410, Suite 510
(210) 256-3000
<http://m06hostp.twc.state.tx.us/TAXREG/>

- **WORKERS' COMPENSATION** – The Division of Workers' Compensation at the Texas Department of Insurance (TDI) administers the Texas Workers' Compensation Act
 - TDI helps injured workers:
 - Obtain benefits
 - Resolve disputes
 - Improve workplace safety
 - Monitor health care provided to injured workers
 - Protect the rights of all parties in the workers' compensation insurance system
 - Remains voluntary under the new law, but penalties may be assessed for failing to follow the requirements set forth for covered and non-covered employers
 - Call or write to request the TDI "New Law Guide to Workers' Compensation" for information about the requirements. <http://www.tdi.state.tx.us/wc/indexwc.html>
- Contact:**
The Texas Department of Insurance
(800) 578-4677

BUSINESS TAXES

The form of business you operate determines what taxes you must pay and how you pay them. The following are the four general types of business taxes:

- Income Tax

All businesses except partnerships must file an annual income tax return. Partnerships file an information return. The form you use depends on how your business is organized.

The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. An employee usually has income tax withheld from his or her pay. If you do not pay your tax through withholding, or do not pay enough tax that way, you might have to pay estimated tax. If you are not required to make estimated tax payments, you may pay any tax due when you file your return.

- Estimated tax – generally, you must pay taxes on income, including self-employment tax, by making regular payments of estimated tax during the year

- Self-Employment Tax

Self-employment tax is a Social Security and Medicare tax primarily for individuals who work for themselves. Your payments contribute to your coverage under the Social Security system. Social Security coverage provides you with retirement benefits, disability benefits, survivor benefits, and hospital insurance (Medicare) benefits.

Generally, you must pay Self-Employment tax and file Schedule SE (Form 1040) if either of the following applies:

- If your net earnings from self-employment were \$400 or more, or
- If you work for a church or a qualified church-controlled organization (other than as a minister or member of a religious order) that elected an exemption from Social Security and Medicare taxes, you are subject to Self-Employment tax if you receive \$108.28 or more in wages from the church or organization.

- Employment Taxes

When you have employees, you as the employer have certain employment tax responsibilities that you must pay and forms you must file. Employment taxes include Social Security and Medicare taxes, Federal Income Tax withholding, and Federal Unemployment tax (FUTA).

- Excise Tax

You may have to pay excise taxes if you manufacture or sell certain products; operate certain kinds of businesses; use various kinds of equipment, facilities, or products; or receive payment for certain services.

Tax Years

You must figure your taxable income on the basis of a tax year and file an income tax return. A “tax year” is an annual accounting period for keeping records and reporting income and expenses. The tax years you can use are:

- Calendar year – A calendar year is 12 consecutive months beginning January 1 and ending December 31
- Fiscal year – A fiscal year is 12 consecutive months ending on the last day of any month except December.

Source: <http://www.irs.gov/businesses/small/>

STATE TAX RESPONSIBILITIES

SALES AND USE TAX - The State Comptroller's Office will determine if the product you sell, rent, lease, or the service you provide is subject to state sales tax. Find out if you need to pay state sales tax on items you use or resell, and whether or not you must collect sales tax from your customers. There is no fee for the permit; however, you may be required to furnish a bond or security.

- Penalty for operating without a sales tax permit: Anyone is guilty of a misdemeanor who operates a retail business in Texas without a Sales Tax Permit or after a permit has been suspended, and each officer of any Corporation who operates a business without a sales tax permit or with a suspended permit, is guilty of a crime. The fine is up to \$500 a day for each day the business operates without a permit.
- Ask for information about the Sales Tax Resale Certificate, the Sales and Use Tax Exemption Certificate, and about filing the Sales and Use Tax Return. You may file a "short form" if you have only one outlet making sales within a certain geographic area. You will be eligible for a 1/2 of 1% (.005) discount if you file and pay on time.
- You should have the following information prior to going to the State Comptroller:
 - Your SSN and address if you own the business
 - Each partner's SSN (if a Partnership)
 - SSN and address of the president, vice president, secretary, and treasurer if it is a Corporation
 - The Federal Employer's Identification Number assigned by the IRS if you hire employees or pay Federal Excise Tax
 - Corporate Charter or Certificate of Authority Number assigned to your corporation by the Texas Secretary of State and the effective date of permission to do business in Texas if it is a Corporation

Contact:

State Comptroller's Office
9514 Console Drive
(210) 616-0067
(800) 252-5555
<http://www.window.state.tx.us/>

BOND REQUIREMENTS – You may be required to furnish the Comptroller a bond or security to insure payments of state, local and sales and use taxes. You have 14 days to furnish the required security otherwise the permit will be cancelled. A taxpayer may satisfy the bond or security requirement by furnishing the Comptroller with assignments of savings accounts or CD in banks, savings and loan institutions and credit unions; cash; bank letters of credit; US Treasury Bonds readily convertible to cash; or surety bonds. The bond or security will be returned if all sales tax due is paid on time for two consecutive years. The bonding exemption will then be continued as long as a good tax payment record is maintained.

BUSINESS LOCATION

HOME OCCUPATION

A home occupation is defined by the Unified Development Code (UDC), Section 35-3310, as follows: any activity carried out for gain by a resident conducted as an accessory use in the resident's dwelling unit. The following conditions apply if your home is located within the city limits of San Antonio.

Some examples of businesses that UDC prohibits:

- Vehicle painting, service or repair
- Barber and beauty shops
- Animal hospitals, kennels, stables, or obedience/training schools
- Restaurants, catering, or food preparation for resale
- Furniture repair or upholstery
- Teaching of music, art, dance, or exercise classes to more than two students at a time
- Other provisions include:
 - No changes to the appearance of the home
 - No outdoor display of goods or storage of equipment or materials
 - No advertising signs or media which calls attention to the home occupation
 - Use of accessory buildings, garages, or carports for a home occupation is prohibited
 - Electrical or mechanical equipment resulting in the change of fire rating is not allowed
 - No commercial vehicles for delivery of goods to and from the premises
 - No on-site selling of goods
 - No increased noise or traffic

The City's Code Compliance Unit enforces these restrictions. Also, you will need to consult with your insurance company to determine your insurance needs for having an office in your home.

Contact:

City Zoning Department
Mr. Pete Gomez
1901 S. Alamo
(210) 207-0315

ZONING

- Make sure the location you've picked for your business is zoned for the type or business you plan to conduct before you sign a lease or purchase property.
- Only property within the City limits is zoned.
- Property within a City's Extra Territorial Jurisdiction (ETJ) may also be subject to zoning restrictions.
- Property outside of the City limits may be subject to subdivision regulations and/or neighborhood association restrictions.

Contact:

Planning Department, Land Development Services Division
1901 S. Alamo
(210) 207-1111

- **BUILDING CHANGES** - If the building or lease space will require any additions, alterations, modifications, remodeling, or finish-out accommodating your business, the Plans Checking process and a building permit will be required.

Contact:

Building Inspections Department, Permit Division
1901 S. Alamo
(210) 207-8263

COMMERCIAL LOCATION

Business owners considering locating in a commercial property must ensure that the property has the appropriate zoning for that particular type of business operation. To determine the zoning classification for your business:

Contact:

Planning and Development Services Department
1901 S. Alamo
(210) 207-1111

COMMERCIAL LOCATION REQUIREMENTS

- **CERTIFICATE OF OCCUPANCY (C of O)**
 - A certificate indicating that the premises comply with all the provisions of the City's Unified Development and Building Code.
 - Businesses are required to have a certificate of occupancy to conduct business within the City of San Antonio. There is a cost to apply for a Certificate of Occupancy. Upon application, inspectors will visit the location and inspect the site for code compliance and safety. Once each inspection passes, a Certificate of Occupancy will be issued.
 - The current application fee is \$212.00 and is subject to change
 - Five working days for processing the application (unless corrections need to be made).
 - Obtain an Assumed Name Certificate before applying for the Certificate of Occupancy

Contact:

Planning & Development Services Department
1901 S. Alamo, 1st Floor
(210) 207-1111
www.sanantonio.gov/dsd

- **KIOSKS & MALL CARTS**

Businesses operating in mall walkways require building, electrical, and fire inspections. Food items that require baking, frying or grilling will need mechanical, health and environmental inspections.

Notes:

DEVELOPING A BUSINESS PLAN

A good business plan helps entrepreneurs prepare for the future. A business plan is most often thought of as a tool to obtain financing. Actually, it helps the business in several other ways as well. While the development of a business plan does not guarantee securing a loan or achieving success, objective preparation will prepare the entrepreneur for what lies ahead. In the Greater San Antonio area, it has been reported that 66% of businesses fail in the first five years of operation, so we encourage you to develop a solid, comprehensive plan of action.

Your business plan can vary in length depending on the complexity of the business. It is a matter of addressing the subject matter as thoroughly yet concisely as possible. Whether you use an online site, a workbook, or computer software, any complete business plan will cover the following major sections:

- **Introduction/Executive Summary**
 - An overview of the business and its objectives
 - Usually written last to be able draw information and figures from the other sections
- **Product and Service Definition** - A clear explanation of the offerings of the business
- **Manufacturing/Operations** - A description of the location, physical facility, equipment, sources of supply, floor plan, inventory control and other factors that affect your ability to make your product or service available when and where the customer wants it.
- **Market Analysis** - Examine trends within your industry and target markets
- **Sales Strategy** – The types of advertising and promotional efforts you will do to let your customers know you are in business
- **Management Plan**
 - Personal work history and education of the owners (mini-resume)
 - An organizational chart
 - Resources available to the business (attorney, accountant, advisor, etc)
- **Financial Analysis** - This is probably the most important section of your business plan. You should have a good description, with financial spreadsheets, for each of the following items:
 - Startup costs - how much will it cost to open the doors?
 - Funding sources - how much money do you need and where do you plan to get it?
 - Financial projections – minimum 2-year forecast and budget
- **Supporting Documents** - Anything that will help put your business in a favorable light

Free, confidential advising services are available to help with any aspect of your business. The only requirement is that you have a rough draft of your business plan prior to making an appointment with one of our business advisors. We can help develop your financial assumptions, your marketing plan, and guide you through the process of selecting the best way to present your loan request to the proper banks.

The Business Plan and other workshops are offered on a regular basis at the San Antonio Small Business Development Center. Visit our website at: www.sasbdc.org for the most recent *Building Your Business* workshop brochure and calendar of events.

SOURCES OF FINANCING

Personal Resources

- Savings
- Family
- Friends

Financial Institutions

- Banks
- Credit unions

Private Investors

- Business Angels
- Venture Capital Groups

Government Programs

- U. S. Small Business Administration (SBA)
17319 San Pedro, Suite 200
(210) 403-5900
<http://www.sba.gov>

Mission: Maintain and strengthen the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses and by helping families and businesses recover from national disasters.

Programs

- Loan Guaranty Program – The SBA provides loan guarantees to lending institutions to encourage them to make loans to small businesses
- Contracting Assistance
- Disaster Assistance Recovery
- Technical Assistance (Training & Counseling)

Other Lending Sources

- LiftFund
1-888-215-2373
<http://sanantonio.liftfund.com/>
 - Small business loans up to \$1 million
 - Startup loans up to \$50,000
 - SBA 504 loan program
 - Business and financial training
- People Fund
2921 East 17th St., Building D, Suite 1, Austin, TX 78702
(210) 789-1694
(512) 472-8087
<http://www.peoplefund.org>
 - An alternative source for loans, financial and technical assistance for people who are left out of the financial mainstream

SMALL BUSINESS ADMINISTRATION Loan Instructions

What to do if you want to apply for a loan to START a new business:

1. Prepare a written description of the business you plan to establish.
2. Describe your experience and management capabilities in writing (personal resumes are acceptable).
3. Prepare an estimate of the total amount of money that you will need and break it down to show amounts estimated for land, buildings, leasehold improvements, machinery, equipment, inventory, operating expenses, etc.
4. Prepare a written statement showing how much you have available to invest in the business and the form of the investment (cash, equipment, other than personally owned vehicle, etc.), and how much you need to borrow in addition to your investment. SBA generally requires that owners inject one-third or more of the total start-up costs.
5. Prepare a current financial statement listing all personal assets and all liabilities.
6. Prepare a detailed projection of earnings and expenses for the first year the business will operate, to include a narrative explanation or basis for the projections.
7. Prepare a list of collateral to be offered as security for the loan, indicating your estimate of the present value of each item. Also, include an itemized list of equipment with serial number, model, and cost value.
8. Take this material with you and see your banker. Ask for a bank loan and if refused, ask the bank to make the loan under SBA's Loan Guaranty Plan or to participate with SBA in a loan.
9. If the bank is willing to grant you a SBA guaranty loan, the banker will provide an application. Complete the SBA application and present it to the bank. The bank will deal directly with SBA in regard to the loan guaranty.

Source: <http://www.sba.gov/>

SMALL BUSINESS ADMINISTRATION Loan Instructions

What to do if you want to apply for a loan for an ESTABLISHED business:

1. Prepare a written description of the business that you operate. Describe the experience and management capabilities of the owners' and/or managers in writing (personal resumes are acceptable).
2. Prepare the following financial information (all financial statements should include balance sheet and profit & loss statement).
 - a. Financial statements for the past three fiscal years or period of time the business has been in operation.
 - b. Current business balance sheet and profit & loss statement not more than 90 days old at time of submission (do not include personal assets and liabilities).
 - c. Aging of accounts receivable and accounts payable.
 - d. Copies of corresponding income tax returns for prior three years or time the business has been in operation.
3. Prepare a detailed projection of earnings and expenses for a 12-month period if the business has not been in operation at least two years. Also, include a narrative explanation or basis for the projections.
4. Prepare an estimate of the total amount of money that you will need and break it down to show amounts estimated for land, buildings, leasehold improvements, machinery, equipment, inventory, operating expenses, etc.
5. Prepare a list of collateral to be offered as security for the loan, indicating your estimate of the present value of each item. Also, include an itemized list of now owned equipment and/or equipment to be acquired with loan proceeds as to serial number, model, and cost value.
6. Prepare a current personal financial statement for the owner or each partner or stockholder owning 20% or more of the corporate stock in the business (do not include business assets and liabilities).
7. Take this material with you and see your banker. Ask for a bank loan and if refused, ask the bank to make the loan under SBA's Loan Guaranty Plan or to participate with SBA in a loan. If the bank is willing to grant you a SBA guaranty loan, the banker should provide an application. When the forms are completed, return them to your commercial lender who will, in turn, forward them to SBA with a cover letter. The bank will deal directly with the SBA in regard to the loan guaranty.

Source: <http://www.sba.gov/>

INSTITUTE FOR ECONOMIC DEVELOPMENT RESOURCES

INTERNATIONAL TRADE CENTER - <http://texastrade.org/>

The International Trade Center is one of the largest and the most successful trade assistance organization in the State of Texas. Established in 1992, it provides businesses with high-value trade consulting services, cutting-edge market research and innovative training programs that deliver results.

SBDC NATIONAL INFORMATION CLEARINGHOUSE (SBDCNET) - <http://sbdcnnet.org/>

The mission of SBDCNET is to meet the information needs of the SBDC community in the United States and its territories. SBDCNet serves as a resource providing timely, relevant research, web-based information, and training to SBDC counselors and their small business clients.

SBDC PROCUREMENT TECHNICAL ASSISTANCE CENTER (PTAC) - <http://ptac.txsbdc.org>

- Government Contracting Assistance
 - Teach small businesses how to be successful in the government contracting process
- Defense Transition
 - Assist employees and defense contractors impacted by defense downsizing
 - Enable small business contractors to participate in base redevelopment
- Assistance to Veteran Entrepreneurs
- Women-Owned Small Business (8m) Program
- Business to Business Eagle Ford Shale Opportunities
- Technology
 - Support technological innovation by small business
 - Facilitate technology transfer and commercialization of new technologies

HUMAN CAPITAL PROGRAM - <http://humancapitalsolution.org/>

- Through research, training, and consulting, the goal of the Human Capital Program is to increase the acumen of small business owners on current employment practices, law, regulations, and compliance requirements.
- The Human Capital Program stays current with employment law practice, regulations, and compliance expectations by collaborating with economic development programs, chambers of commerce, industry associations, the corporate community, local, state and federal agencies and commissions. As a resource for small businesses and their advisors, the Program provides complimentary research, training and consulting in the following areas:
 - Employment Issues
 - Risk Management
 - Custom Designed Training

MINORITY BUSINESS DEVELOPMENT AGENCY (MBDA) BUSINESS CENTER (MBC) - <http://sanantoniombdacenter.com/>

- The MBEC is dedicated to helping the minority entrepreneur flourish and grow in today's marketplace. Their mission is to level the economic playing field by providing professional technical and management assistance to minority-owned businesses, enabling them to fully participate in the local and global economy.
- Assistance is provided to socially or economically disadvantaged individuals who own or wish to start a business with a minimum of 51% ethnic minority ownership.

COUNTY RESOURCES AND REQUIREMENTS

- **TAX APPORTIONMENT**

- For home occupations, the Bexar Appraisal District will perform an apportionment (to determine the percentage of the home being used for business purposes) and adjust your taxes accordingly.
- Allow 45 days after a request for an Inspector.

Contact:

Bexar Appraisal District
411 N. Frio Street
(210) 224-2432

- **BEXAR COUNTY TAX OFFICE**

- Canvasser, Foot Peddler, Truck Peddler, Itinerant Vendor, Travel Bureau, Broker, Coin Operated Machine Owner, Beer, Wine, or Liquor

Contact:

Bexar County Tax Assessor/Collector
233 N. Pecos La Trinidad
(210) 335-2251

CITY RESOURCES AND REQUIREMENTS

In general, the City of San Antonio does not currently require licenses except for specific types of businesses. License fees are subject to change. Note that vending in the "downtown business district" requires an additional license from the Parks and Recreation Department at (210) 207-2725. Below are examples of some of the licenses issued:

- Food Service Establishment License - Every person desiring a license to establish, maintain, or operate a food service establishment within the San Antonio city limits must file an application.
 - Food Establishment License (certification required of owners/managers through Continuing Education at SAC 733-2638, or St. Phillips College 921-4637)
 - Mobile Food License
 - Special Event Food License

Contact:

San Antonio Metropolitan Health District
332 W. Commerce Street
(210) 207-8853

- Beer and Liquor License – Applications for obtaining a beer and/or liquor license can be obtained at:

Contact:

Texas Alcoholic Beverage Commission
4203 Woodcock Street, Suite 120
(210) 731-1720

- Peddlers and Canvasser License – If you will be making sales door-to-door, mail order, door-to-door for future delivery, or sales from a vehicle in a public street you will be required to have a permit. Applications must be submitted at least five days prior to the effective date, and are available at:

Contact:

San Antonio Police Department
214 West Nueva Street, Suite 123
(210) 207-8667

- Home Improvement Contractor, Demolition Contractor, Mobile Home Installer, Sign Operator, Street Number Painter
Contact:
Building Inspections
Planning & Development Services
1901 S. Alamo
(210) 207-8220

FEDERAL RESOURCES AND REQUIREMENTS

- **Internal Revenue Service (IRS)**
 - IRS representatives are available in person at: 8700 Tesoro Dr. San Antonio, TX 78217
 - Employers obtain a Federal Employer Identification Number (FEIN) by calling 800-829-4933
 - Tax forms are also available at the IRS Internet home page: <http://www.irs.gov/>

- **Circular E** - "Publication 15" has additional information concerning all employment tax returns and how to submit deposits of these taxes.

- **Schedule C** - An attachment to Form 1040, "Individual Income Tax Return", and used by:
 - Self-employed persons
 - Sole-Proprietors
 - Partnerships to report income

- **Form W-5** - "Earned Income Credit Advance Payment Certificate". If your employees are eligible for the earned income credit (EIC), they may have the option to receive this credit in advance with their pay instead of waiting until they file their annual Federal Income Tax return.

- **Employee vs. Independent Contractor** - Don't make assumptions about whether or not an individual is an independent contractor, regardless of what that person might claim to be.
 - The IRS and the Texas Workforce Commission use 20 common law factors to evaluate the relationship between you as an employer and the individual(s) you pay for providing service
 - Complete a Form SS-8 to the IRS to have IRS make the determination

- **Occupational Safety and Health Administration (OSHA)**
Contact:
OSHA Publications Distribution Office, OSHA
U.S. Department of Labor
200 Constitution Ave. NW, Room S1212
Washington, DC 20210
(800) 356-4674
<http://www.osha.gov/>

- **Equal Employment Opportunity Commission**
Contact:
5410 Fredericksburg Road, Suite 200
(800) 669-4000
<http://www.eeoc.gov/sanantonio/charge.html>

OTHER RESOURCES

The First Point Business Information Office (Small Business Liaison)

The First Point Business Information Office is under the auspices of the City of San Antonio. They provide new or expanding businesses a guide containing all the information they will need to open a particular business in the City of San Antonio. The office also assists new or existing businesses through the Site Development (construction) process and helps businesses get answers to questions related to any city activity or regulation.

First Point Business Information Center

1901 S. Alamo Street

(210) 207-3900

<http://www.sanantonio.gov/edd>

SCORE Program (Service Corps of Retired Executives)

17319 San Pedro, Suite 200

(210) 403-5931

(210) 403-5936 (fax)

<http://www.sanantonioscore.org>

Internal Revenue Service for Small Businesses

(800) 829-1040

(512) 499-5439

Local Office:

8700 Tesoro Drive

(210) 841-2090

<http://www.irs.gov>

State Comptroller's Office (Sales and Use Tax)

9514 Console Drive (near I-10 and Wurzbach)

(210) 616-0067

(800) 242-5555 for Tax Related Questions

<http://www.window.state.tx.us/taxinfo/sales/>

San Antonio Public Library

600 Soledad

(210) 207-2500

<http://www.mysapl.org/>

San Antonio Board of Realtors

Business Location Assistance

9110 IH 10 West

(210) 593-1200

<http://www.sabor.com/>

HELPFUL WEBSITES

Inc. Magazine
<http://www.inc.com>

Entrepreneur Magazine
<http://www.entrepreneur.com>

Human Resources Office of Personnel Policy
<http://www.doi.gov/hrm>

Alexander Hamilton Employment Law Resource Center
<http://www.ahipubs.com>

Texas Workforce Commission
<http://www.texasworkforce.org/>

Department of Labor
<http://www.dol.gov>

Equal Employment Opportunity Commission
<http://www.EEOC.gov>

Business Law and Regulatory Website
<http://www.business.gov>

IRS Website
<http://www.irs.gov>

State Comptroller Website
<http://www.window.state.tx.us/>

US Department of Labor Occupational Safety & Health Administration (OSHA)
<http://www.osha.gov>

Economic Development Department
<http://www.sanantonio.gov/edd>

Secretary of State
<http://www.sos.state.tx.us>

Small Business Administration (SBA)
<http://www.sba.gov>

Business Owner's Tool Kit
<http://www.toolkit.com>

Comparison Table 1.1 – Business Legal Structure

Characteristics	Sole Proprietorship	General Partnership	Limited Liability Co.	S-Corporation	Corporation
Formation	No formal agreement	Partnership agreement	Articles of Organization	Articles of Incorporation; Bylaws; IRS Permission	Articles of Incorporation; Bylaws
Duration	Depends on Sole Proprietor	Dissolved per Partnership agreement	Limited to a fixed time (typically)	Perpetual	Perpetual
Liability	Unlimited liability	Unlimited liability	Members typically not liable for debt of LLC	Shareholders typically not <i>personally</i> liable for corporation	Shareholders typically not <i>personally</i> liable for corporation
Simplicity of Operation	Relatively few legal requirements	Relatively few legal requirements	Some formality (less than corporations)	Board of Directors; officers; annual meetings; reporting	Board of Directors; officers; annual meetings; reporting
Management	Full control	Partnership agreement	Operating agreements that outline management	Elected Board of Directors	Elected Board of Directors
Taxation	No taxable entity; Sole Proprietor responsible	Partners pay tax on their share of income; can deduct losses against other income	Correctly structured, no tax at entity level; income/loss passed to members	No tax at entity level; income/loss passed to shareholders	Taxable entity
Pass through Income/Loss	Yes	Yes	Yes	Yes	Corp losses not deducted by shareholders
Double Taxation	No	No	No	No	Yes
Cost of Creation	None	None	Filing Fee with State	Filing Fee with State	Filing Fee with State
Raising Capital	Difficult; individual funds	Partner contributions; recruit more partners	Can sell interests; agreement limits	Sell stock shares for capital	Sell stock shares for capital
Transferability of Interest	No	No	Possible	Yes, upon consent	Stock shares easily transferable
Fees/Cost	\$16.00	\$16.00	\$300.00	\$300.00	\$300.00
Registration	County Courthouse	County Courthouse	Secretary of State	Secretary of State	Secretary of State

Comparison Table 1.2 – Business Organization Advantages/Disadvantages
What form of business organization is best for you?

Type	Advantages	Disadvantages
Sole Proprietorship	Lower startup costs	Unlimited liability
	Greatest freedom from regulation	Potential lack of continuity
	Owner is in direct control and retains all profits	May be more difficult to raise capital
	Ease of formation	Profits increase owner's personal taxes
	Limited government regulation	
Partnership	Ease of formation	Unlimited liability
	Lower startup costs	Divided authority
	Additional source(s) of capital	Potential difficulty in raising additional capital
	Broader management base	Hard to find suitable partners
	Possible tax advantages	Legally dissolves upon change or death of partner
	Limited government regulation	Profits increase owner's personal taxes
Incorporation	Limited liability	Closely regulated by government
	Separate legal entity	More expensive to organize
	Ownership is transferable	Charter restrictions
	Continuous existence	Extensive record keeping
	Possible tax advantages	
	May be easier to raise capital	

Sole Proprietorship Registration Procedure – If your business is to be operated under any name other than your own, as it appears on your birth certificate, it MUST be registered. *Example: John Smith-does not need to register /John Smith-Enterprises- does need to register*
 Chartered banks require evidence of business registration if a business bank account is to be opened.

Salaries, Wages and Payroll Deductions (owner is responsible) – The owner of a sole proprietorship may take draws from the business; however, this is not a deductible expense for income tax purposes. The amount drawn must be added back to the net revenue when completing the statement of income and expenses.

