

EVEN SMALL BUSINESSES ARE REGULATED

One thing is sure: you need to know about regulations before you accidentally break them.

Consumer Protection Regulations

- Consumer Credit Protection Act applies if you extend credit to customers.
- Other federal legislation such as the Flammable Fabrics Act and the Food, Drug and Cosmetics Act may strongly affect your business.

Environmental Protection Regulations

- Check which local, state and federal pollution laws apply to your kind of business.

Laws Encouraging Competition

- These rules prohibit certain types of business activities in restraint of trade, price discrimination, false advertising, misrepresentation and disparagement of competitors. They change fairly frequently.

Labor Relations Laws

- If you have employees you must comply with federal and state regulations covering wages, hours, working conditions, recordkeeping and discrimination in hiring.

Economic Security Legislation

- Involuntary unemployment benefits are required by state and federal legislation.
- Provisions vary from state to state, but may include rules to minimize losses employees might have from industrial accidents and occupational diseases, to provide medical care for employees and to furnish some employee income for retirement.

CALL US TODAY

Call us today for an initial consultation and let us demonstrate our expertise can help your business grow and be profitable. We are specialists and we welcome the opportunity to show you how we can assist you.

OUR SERVICES

- Bookkeeping and Financial Reporting Services
- Tax Services
- Payroll Services
- Business Counseling Services

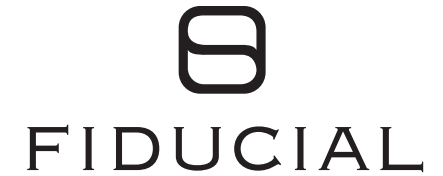
ABOUT FIDUCIAL

Fiducial is an international service provider for tax, financial and business services, serving small businesses, entrepreneurs and individuals. Fiducial consists of a network of business and tax advisors located in approximately 100 U.S. offices. This professional services network is supported by Fiducial Support Systems, which provides assistance in marketing, human resources, research and development, technical applications and other business areas.

Founded in 1970, the privately held company has annual revenues in excess of \$1.5 billion. Fiducial owns additional offices throughout France, Belgium and Switzerland.

www.fiducial.com

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GUIDE FOR A NEW BUSINESS



one source
one shop
one stop

OWNING YOUR OWN BUSINESS

Owning a business of your own is an exciting adventure. Naturally, you want your business to grow and be profitable. With careful planning and attention to detail, it will.

But there are things you must know about running a business . . . a few essentials to keep you from making costly mistakes. Some are legal requirements. Others . . . just good business. This guide will help you.

LICENSING YOUR BUSINESS

Licensing requirements depend on the kind of business you're operating and where it is located. But many businesses must have a license to operate. Check with your state, county and city authorities for the requirements of each.

INSURING YOUR BUSINESS

To protect your investment of time and money, your business should be adequately insured, especially for uncontrollable risks. Consider your needs for these types of insurance:

- General liability
- Auto liability and physical damage
- Theft and vandalism
- Business interruption
- Group life, health and disability

RECORDKEEPING FOR SUCCESS

The U.S. Small Business Administration says poor recordkeeping is a major cause of small business failure. Successful business owners find the services of a trained business counselor essential in this area. The federal government requires that every business keep certain records. You need a recordkeeping system which provides:

- Income records
- Cash records
- Credit records
- Personnel records
- Fixtures and property records
- Expense records by category
- Employee wages and hours
- Records of monthly, quarterly or annual tax payments and forms filed
- Substantiation of income tax data

ORGANIZING YOUR BUSINESS

Each kind of business structure has its own advantages. An attorney or qualified business counselor can help you decide which of these is best for you:

Sole Proprietor

- One person is the owner.
- The owner is the boss, responsible for all debts and liabilities; owner receives all profits and suffers losses.
- Profits are taxed as personal income.
- Operation is simple; the business is easy to start and dissolve.

Partnership

- Must have two or more owners.
- Each partner is liable for the actions of every other partner.
- The business itself isn't taxed directly, but an information tax return must be filed and profit or loss is allocated to each partner.
- A written partnership agreement spelling out details is strongly recommended.

Corporation

- A corporation is a separate legal entity, formed by one or more people.
- Articles of incorporation must be filed with the state. Each state has its own rules for incorporating.
- Stock is issued in exchange for money or other valuable consideration. Amount of stock held determines the shares of ownership of each investor.
- Liability for debts is usually the company's, not the owners'.
- Charter restrictions may limit what the company and its owners can do.
- There are different kinds of corporations, so professional business counseling is important to determine what is most favorable to your situation.

Limited Liability Company (LLC)

- An LLC has the tax attributes of a partnership with the limited liability of a corporation.
- It may have one member (state law applies).
- An operating agreement is recommended to protect your status.

PREPARING FOR TAXES

Every business pays a number of taxes — local, state and federal. A business counselor can help you determine which apply to you:

Employer Identification Number

- Required of all businesses except sole proprietorships with no employees.

Social Security (FICA)

- Shared by employer and employee. You must withhold the employee's part from wages and pay a matching amount from company funds.

Federal Business Income Tax

- Ask the IRS for booklets like Employer's Tax Guide, Tax Guide for Small Businesses and the Small Business Resource Guide.

Federal Unemployment Tax (FUTA)

- Assessed on the first \$7,000 of wages per employee.

Self Employment Tax

- Applies to sole proprietor and partnership forms.

State Income Tax

- In most states, a state income tax return must be filed for corporations and partnerships.
- Sole proprietor and partnership income is included on individual income tax returns.

Property and Inventory Tax

- Varies from area to area so check with your state, county and city revenue offices.

Sales and Use Tax

- These are generally state required taxes.

Unemployment Compensation

- Unemployment compensation is required in almost every state. Your state Department of Labor can provide information and forms.

Worker's Compensation

- If you have one or more employees, worker's comp is usually necessary. Check with the state Department of Labor or Worker's Compensation Board for details.

SCHEDULE YOUR FREE INITIAL CONSULTATION TODAY.

CALL US AT 800.323.9000 TO LEARN HOW WE CAN HELP YOU.