

STARTING A **BUSINESS**



A Resource Guide for the
Springdale Business Owner



GETTING started



The Springdale Chamber of Commerce, as the city's Department of Economic Development, is ready to assist you in making Springdale your business home.

This guide is designed to assist new and existing businesses by identifying the resources necessary to get started. Before opening your business to the public, it must meet several city requirements, including working with the Springdale Planning Department to ensure the business meets appropriate zoning and safety standards. The Chamber is prepared to assist your business with these requirements and make your experience a positive one.





BASICS

No matter how big or small your business, it will have to comply with local, state and federal regulations. Businesses must have a city business license, register with the county clerk and have a federal tax identification number.

CITY BUSINESS License

This license ensures that your business is in compliance with building codes and city zoning requirements. Commercial and Home Office licenses are issued by the City Clerk. These licenses terminate on March 31 of each year. The cost of a Business License is \$40 per year, plus \$2.50 for each of the first 25 employees (excluding the owner of a sole proprietorship employed by such business) and an additional \$1.00 per year for each employee over 25. The maximum fee is \$300 per year. A copy of the Arkansas Sales & Use Tax Permit number must be submitted with a Commercial Business License application, and the applicant must show photo identification or a driver's license. Completed Business License Applications must be submitted to the City Clerk's office. Applications may be obtained at the City Clerk's office (201 Spring St.), the Chamber of Commerce (202 W. Emma Ave.), or online at springdalear.gov/city_clerk/busines_license.asp.

REGISTERING YOUR Business Name

The Washington County Clerk (479.444.1711) requires sole proprietorships to obtain a "Doing Business As" (DBA) certificate. There is a \$25 filing fee. Applications can be submitted at the Washington County Clerk's office (2 North College Ave., Fayetteville, AR 72701).

To reserve a corporate name in Arkansas, applications must be submitted to the Arkansas Secretary of State's office. The website for the Secretary of State is on the last page of this guide. The Business and Commercial Services Division's phone number is 501.682.3409.

TAX ID NUMBER & THE IRS

Each employer must apply for an "Employer Identification Number" (Form SS-4) to comply with Federal Income Tax, Social Security and Unemployment Insurance regulations. For more information, contact the Internal Revenue Service (IRS) at 800.829.3676 or 800.829.1040.

OTHER CITY PERMITS

The Springdale City Clerk's office (479.750.8119) issues other specific business-related permits that may or may not pertain to your business. Other permits include: Taxi Driver's Permit (\$5 annually), Taxicab Company Permit (\$100 annually), Retail Beer Permit (\$15 annually), Liquor Permit (\$250 annually), Fireworks Sales Permit (\$500 annually), Private Trash Collector Contract (\$150) and Itinerant Street Vendor Permit (\$10/vehicle).

OTHER STATE PERMITS

Restaurants, food services or food manufacturing, and other types of personal consumption businesses are required to have permits by the Arkansas Department of Health (501.661.2000).

Business owners wishing to sell alcoholic beverages need to obtain a permit from the Alcoholic Beverage Control (501.682.1105). For applicable fees and permit information, call the Alcoholic Beverage Control office.

Air pollution, solid waste, stream pollution and water quality permits can be obtained from the Arkansas Department of Environmental Quality (501.682.6744).



UTILITIES

Electricity

AEP/SWEPCO: 888.216.3523

Ozarks Electric Cooperative: 479.751.2342

Trash Removal

Waste Management: 888.964.9718

The address of your business determines which electrical provider you must use. The Chamber of Commerce can assist you in making that determination.

Springdale Water Utilities: 479.751.5751

Arkansas Western Gas: 479.521.5400

TAXES & EMPLOYEES



STATE SALES & USE TAX

If you are a vendor located in Arkansas, you are required to register under the Gross Receipts Tax Law. A \$50 nonrefundable fee is required. It takes approximately eight to 10 working days to process the application. The permit is then mailed to the address listed on the application. The website for Sales and Use Tax forms is on the last page of this guide. For more information, contact:

Revenue Division Sales & Use Tax Section
P. O. Box 1272
Little Rock, AR 72203
501.682.7104

MISCELLANEOUS TAX

The Miscellaneous Tax Section handles various areas of taxation for the Revenue Division, including but not limited to: Cigarette Tax, Tobacco Products Tax, Cigarette Paper; Wine, Liquor, and Beer Enforcement; Amusement Tax; Soft Drink Tax; Merchandise Vending; Beauty Pageant Registration Fees; Beer and Liquor Tax; Domestic Wine Tax; and Waste Tire Fee. The website for Miscellaneous Taxes is on the last page of this guide. For more information, contact:

Revenue Division Miscellaneous Tax Section
P. O. Box 896
Little Rock, AR 72203
501.682.7187

WITHHOLDING TAXES

Employers are required to withhold tax from wages of employees who work in the state of Arkansas. An employer, or withholding agent, is required to register by completing a registration packet from the Arkansas Withholding Tax Section upon hiring the first employee. The website for Withholding Tax Forms is on the last page of this guide. For more information, contact:

Revenue Division Withholding Tax Unit
P. O. Box 9941
Little Rock, AR 72203
501.682.7290



EMPLOYEE RECORDS

Employers are required to maintain records on wages, hours and other items. information regarding labor laws may be obtained from:

Arkansas Department of Labor- Wage and Hour Division
10421 West Markham
Little Rock, AR 72205
501.682.4500

WORKERS' COMPENSATION

Workers' Compensation insurance is mandatory in Arkansas if you have at least three employees. The Chamber of Commerce can assist you in identifying local insurance companies that provide this insurance. For additional information, contact:

Arkansas Workers' Compensation Commission
324 Spring Street
Little Rock, AR 72203
800.622.4472

EXECUTIVE SUMMARY

A concise overview of the entire plan

MARKET ANALYSIS

Demonstrates your knowledge about the particular industry your business is in

COMPANY DESCRIPTION

A high level look at how all the different elements of your business fit together

ORGANIZATION & MANAGEMENT

Includes details about ownership and profiles of the management team

SERVICE OF PRODUCT LINE

Describes your service or product and the benefits to potential and current consumers

FUNDING REQUEST

Explains the different funding scenarios you need to start or expand your business

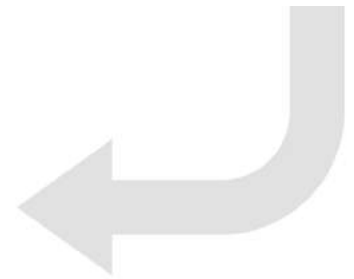
FINANCIALS

Developed after analyzing the market and setting clear objectives, allowing you to allocate resources efficiently

BUSINESS PLAN

Starting and managing a business takes motivation, desire, research and planning. To increase your chance for success, take the time up front to build a comprehensive business plan. The Chamber of Commerce is happy to help you access many excellent resources available to assist you in developing your plan.

In general, a good business plan contains the items listed to the left.



FINANCING

It's common for businesses to need financial assistance. Many entrepreneurs need financial resources to start or expand a small business and must combine what they have with other sources of financing. These sources may include family and friends, venture-capital financing and business loans. When considering financing options, have a good understanding of your financing needs and the type of options available to help you start and sustain your business. Some key issues with regard to your business are:

Borrowing Money- Key elements are understanding types of financing, your credit history, equity investment, collateral and the management of your team.

Business vs. Personal Finances- A business can place a tremendous strain on your personal finances. Prepare yourself by developing a monthly household budget and understanding your personal credit situation (both will determine how you are perceived by potential lenders and suppliers).

Estimate Startup Costs- You must know how much money is needed to sustain your business. Determine the amount of seed money, one-time costs and ongoing costs you expect, and decide if they are essential or optional. Identify fixed and variable expenses.

Financial Statements- Understanding your assets, liabilities, inventory needs and intangibles is critical to having a successful financial model for your business.

Breakeven Analysis- A startup business owner must understand that \$5,000 of product sales will not cover \$5,000 in monthly overhead expenses. Online resources are available to help you determine when your business can cover all of its expenses and begin to make a profit.

BUSINESS SATISFACTION

Starting a business can be time consuming and, at times, frustrating. It is our desire to do everything possible to shorten the process and help make the experience more enjoyable.

Should you encounter problems or issues while navigating the process of opening a business in Springdale, feel free to personally contact:

Doug Sprouse
Mayor, City of Springdale
479.750.8114

Perry Webb
President, Springdale Chamber of Commerce
479.872.2222



Helpful Websites

Springdale Chamber of Commerce

www.springdale.com

City of Springdale

www.springdalear.gov

Springdale City Clerk

www.springdalear.gov/city_clerk

Springdale Business License Applications

www.springdalear.gov/city_clerk/business_license.asp

State of Arkansas Secretary of State Forms

www.sos.arkansas.gov/business_entity_fees_forms_pro.html

State of Arkansas Sales & Use Tax Forms

www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Pages/Forms.aspx

State of Arkansas Withholding Tax Forms

www.dfa.arkansas.gov/offices/incomeTax/withholding/Pages/withholdingForms.aspx

State of Arkansas Miscellaneous Tax Information

www.dfa.arkansas.gov/offices/exciseTax/MiscTax/Pages/default.aspx





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