

Government Regulations and Your Business

Below is a checklist of the most common requirements that affect small businesses, but it is by no means exhaustive. Bear in mind that regulations vary by industry. If you're in the food service business, for example, you will have to deal with the health department. If you use chemical solvents, you will have environmental compliances to meet. Carefully investigate the regulations that affect your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties and jeopardize your business.

BUSINESS FORMATION

There are many forms of legal structure you may choose for your business. The most common structures are Sole Proprietorships, General and Limited Partnerships, C and S Corporations and Limited Liability Companies. Each legal structure offers organizational options which are appropriate for different personal situations and which affect tax and liability issues. We suggest you research each legal structure thoroughly and consult a tax accountant and/or attorney prior to making your decision.

BUSINESS INSURANCE

Like home insurance, business insurance protects the contents of your business against fire, theft and other losses. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, others simply make good business sense. The types of insurance listed in this article are among the most commonly used and are merely a starting point for evaluating the needs of your own business. For more information contact your insurance agent or broker.

TYPES OF INSURANCE TO CONSIDER

Liability – Businesses may incur various forms of liability in conducting their normal activities. One of the most common types of liability is product liability, which may be incurred when a customer suffers harm when using the business' product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs is vital in determining an adequate and appropriate level of protection for your business.

Property – There are many different types of property insurance and levels of coverage available. It is important to determine the property you need to insure for the continuation of your business and the level of insurance you need to replace or rebuild. You must also understand the terms of the insurance, including any limitations or waivers of coverage.

Business Interruption – While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business interruption (or "business income") insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

"Key Man" – If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider "key man" insurance. This type of insurance is frequently required by banks or government loan programs. It can also be used to provide continuity in operations during a period of ownership transition caused by the death or incapacitation of an owner or other "key" employee.

Automobile – It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called “non-owned automobile coverage”) if you use your personal vehicle on company business. This policy covers the business’ liability for any damage which may result for such usage.

Officer and Director – Under the circumstances, officers and directors of a corporation may become personally liable for their actions on behalf of the company. This type of policy covers this liability.

Home Office – If you are establishing an office in your home, it is a good idea to contact your homeowners insurance company to update your policy to include coverage for office equipment. This coverage is not automatically included in a standard homeowner’s policy.

BUSINESS LICENSES

There are many types of licenses, both state and local as well as professional. Depending on what you do and where you plan to operate, your business will be required to have various state and/or municipal licenses, certificates or permits.

Licenses are administered by a variety of departments. First check with the license office in the city where you plan to do business.

FICTITIOUS BUSINESS NAME

Registering your business name, after doing a search to make sure that it is not already in use, protects you from others who might be using the same name. For more information contact:

Georgia Secretary of State

Corporations Division
Suite 315, West Tower
2 MLK, Jr., Drive
Atlanta, GA 30334-1530
(404) 656-2817

www.sos.state.ga.us

www.GeorgiaCorporations.org

FEDERAL IDENTIFICATION NUMBER

Each employer must apply for an “Employer Identification Number” (IRS-Form SS-4) to comply with Federal Income Tax, Social Security and Unemployment Insurance regulations. The form is available online at: www.sba.gov/library/forms.html.

For Federal Business Tax Information, contact the local Internal Revenue Service (IRS) office in your area or call (800) 829-1040.

FEDERAL SELF-EMPLOYMENT TAX

Everyone must pay Social Security and Medicare coverage. If you are self-employed, your contributions are made through the self-employment tax.

The IRS may seem like a complicated maze, but there are publications, counselors and workshops available to help you sort it out. For more information contact the IRS at (800) 829-1040.

TAX RESOURCES

The following resources may prove useful to entrepreneurs seeking more information about tax liabilities:

- Small Business and Self Employed Community Web site, www.irs.gov/smallbiz/index.htm, provides industry- and profession-specific information as well as general tax tips, laws and regulations and other guides for new and existing businesses.
- IRS Publication 583, *Starting a Business and Keeping Records*; IRS Publication 463, *Travel, Entertainment, Gift and Car Expenses*; and IRS Publication 15, *Circular E, Employer’s Tax Guide*, which provides information on employment tax records, are available from www.irs.gov/forms_pubs/index.html.
- www.smbiz.com offers tax “To Do” lists as well as “News” and “Tip of the Day” pages.

- www.employers.gov, which provides employer resources, is a collaboration of the Department of Labor; Internal Revenue Service; Small Business Administration; Social Security Administration; Department of the Treasury; individual states; and the Simplified Tax and Wage Reporting System.

SALES TAX EXEMPTION CERTIFICATE

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials which will become part of the product you sell, from suppliers without paying taxes. It requires you to charge sales tax to your customers which you are responsible for remitting to the state.

You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on Sales Tax issues, contact:

Georgia Department of Revenue
Sales and Use Tax Division
310 Trinity-Washington Building
Atlanta, GA 30334
(404) 656-4086
www.legis.state.ga.us/departments/dor

ELECTRONIC FEDERAL TAX PAYMENT SYSTEM

EFTPS (Electronic Federal Tax Payment System) is a free electronic tax payment system offered by the U.S. Treasury that gives businesses the convenience of making ALL their federal tax payments by phone or personal computer (PC), 24 hours a day, 7 days a week, from home or office.

With a phone or PC, businesses initiate their tax payments at least one calendar day before their taxes are due. And on the due date, the funds automatically move to the EFTPS. Taxpayers can also use EFTPS through a program offered by a financial institution.

No special equipment is required to use EFTPS, and if you wish to use your PC, free Windows®-based software is available.

Once you enroll in EFTPS, you can make ALL your federal business tax payments for your business using EFTPS. This includes employment, excise, and corporate income taxes.

After EFTPS processes the enrollment form, you will receive a Confirmation/Update Package that contains all the information you need to use the system.

Enrollment forms can be obtained by calling (877) 511-4902.

HAZARDOUS SUBSTANCE COMPLIANCE

Use of hazardous substances in businesses is highly regulated and there are heavy fines for non-compliance. If you need information about air, water, land uses, solid waste and hazardous materials call or write:

U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460
www.epa.gov

U.S. Environmental Protection Agency
Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-3104
(800) 241-1754
www.epa.gov/region4

BUILDING CODES, PERMITS & ZONING

It is important to consider zoning regulations when choosing a site for your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Contact the business license office in the city or town in which the business is located.

BAR CODING

The Uniform Code Council, Inc. (not a government agency) assigns a manufacturer's ID code for

the purposes of bar coding. Many stores require bar coding on the packaged products they sell. For additional information contact:

Uniform Code Council, Inc.

7887 Washington Village Drive, Suite 300
Dayton, OH 45459
(937) 435-3870
www.uc-council.org

EMPLOYEE CONSIDERATIONS

Taxes, etc. – If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make periodic payments, and/or file quarterly reports about payroll taxes and other mandatory deductions. You may contact these government agencies for information, assistance and forms.

Social Security Administration

(800) 772-1213

Federal Withholding

U.S. Internal Revenue Service
(800) 829-1040

State Withholding

Georgia Department of Revenue
Income Tax Division
507 Trinity-Washington Building
Atlanta, GA 30334
(404) 656-4181
www.state.ga.us/departments/dor

Georgia Department of Revenue

Rome Regional Office
1401 Dean Street, Suite E
Rome, GA 30161-6494
(706) 295-6061

EMPLOYEE INSURANCE

If you hire employees you may be required to provide unemployment or workers' compensation insurance. For more information, contact:

Unemployment Insurance

Georgia Department of Labor
Unemployment Insurance Division
Suite 850, Sussex Place
148 International Blvd., NE
Atlanta, GA 30303-1751
(404) 656-3061
www.dol.state.ga.us

Workers' Compensation Insurance

State Insurance Commissioner
Suite 704, West Tower
2 Martin Luther King, Jr. Drive, SW
Atlanta, GA 30334
(404) 656-2056

SAFETY & HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. OSHA outlines specific health and safety standards adopted by the U.S. Department of Labor. For information contact:

Occupational Safety & Health Administration

U.S. Department of Labor
Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-2300
www.osha-slc.gov

U.S. Department of Labor

Region IV – Office of Public Affairs
Atlanta Federal Center
61 Forsyth Street, SW, Suite 6B75
Atlanta, GA 30303
(404) 562-2080

U.S. Department of Labor

Office of Public Affairs
200 Constitution Avenue, NW, Room S-1032
Washington, DC 20210
(202) 693-4650
www.dol.gov

Equal Employment Opportunity Commission (EEOC)

Atlanta District Office
100 Alabama Street, Suite 4R30
Atlanta, GA 30303
(404) 562-6800 (800) 669-4000
www.eeoc.gov

IMMIGRATION & NATURALIZATION SERVICE

The Federal Immigration Reform and Control Act of 1986 requires all employers to verify the employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The INS Office of Business Liaison offers a selection of information bulletins and live assistance for this process through the Employer Hotline. In addition, INS forms and the Employer Handbook can be obtained by calling the Forms Hotline. For forms call (800) 870-3676; for the Employer Hotline call (800) 357-2099. For more information contact:

Immigration & Naturalization Service

U.S. Department of Justice
Atlanta District Office
Martin Luther King Jr. Federal Building
Atlanta, GA 30303
(800) 375-5283 – National Customer Service Center
(800) 870-3676 – Forms Request Line
www.ins.usdoj.gov

FEDERAL REGISTRATION OF TRADEMARKS AND PATENTS

Trademarks are names or symbols used in any commerce that are subject to regulation by state government or the U.S. Congress. To register a trademark, contact:

U.S. Patent and Trademark Office

Crystal Plaza 3, Room 2C02
Washington, DC 20231
(800) 786-9199
www.uspto.gov

Trademark Section Administrator

Corporations Division
Secretary of State
315 West Tower, 2 MLK Jr. Drive
Atlanta, GA 30334-1530
(404) 656-2861
www.sos.state.ga.us/corporations/trademarks

Caution: Federally registered trademarks may conflict with and supersede state registered business

and product names. Businesses are encouraged to check for conflicts with federal trademarks.

COPYRIGHTS

Copyrights protect the thoughts and ideas of authors, composers and artists. A copyright prevents illegal copying of written matter, works of art or computer programs. In order to ensure copyright protection, the copyright owner should always include notices on all copies of work. Contact:

U.S. Copyright Office

Library of Congress
101 Independence Avenue, SE
Washington, DC 20559-6000
(202) 707-3000 – Public Information Office
(202) 707-9100 – Forms/Publications Hotline
www.loc.gov/copyright

OTHER RESOURCES

Better Business Bureau

Serving Northern Georgia
1010 Market Street, Suite 200
Chattanooga, TN 27402
(423) 266-6144
www.chattanooga.bbb.org

BBB of Metropolitan Atlanta

P.O. Box 161447
Atlanta, GA 30321
(404) 766-0875
www.atlanta.bbb.org

Central Contractor Registration (CCR)

Required for doing business with DOD. Necessary to be eligible to do business through Electronic Data Interchange (EDI).
www.ccr2000.com

Commercial and Government Entity (CAGE) Code

CAGE Code identify contractors doing business with Federal Government.
(888) 227-2423
www.ccr2000.com

Dunn & Bradstreet Data Universal Numbering System (DUNS)

Internationally recognized company identifier in electronic data interchange and global electronic commerce transactions. Required for Federal Government contracting:

(888) 814-1435

www.dnb.com/dunsno

Government Printing Office Bookstore

First Union Plaza, Suite 210

999 Peachtree Street, NE

Atlanta, GA 30309

(404) 347-1900

www.gpo.gov

Government Printing Office

Superintendent of Documents

P.O. Box 371954

Pittsburgh, PA 15250-7954

(202) 512-1800

To order online:

www.bookstore.gpo.gov

INFORMATION

Federal Consumer Information Center

(800) 688-9889

www.info.gov

First Stop Business Information Center

Provides the small business owner and the prospective entrepreneur with a central point of information and contacts for state regulatory requirements for operating a small business.

(404) 656-7061

www.sos.state.ga.us

State Government Information

(404) 656-2000

SMALL BUSINESS INNOVATION RESEARCH PROGRAM (SBIR)

The mission of the Office of Technology is to strengthen and expand the competitiveness of U.S. small high-technology research and development businesses in the federal marketplace. The SBIR also provides assistance in achieving commercialization of the results of both the federal research and

development programs mandated by the Small Business Innovation Development Act of 1982 and the Small Business Research and Development Enhancement Act of 1992.

The mission of the office is carried out through legislated programs including:

- The Small Business Innovation Research Program
- The Small Business Technology Transfer Pilot Program
- The R, R & D Goaling Program
- Advocacy of Federal Technology Assistance

The office of Technology is organized into two components: the Research Acquisition Policy Division and the Innovation and Technology Division.

The Office of Technology promotes federal small business high-technology programs to improve the competitive capabilities of small research and development businesses with particular emphasis on emerging and under-served small firms. It encourages state-of-the-market technology training, technology information exchange and outreach on federal technology programs. It also encourages private and public resource support for the commercialization of federal R & D efforts. It promotes outreach activities to introduce women and minority-owned small business concerns to the advantages of competing for federal R & D projects.

For more information on the SBIR Program, contact:

U.S. Small Business Administration

Office of Technology – Mail Code 6470

409 3rd Street, SW

Washington, DC 20416

(202) 205-6450

www.sba.gov/sbir

SBA SMALL BUSINESS CLASSROOM

The Small Business Classroom is a digital strategy for reaching new markets and training small business clients in a changing global environment. The on-line classroom is designed to provide easy-to-use, electronic business courses, 24 hours-a-day. The Small Business Classroom makes available

interactive, easily accessible courses most in demand by small business clients.

The Small Business Classroom includes several key components:

- Co-sponsored Courses and Resource Areas
- SBA On-Line Courses
- Library & Online Research Materials
- Business Counselors
- Comments to SBA

On this site, you can read articles, take courses, or begin researching areas of small business development that interest you. Or, through a SCORE Cyber-Chapter, you can access via E-mail business advice on an issue that you're struggling with today.

Now featured in the Classroom are six new eCommerce resources, designed to help small businesses increasingly influenced by the Internet and other emerging technologies.

The Small Business Classroom can be accessed from SBA's Home Page www.sba.gov or directly at www.sba.gov/classroom.