

SMALL BUSINESS RESOURCE GUIDE



ECONOMIC
DEVELOPMENT
CORPORATION



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Table of Contents

5	Small Business Development Center
6	Business Start-Up Essentials
9	Business Legal Structure and Name
11	Selecting and Protecting the Business Name
12	Business Start-up Costs
14	Employer Responsibilities
16	Business Taxes
17	State Tax Responsibilities
18	Business Location
20	Developing a Business Plan
21	Sources of Financing
22	SBA Loan Instructions
24	Institute for Economic Development Resources
25	County Resources and Requirements
26	City Resources and Requirements
27	Federal Resources and Requirements
28	Other Resources
28	Helpful Websites
29	Comparison Table – Business Legal Structure

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
 - › <https://utsa.ecenterdirect.com/events?centerid=2>

back of table of contents - blank

Contact

(830) 214-6435

(210) 458-2460

Fax: (210) 458-2464

www.sasbdc.org

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 Seguin. 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) locally at **(830)-214-6435**, or in San Antonio 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:
(830)-214-6435 or (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/DBA
Guadalupe County Clerk's Office
211 W. Court St.
Seguin, TX 78155
(830) 303-8859
<http://www.co.guadalupe.tx.us/coclerk/coclerk.php>

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 the Secretary of State.
Secretary of State
Corporations Section
PO Box 13697
Austin, TX 78711-3697
(512)463-5555
www.sos.state.tx.us/corp/sosda/
- 5

Contact the 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 and Zoning Department:
City of Seguin
205 N. River St.
Seguin, TX 78155
830-401-2305
https://www.seguintexas.gov/government/agendas_and_minutes/planning_and_zoning.php

6

Determine appropriate state taxes to be collected;
obtain a state sales tax permit or franchise tax information:
Texas Comptroller of Public Accounts
9514 Console Dr., Suite 102
San Antonio, TX 78229
(210) 616-0067
<https://comptroller.texas.gov/taxes/>
Tax related questions: (800) 252-5555

7

<p>If you need to obtain a Federal Taxpayer ID# or Federal Employer ID#:</p> <div><div>San Antonio Office Internal Revenue Service 8626 Tesoro Dr. San Antonio, TX 78217 (210) 841-2090</div><div>Austin Office Internal Revenue Service 825 E. Rundberg Ln. Austin, TX 78753 (512) 499-5127</div></div> <p>Tax related questions Individuals: (800) 829-1040 Businesses: (800) 829-4933 Register online: http://www.irs.gov</p>

8

Hiring Employees:
Workforce Solutions Alamo Career Center
1500 E. Court St., Suite 444
Seguin, TX 78155
830-379-4244
www.workforcesolutionsalamo.org

9

Report Business Property:
Guadalupe County Appraisal District
3000 N. Austin St.
Seguin, TX 78155
(830) 830-303-3313
www.guadalupead.org

10

Select an accountant and an attorney:
Ask other business owners in your industry for referrals or contact the local Guadalupe County Bar Association

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.
- 6
- 7

- 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

Reminder: Follow up with your UTSA Small Business Advisor!

NOTES

Business Legal Structure & Name

The decision regarding business structure is a decision that a person should make, in consultation with an attorney and accountant, while 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:
Guadalupe County Clerk’s Office
Assumed Name Office/DBA
211 W. Court St.
Seguin, TX 78155
Phone: (830)-303-8861
<http://www.co.guadalupe.tx.us/coclerk/coclerk.php>

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 \$308. 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:
Office of Secretary of State, Statutory Filings Division
P. O. Box 13697
Austin, Tx 78711-3697
(512) 463-5555

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>

Note: See Page 29 in this Resource Guide for comparisons of the various legal structures.

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, Tx
(512) 463-5555
sos.state.tx.us

U.S. Patent and Trademark Office
Washington, DC
(800) 786-9199
uspto.gov

Business Start-Up Costs

UTILITIES

There are many different phone companies to choose from, and their requirements for a business phone may vary. You must understand the requirements of and have enough money available for deposits and fees required by utility companies that service your business:

- **Phone 800-499-7928**

AT&T is the primary telephone provider for the city of Seguin.

 - » 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**
There are two providers of electricity in Seguin:
 - » **City of Seguin Utilities**
205 N. River
Seguin, TX 78155
(830) 401-2457
www.seguintexas.gov/departments/utilities/
 - » **Guadalupe Valley Electric Coop**
927 N. Hwy 46
Seguin, TX 78155
(800) 223-4832
gvec.org

- **Gas**
There is one provider of gas in Seguin:
» **Centerpoint Energy**
290 S. Castell Ave.
New Braunfels, TX 78130
(830) 643-6938 or (800) 499-7928
<http://www.centerpointenergy.com/en-us/>

- **Water**
There are two providers of water in Seguin:
 - » **City of Seguin**
205 N. River
Seguin, TX 78155
(830) 401-2457
www.seguintexas.gov/departments/utilities/
 - » **Spring Hill Water Supply**
5510 South 123 Bypass
Seguin, TX 78155
(830) 379-7683
<http://springshill.org>

Your deposit is based on many factors:

- Location
- Type of business
- Electric/Gas requirements

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:** <https://www.jobs.irs.gov/sites/default/files/wysiwyg-uploads/files/IRSDownloads/I-9EmploymentEligibilityVerification.pdf>
- » **Form W-4:** <https://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**

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 six quarters. You will only be taxed on the first \$9,000 of gross wages

Workforce Solutions Alamo Career Center

1500 E. Court St., Suite 444

Seguin, TX 78155

(830)379-4244

www.workforcesolutionsalamo.org

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>

The Texas Department of Insurance

(800) 578-4677

NOTES

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

Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 E. 17th St
Austin, TX 78774-0100

Mailing address: Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528
(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 canceled. 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

ORDINANCES

- **SIGN ORDINANCE**
The City of Seguin has very specific requirements for signage for your business. Have an idea of what you want to do for signs for your business. Permits are required for signs, both permanent and temporary (i.e. banners, etc.). You can find information at <https://www.seguintexas.gov/>, then click on the Code of Ordinances, Part II, Chapter 82.
- **TREE ORDINANCE**
Any vital trees that are cut down through your building process must be replaced.
- **CORRIDOR ORDINANCE**
Any metal buildings along the major thoroughfares of the city must have brick facades 6’ high and the rest of the building can be made of metal.

HOME OCCUPATION

You will need to research Home Occupation Standards prior to operating a business from your home. You will need to consult with your insurance company to determine your insurance needs for having an office in your home. A copy of all city ordinances can be found at the Seguin Public Library, and the Planning and Codes Department.

Planning and Codes Department

205 N. River St.
Seguin, TX 78155
(830) 401-2305
www.seguintexas.gov

ZONING

- Make sure the location you’ve picked for your business is zoned for the type of business you plan to conduct before you sign a lease or purchase property.
- Only property within the city limits is zoned.
- Property outside of the city limits may be subject to subdivision regulations and/or neighborhood association restrictions.

Planning and Zoning Department

205 N. River St.
Seguin, TX 78155
(830) 401-2305
https://www.seguintexas.gov/government/agendas_and_minutes/planning_and_zoning.php

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.

ADA COMPLIANCE/BUILDING MODIFICATIONS

Building Official Planning and Zoning Department

205 N. River St.
Seguin, TX 78155
(830) 401-2436
https://www.seguintexas.gov/government/agendas_and_minutes/planning_and_zoning.php

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:

Planning and Zoning Department

205 N. River St.
Seguin, TX 78155
(830) 401-2305
https://www.seguintexas.gov/government/agendas_and_minutes/planning_and_zoning.php

COMMERCIAL LOCATION REQUIREMENTS

- **CERTIFICATE OF OCCUPANCY (C of O)**
 - » A certificate indicating that the premises comply with all the provisions of the City’s Zoning Ordinance and Building Code
 - » Businesses are required to have a certificate of occupancy to conduct business within the City of Seguin. 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 \$50.00 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

Planning and Zoning Department

205 N. River St.
Seguin, TX 78155
(830) 401-2305
https://www.seguintexas.gov/government/agendas_and_minutes/planning_and_zoning.php

TEMPORARY VENDORS

Businesses operating in the City of Seguin require building, electrical, and fire inspections. Permits are good for a maximum of 90 days, must be in non-residential areas, and located on private property. Food vendors will need a permit from the Health Department. Food items that require baking, frying, or grilling will need mechanical, health and environmental inspections.

Planning and Zoning Department

205 N. River St.
Seguin, TX 78155
(830) 401-2305
www.seguintexas.gov

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 two-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 www.sasbdc.org for the most recent Building Your Business workshop brochure and calendar of events.

Sources Of Financing

PERSONAL RESOURCES	FINANCIAL INSTITUTIONS	PRIVATE INVESTORS
» Savings	» Banks	» Business Angels
» Family	» Credit unions	» Venture Capital Groups
» Friends		

GOVERNMENT PROGRAMS

- » **U. S. Small Business Administration (SBA)**
17319 San Pedro, Suite 200
San Antonio, TX 78232
(210) 403-5900
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 and Counseling)

OTHER LENDING SOURCES

- » **LiftFund at San Antonio**
(888) 215-2373
www.liftfund.com
 - › A non-profit lender dedicated to helping people achieve the American Dream of small business ownership
 - › Provides small business lending to those who do not have access to capital from typical lending sources, such as traditional banks
- » **People Fund**
2921 E. 17th St.
Building D, Suite 1
Austin, TX 78702
(210) 789-1694 or (512) 472-8087
www.peoplefund.org
 - › An alternative source for loans, financial, and technical assistance for people who are left out of the financial mainstream
- » **Texas Mezzanine Fund**
351 W. Jefferson Blvd.,
Suite 870
Dallas, Texas 75208
(214) 943-5900
(214) 943-5905 (fax)
www.tmfund.com
 - › Offers tandem business loans for businesses in distress areas, minority, or small businesses that create jobs for low-to-moderate income people

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: www.sba.gov

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).
 - › Financial statements for the past three fiscal years or period of time the business has been in operation.
 - › 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).
 - › Aging of accounts receivable and accounts payable.
 - › 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 currently 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: www.sba.gov

Institute For Economic Development Resources

INTERNATIONAL TRADE CENTER *texastrade.org*

The International Trade Center is one of the largest and the most successful trade assistance organizations 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) *sbdcnet.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.

PROCUREMENT TECHNICAL ASSISTANCE CENTER ptac.txsbdc.org

- **Government Marketing**
 - » 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
- **Technology**
 - » Support technological innovation by small business
 - » Facilitate technology transfer and commercialization of new technologies

CENTER FOR COMMUNITY AND BUSINESS RESEARCH ccbr.iedtexas.org

The Center for Community and Business Research (CCBR) is dedicated to serving the needs of economic development agencies, workforce development boards, businesses, associations, city, state and federal governments, and other community stakeholders in search of information to make better-informed decisions. CCBR develops, conducts, and reports on research projects that shed light on how organizations, communities, or the economy work. The CCBR conducts regional evaluation, assessment, and long-term applied research on issues related to community and business development.

SOUTHWEST TRADE ADJUSTMENT ASSISTANCE CENTER swtaac.org

The Southwest Trade Adjustment Assistance Center assists U.S. manufacturing and service firms in Texas, Louisiana, and Oklahoma that are hurt by foreign competition to regain profitable growth. By providing management consulting and strategic business planning services to manufacturers and service firms, the Southwest TAAC helps businesses compete in a global marketplace. Working in tandem with the U.S. Economic Development Administration, Southwest TAAC helps these firms define their needs and secure and coordinate professional consulting services.

MBDA BUSINESS CENTER sanantoniombdacenter.com

The MBDA Business Center helps growing minority business enterprises increase profits and employment in today's marketplace by providing targeted management and technical assistance services. Since 1982, the program has served over 3,500 businesses in the San Antonio MSA with a variety of management assistance services, including financial analyses, loan and bond packaging, strategic planning, government contracting, MBE, DBE, HUB and 8(a) certifications, marketing, public relations, and advertising services. The MBEC primarily works with established minority-owned businesses that have at least \$1 million annual revenues and are seeking rapid growth.

County Resources & Requirements

TAX APPORTIONMENT

For home occupations, the Guadalupe County 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.

Guadalupe County Appraisal District

3000 N. Austin St.
Seguin, TX 78155
(830)-303-3313
www.guadalupead.org

GUADALUPE COUNTY TAX OFFICE

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

Guadalupe County Tax Assessor/Collector

307 W. Court St.
Seguin, TX 78155
(830)-379-2315
www.co.guadalupe.tx.us/tax/tax.php

NOTES

City Resources & Requirements

In general, the City of Seguin does not currently require licenses except for specific types of businesses. It is recommended that you register your business name (DBA) with the city and get a certificate of occupancy from the building department.

License fees are subject to change. A great resource for all information pertaining to business in Seguin is the official website: *www.seguintexas.gov*.

FOOD SERVICE ESTABLISHMENT LICENSE

Every person desiring a license to establish, maintain, or operate a food service establishment within the Seguin city limits must file an application.

- » Food Establishment License
- » Mobile Food License
- » Special Event Food License

Planning and Zoning Department Public Health Division

205 N. River St.
Seguin, TX 78155
(830)-401-2305
www.seguintexas.gov

BEER AND LIQUOR LICENSE

Applications for obtaining a beer and/or liquor license can be obtained at:

Seguin City Secretary's Office

205 N. River St.
Seguin, TX 78155
(830)-401-2305
www.seguintexas.gov

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:

Seguin Police Department

350 N. Guadalupe St.
Seguin, TX 78155
(830)-379-2123
www.seguintexas.gov

HOME IMPROVEMENT CONTRACTOR, DEMOLITION CONTRACTOR, MOBILE HOME INSTALLER, SIGN OPERATOR, STREET NUMBER PAINTER

Building Inspections Division/Permits

Planning and Zoning Department
205 N. River St.
Seguin, TX 78155
(830)-401-2305
www.seguintexas.gov

Federal Resources & 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)

OSHA Publications Distribution Office, OSHA

U.S. Department of Labor

200 Constitution Ave. NW, Room S1212
Washington, DC 20210
(800) 356-4674
www.osha.gov

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

5410 Fredericksburg Rd., Suite 200
San Antonio, TX 78229
(800) 669-4000
www.eeoc.gov/sanantonio/charge

Other Resources

SCORE PROGRAM (SERVICE CORPS OF RETIRED EXECUTIVES)

615 East Houston St., Suite 293
San Antonio, TX 78205
(210) 403-5931
(210) 403-5936 (fax)
sanantonio.score.org

INTERNAL REVENUE SERVICE FOR SMALL BUSINESSES

(800) 829-1040
(512) 499-5439
Local Office:
8700 Tesoro Dr.
San Antonio, TX 78217
(210) 841-2090
www.irs.gov

Helpful Websites

Inc. Magazine
www.inc.com

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

Human Resources Office
of Personnel Policy
www.doi.gov/hrm

Alexander Hamilton Employment
Law Resource Center
www.ahipubs.com

Texas Workforce Commission
www.texasworkforce.org

Department of Labor
www.dol.gov

Equal Employment
Opportunity Commission
www.EEOC.gov

STATE COMPTROLLER’S OFFICE (SALES AND USE TAX)

9514 Console Dr. (near I-10 and Wurzbach)
San Antonio, TX 78229
(210) 616-0067
(800) 242-5555 for Tax-Related Questions
www.window.state.tx.us/taxinfo/sales/

SEGUIN PUBLIC LIBRARY

313 W. Nolte St.
Seguin, TX 78155
(830) 401-2422
www.seguintexas.gov/landing_library.php

Business Law and Regulatory Website
www.business.gov

IRS Website
www.irs.gov

State Comptroller Website
www.window.state.tx.us/

US Department of Labor Occupational
Safety & Health Administration (OSHA)
www.osha.gov

Economic Development Department
www.sanantonio.gov/edd

Secretary of State
www.sos.state.tx.us

Small Business Administration (SBA)
www.sba.gov

Business Owner’s Tool Kit
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 personally liable for corporation	Shareholders typically not personally 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 » Greatest freedom from regulation » Owner is in direct control and retains all profits » Ease of formation » Limited government regulation	» Unlimited liability » Potential lack of continuity » May be more difficult to raise capital » Profits increase owner’s personal taxes
Partnership	» Ease of formation » Lower startup costs » Additional source(s) of capital » Broader management base » Possible tax advantages » Limited government regulation	» Unlimited liability » Divided authority » Potential difficulty in raising additional capital » Hard to find suitable partners » Legally dissolves upon change or death of partner » Profits increase owner’s personal taxes
Incorporation	» Limited liability » Separate legal entity » Ownership is transferable » Continuous existence » Possible tax advantages » May be easier to raise capital	» Closely regulated by government » More expensive to organize » Charter restrictions » Extensive record keeping

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.

NOTES

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**UTSA SMALL BUSINESS
DEVELOPMENT CENTER/
SPARK SMALL BUSINESS CENTER**
940 W. San Antonio St., Suite A
New Braunfels, TX 78130
sasbdc.org
(830) 214-6435

**SEGUIN ECONOMIC
DEVELOPMENT CORPORATION**
211 N. River St.
Seguin, Texas 78155
seguinedc.com
(830) 401-2476