



Congratulations! You've decided to start a business. Well you've come to the right place! Here at the El Dorado Chamber of Commerce we believe that entrepreneurs and small business owners are crucial for a thriving community and our local economy. We want to help you be successful!

America's backbone is based upon free enterprise and the small business dream. Entrepreneurship and small business development is vital to the continued success of our country, state and city. The investments small businesses create for El Dorado are immeasurable. Owning and operating a business can be both challenging and rewarding. It often requires dedication, patience, a variety of skill sets, the ability to adapt, financial resources and much more. We have done our best to compile a list of local and state resources along with other local information that we think might be of value to you. We hope you take the time to read through this material and use it to your advantage. Knowing how to handle the challenge of opening and operating your business and where to go for information is imperative for the success of your business.

We have broken the following information up into a timeline sequence for those who are unsure of where to start. Looking for something in particular, look in the Table of Contents where we broke items of interest up into sections. In the event this booklet does not contain an answer to a question you may have, we *strongly* encourage you to let us know. We will do our best to answer that question for you or find someone that can. We will also record the information, in hopes of helping others who may have the same question. We wish you the best of luck and continued success on this new journey.

Sincerely,

Phil Benedict
Executive Director
El Dorado Chamber of Commerce

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NOTICE: The information contained within this publication is given for informational purposes only and should not be construed as legal or professional advice or assistance.

Laws and information contained herein are from multiple sources and are subject to frequent changes. While this publication will be updated as needed, to capture those changes, you should consult a licensed professional when dealing with legal and financial matters regarding your specific situation. You should also verify the other information contained herein to be sure that you have the most current and accurate information.

ONE YEAR TIMELINE FOR ENTREPRENEURS & SMALL BUSINESS STARTUPS

Starting your own business should not be an impulse decision nor one you take lightly. We recommend careful, advanced planning to ensure your businesses' success. Below is a suggested one-year plan.

ONE YEAR BEFORE STARTUP

- Decide what business you want to start. What are the gaps in our community and how can you fill this need? Begin research. Starting a business should not be based solely on what you want but what others want and are willing to pay for. *This is an important part of developing your business idea. If you find there is no need, then this is the time to re-think your idea. If you find there is a need, then take that idea/need and develop it.*
- Define your ideas in writing or on a computer so you can update them as needed.
- Assess the impact on your family and personal life. How will this affect your relationships. Will your family support the use of finances and time?
- There are many resources to help you. Center for Economic Development and Business Research at WSU, 316-978-3225; www.cedbr.org. Kansas Small Business Development Center 316-978-3193; www.kansasbdc.net, Small Business Administration, 316-269-6616, www.sba.gov, and the Kansas Center for Entrepreneurship through Network Kansas, 877-521-8900; www.networkkansas.com. All offer free personal assistance is starting or developing a business in Kansas.
- If your business idea deals with labor and safety issues, we recommend contacting the Kansas Department of Labor at www.dol.ks.gov for educational seminars on these topics.
- Begin writing your business plan. There are many forms available on the internet to help you with this step, you can also visit the Kansas Business Center for a step by step business plan at www.kansas.gov/business/business-plan.html. We have also included an example in the back of this packet. If you would like one-on-one assistance with writing this plan, we encourage you to contact the Kansas Small Business Development Center 316-978-3193; www.kansasbdc.net, or our local Small Business Administration Office, 316-269-6616; www.sba.gov/offices/district/ks/wichita.

SIX MONTHS BEFORE STARTUP

- Determine the focus of your business. What do you want to specialize in. It is easier to excel at one area than at many, especially in the beginning. You can always branch out later.
- Define your target markets. Who is your intended clientele? Who should you aim your marketing towards?
- Seek outside demographic information on your targeted customer base. Be user to check with the El Dorado Chamber of Commerce to see if we have any recent studies,

another great resource is Wichita's State University's Center for Economic Development and Business Research, www.cedbr.org.

- Research business and trade organizations. Most areas of business have agencies and organizations set up to facilitate business. be sure to take advantage of what these groups offer.
- Start thinking about the location of your business. Is a store front needed or are you able to start this business from home? Do you need lots of space to operate? Where would your business best be suited within the city? Will you have customers come to your place? Location can make or break a business and is often overlooked. Be sure to put time and thought into this step and don't always assume you need a storefront. For businesses, with clientele that will come and go or retail, this is a crucial aspect, however for others, not having the overhead when you first begin can help you get a better grasp on what's needed to successfully operate your business. If you decide a storefront is a necessity you can conduct the search on your own or contact a local real estate agent. The El Dorado Chamber of Commerce will be able to get you in touch with a local realtor if you would like and we may also have a list of potential properties for sale or lease. If you are looking in downtown El Dorado be aware that our downtown is deemed as a Downtown Historical District.
- Determine your cash needs. How much money do you need for start-up? What will be your monthly variable and fixed costs? What is your break-even point? These are all questions that must be answered. You must estimate your cash flow. You may find basic forms online, we have included one in the back of this packet or visit our local Small Business Administration, www.sba.gov, our local score office, www.score.org, or the Kansas Small Business Development Center, www.kansasbdc.net/
- Review preliminary financial objectives. How much profit do you expect to make? Are you planning on making investments? What is your intended cash flow?
- Project your cash flow. Write out an estimated statement of all revenues and expenditures. This statement should cover one calendar year. Also project your net cash flow for the entire year.
- Secure necessary financing. Whether through a private lender or through other sources, you must obtain the necessary amount of start-up capital. *Be sure to check out the financing information section of this packet, as there could be more ways than one to help finance your business.*

FOUR MONTHS BEFORE STARTUP

- Name your business. Be smart when naming your business and remember changing a name once established is often tough. Be sure to think about a name that will embody your business for years to come. Also, be aware that someone may already be using your name. You can check to see if a name is currently being used by contacting the Kansas Secretary of State at www.kssos.org and create a business entity search.
- Choose your businesses structure. Will you be a partnership, sole proprietorship, corporation or non-profit? Choosing the legal structure for your company is one of the most important decisions you'll make when starting a business. Learn more about different business entity types, their registration requirements, and the advantages and disadvantages of each structure. Be sure to check out a local accounting firm and they

can advise you on the legal forms of a businesses. You can also check out the Kansas Business Center for more information and help on choosing a structure, www.kansas.gov/business/structure.html.

- Make a final selection on business location. Make sure the location you choose in within your budget and fits within your business plan. When determining the site for a particular business, identify those factors that are most important to that business, including both current and future needs. The determining factors involved with site selection may vary depending on the type of business. A manufacturing business may choose a site based on proximity to customers and suppliers, a good transportation network, available labor and access to utilities. On the other hand, a retail business will place greater emphasis on access to customers, parking and visibility. In some cases, it may be appropriate to start the business in the home. When starting a home-based business, the city or county clerk's office should be contacted to determine what local licenses and zoning requirements are needed.
 - Be sure to have a third party look over any lease before your sign it. The El Dorado Chamber of Commerce has a list of local member attorneys online, who can look over the lease or you may contact the Kansas Small Business Development Center 316-978-3193; www.kansassbdc.net, the Kansas Center for Entrepreneurship through Network Kansas, 877-521-8900; www.networkkansas.com., or our local Small Business Administration Office, 316-269-6616; www.sba.gov/offices/district/ks/wichita for help with this aspect.
 - Renovations? Remember if you need to make any major renovations to the property be sure to check out planning and zoning as well as city codes within the community. You may reach El Dorado's planning and zoning at 316-321-9100, or view online at <http://eldoks.com/164/Planning-Zoning>.
 - If you are looking in downtown El Dorado be aware that our downtown is deemed as a *Downtown Historical District*. Be sure to check out which properties are non-contributing and contributing, what tax breaks could be available and what regulations apply to this by visiting the Kansas Historical Society National and State Registers of Historic Places, <http://www.kshs.org/p/register-database/14638>
 - Renovating or Building? Be sure to see if you qualify for the city's NRP. (Neighborhood revitalization Plan. This plan is intended to promote the revitalization and development of certain properties within the City of El Dorado. Contact the City of El Dorado to see what areas this is available in. 316-321-9100 or visit <http://eldoks.com/documentcenter/view/1015>.
 - Sign ordinances? Be sure to also check with the City of El Dorado's Planning and Zoning to make sure all sign ordinances are being met, <http://eldoks.com/documentcenter/view/760>
- Be sure to check out the Kansas Administrative Regulations. These regulations govern many aspects of doing business in Kansas. You can view these on the Secretary of State website at www.sos.ks.gov/pubs/pubs_kar.aspx
- Select outside advisors and mentors. This will be a very hectic time. It is beneficial to have people you can call to listen to your ideas, problems, plans and provide feedback.

These people should be able to provide you with guidance and constructive criticism. They should be people experienced and knowledgeable in business.

- Determine your financial institution and create a bank account for your small business.
- Also check with the local fire department regarding fire safety regulations 316-321-9100.
- Set up bookkeeping, accounting, and office systems. How are you going to operate your office? If you are going to keep your own books, make sure your skills are adequate. Will you need to hire a bookkeeper/bookkeeping firm? If you already have an accounting firm in place, you might seek them out for this portion of the business.
- Continue working on your business plan

THREE MONTHS BEFORE STARTUP

- Do you need a point of Sale System? How will you keep track of your customers invoices, accounts receivables and more? Be sure to check out Butler Community College at www.butlercc.edu/beta for QuickBooks Classes and other business-related topics.
- Decide on your pricing strategy. After determining your variable and fixed costs, decide what your markup rate will be. You will also need to consider demand and competitive factors in setting your price.
- Forecast sales. Contact the Kansas Small Business Development Center (KSBDC) at 316-978-3193 or others in your field to help you forecast accurately.
<http://www.wichita.edu/ksbdc>
- Determine your company's employee needs. How many people do you need on your staff? This is important to decide as it effects your requirements for insurance, cash flow, etc. KansasWorks is a great resource to discuss employees for your business. Butler County Workforce Center can be reached at 316-321-2350
www.workforceks.com
- Continue working on your business plan.
- Fine tune your cash flow budget.

TWO MONTHS BEFORE STARTUP

- Register your business. Per the state of Kansas, you must register your business, you may do this online through the Kansas Business Center, www.kansas.gov/business.
- Do you need a Business permit? While on the above site be sure to check out other necessary requirements and permits needed to operate your business. These are different depending on what type of business you are operating. There is a list of common business licenses and permits on the Kansas Business Center website, www.kansas.gov/business. Be sure to see if you need a local business license as well. Some communities do not require a local license. Review business licensing with the city of El Dorado, 316-321-9100.
- As a business owner, you will have certain taxes you need to pay
 - Be sure to visit with your accountant to make sure you are within legal requirements. You may also visit the Kanas Department of Revenue, Division of Taxation, <https://www.ksrevenue.org/bustaxtypeswh.html>
 - Be sure to ask both the city and county about taxes, fees and any specific requirements that might affect the proposed business.

- Also check with the local fire department regarding fire safety regulations.
- Prepare your marketing plan. How are you going to market your product/service, and how much will it cost? Are you going to use publicity? You must decide how you will go about introducing your business to the public.
- Develop a social media marketing plan, be sure to check with our local KSBDC, or Small Business Administration for frequently held classes on social media and business promotions. The El Dorado Chamber of Commerce holds educational classes as well.
- Determine advertising, promotion, and public relations strategies.
- Review non-financial objectives (public image, legal questions). How do you want the public to see your business? Are you a family establishment or geared more toward adults? What form is your business taking? Do you have all legal documents needed?
- Prepare a preliminary balance sheet. Contact the KSBDC as well as the Small Business Administration (SBA) www.sba.gov/offices/district/ks/wichita
- Secure insurance coverage if applicable.
- Complete improvements to your facility (if this relates to you)
- Start your hiring process (If this relates to you)
- Refine your business plan.

ONE MONTH BEFORE START-UP

- Consider delaying your official grand opening/ribbon cutting until you've been in business for a couple of weeks. If you do, you can make sure that you have worked the "bugs" out and that all is running smoothly and once that is done prepare for your grand opening/ribbon cutting. The El Dorado Chamber of Commerce provides ribbon cuttings and promotion for members. Be creative but practical.
- Review your final checklist.
- Set up your office, display areas, etc. Have everything exactly as you want it. The last few days before opening are not the time to do this. The look of your store or office sets the tone of your business. You should put thought and time into it.
- Hire your staff, if necessary
- Make sure everything works. It is better to find out that your equipment does not work in advance. In that case, you can make any necessary repairs and be ready to open your doors on time.
- Implement marketing, promotion, and opening plans. This will be an appropriate time to start advertising in local newspapers, radio, and television if your budget permits. Remember: Word of mouth is your most powerful publicity! It's also the least expensive. Spread the word!!

START-UP AND AFTER

- Budget your time. As a new business owner, your time will be precious. Schedule your time wisely. It is important to get the maximum out of the time you have available. You might consider reading some time management materials or speaking with someone who you think manages time wisely or even taking some online classes.
- Continuously update and evaluate your product/service. What is good about your product/service? What sets it apart from competition? Eliminate the problems as much as possible. If people patronize your business for the original concept, improving it will only increase patronization. Think about a questionnaire or survey to your customers.

- LISTEN to your customers, advisors, vendors and other business owners. The customers are your cash flow. It is important to gather their opinions and put them to use. Their ideas can be helpful in updating your product. LISTEN to your advisors. You asked them to advise you for a reason. LISTEN to your vendors. These vendors have been in the business much longer than you have. They can possibly provide you with money-saving or money-making ideas. Other business owners can give ideas and possibly offer mentorship.
- Be sure to provide excellent customer service. Often it is the customer service that keeps customers loyal. If you are not the only one providing customer service for your business, be sure that all staff understand this as well. Answering the phone and being helpful is a must!
- Check cash flow budget against actual performance. Do you need to adjust anything?
- Maintain good communications with your bankers and vendors. By keeping the lines of communication open you are helping yourself. Should you need their help in the future, you are more likely to receive it.
- If you work with investors, make sure you are in contact with them. Make sure that you understand the conditions of your repayment. When are payments due? Make sure you fulfill all obligations to investors. You may need to call them again someday.
- Check cost of living budget. If you are drawing money from the company for living expenses, be sure to take only what is necessary. Stick tightly to your budget.

BUSINESS PLAN

A business plan defines your business goals and serves as a written road map for the businessperson to determine where the company is, where it wants to be and how it plans to get there. A comprehensive, thoughtful business plan can be essential in obtaining outside funding, credit from suppliers, finance marketing for your business, management of your operation and achievement of your goals and objectives. The information outlined below provides basic guidelines for the preparation of a Business Plan. The guidelines are very general and should be adapted to meet the specific circumstances of the business. (Kansas Business Center)

I. Executive Summary

The Executive Summary is often considered to be the most important component of the business plan. For the firm seeking financing, the summary should convince the lender or venture capitalist that it is a worthwhile investment. The summary should briefly cover at least the following:

- Name of the business
- Business location
- Discussion of the product market and competition
- Expertise of the management team
- Summary of financial projections
- Amount of financial assistance requested (if applicable)
- Form of and purpose for the financial assistance (if applicable)
- Purpose for undertaking the project (if financial assistance is sought)
- Business goals

II. Business Description

This section provides background information on the company and usually includes a general description of the business, including:

- Product or service
- Historical development of the business
- Name, date and place (state) of formation
- Business structure (Sole Proprietorship, Partnership, Corporation, etc.)
- Significant changes in ownership, structure, new products or lines, acquisitions with corresponding dates
- Subsidiaries and degree of ownership, including minority interests
- Principals and the roles they played in the formation of the company

III. Products or Services

Describe the present or planned product or service lines, including:

- Relative importance of each product or service including sales projections
- Product evaluation (use, quality, performance)
- Comparison to competitors' products or services and competitive advantages over other producers
- Demand for product or service and factors affecting demand other than price
- Project Financing

- If financing is sought for a specific project, it must include the following:
 - Complete list of all items required to begin the business, undertake the expansion, buy or sell the business and associated costs
 - Written explanation of all operating costs
 - Owner's financial requirements, including taxes
 - Up to date financial sheets, including cash flow, income vs expense, balance sheet, etc.

IV. Project Financing

If financing is sought for a specific project, it must include the following:

- Complete list of all items required to begin the business, undertake the expansion, buy or sell the business and associated costs.
- Written explanation of all operating costs
- Owner's financial requirements, including taxes

V. Management

- Organizational chart with key individuals (include supervisory personnel with special value to the organization)
- Responsibilities of key individuals
- Personal resumes (describing skills and experience as they relate to activities of the business)
- Present salaries (include other compensation such as stock options and bonuses)
- Additional number of employees at year end, total payroll expenses for each of the previous five years (if applicable) broken down by wages and benefits
- Methods of compensation
- Departmental/divisional breakdown of workforce
- Planned staff additions

VI. Ownership

- Organizational chart with key individuals (include supervisory personnel with special value to the organization)
- Responsibilities of key individuals
- Personal resumes (describing skills and experience as they relate to activities of the business)
- Present salaries (include other compensation such as stock options and bonuses)
- Additional number of employees at year end, total payroll expenses for each of the previous five years (if applicable) broken down by wages and benefits
- Methods of compensation
- Departmental/divisional breakdown of workforce
- Planned staff additions

VII. Description of Major Customers

- Names, locations, products or services sold to each
- Percentage of annual sales volume for each customer over previous five years (if applicable)
- Duration and condition of contracts in place

- VIII. Description of Market
- Principal market participants and their performance
 - Target market
 - Customer requirements and ways for filling those requirements
 - Buying habits of customers and impact on customers using the product or service
- IX. Description of Competition
- Describe the companies with which the business competes and how the business compares with these companies. This section is a more detailed narrative than that contained in the description of the product or service above.
- X. Description of Prospective Customers
- Incorporate reaction to the firm and any of its products or services that have been seen or tested, including:
 - Description of firm's marketing activities
 - Overall marketing strategy
 - Pricing policy
 - Methods of selling, distributing and servicing the product
 - Geographic penetration, field/product support, advertising, public relations, promotion and priorities among these activities
- XI. Description of Selling Activities
- Include the method for identifying prospective customers and the method you will use to contact the relevant decision makers. Describe your sales effort by defining sales channels and terms, number of salespersons, number of sales contacts, anticipated time, initial order size, estimated sales and market share.
- XII. Technology
- Describe technical status of the product (idea stage, development stage, prototype) and the relevant activities, milestones and other steps necessary to bring the product into production including:
 - Present patent or copyright position (if applicable), include how much is patented and how much can be patented. Describe new technologies that may become practical in the next five years that may affect the product
 - Describe regulatory or approval requirements and status, and discuss any other technical and legal considerations that may be relevant to the technological development of the product
 - Describe research and development efforts both current and future
 - Describe production/operating plan
 - Explain how the firm will perform production and/or delivery of service. Describe in terms of:
 - Physical facilities: owned or leased, size and location, expansion capabilities and types and quantities of equipment needed (include a facilities plan and description of planned capital improvements and timetable for those improvements)
 - Suppliers: name and location, length of lead time required, usual terms of purchase, contracts (amounts, duration and conditions) and subcontractors
 - Labor supply (current and planned): number of employees, unionization, stability (seasonal or cyclical) and fringe benefits
 - Technologies/skills required to develop and manufacture products

- Cost breakdown for materials, labor and manufacturing overhead for each product, plus cost versus volume curves for each product or service
- XIII. Manufacturing Process
- Describe production or operating advantages of the firm; discuss whether they are expected to continue
 - Specify standard product costs at different volume levels
 - Present a schedule of work for the next one to two years
- XIV. Financial Information
- Auditor: name, address
 - Legal counsel: name, address
 - Banker: name, location and contact officer
 - Controls: cost system used and budgets used
 - Describe cash requirements, now and over next five years, as well as how these funds will be used
 - Amount to be raised from both debt and equity
 - Plans to "go public"—relate this to future value and liquidity of investments
 - Financial statements and projections for next five years
 - Profit and loss or income statements, by month until break even and then by quarter
 - Balance sheets as of the end of each year
 - Cash budgets and cash flow projections
 - Capital budgets for equipment and other capital acquisitions
 - Manufacturing/shipping plan
 - If financing is sought, most lenders and venture capitalists will require:
 - A funding request indicating the desired financing, capitalization, use of funds and future financing
 - Financial statements for the past three years, if applicable
 - Current financial statements
 - Monthly cash flow financial projection, including the proposed financing for two years
 - Projected balance sheets, income statement and statement of changes in financial position for two years, including the proposed financing
- XV. Site Selection
- Criteria for a Manufacturing, Warehousing, Industrial Business:
 - Allow for future expansion
 - Convenient for employees
 - Accessibility
 - Available labor force
 - Appropriate utilities
 - Convenient to freight and express delivery systems
 - Criteria for a Retail Business:
 - Select the appropriate type of center (mall, strip, mini)
 - Review demographic data to gain information about the neighborhood/location

- Walk and talk the area. Talk to customers, employees and owners of businesses located nearby
- Ask for a traffic count from the local traffic department
- Visibility and signage
- Accessibility/convenient parking for your customers
- Know where your competitors are located, what they are doing and how they are doing it

FEASIBILITY AND MARKETING STRATEGY

Is Your Business Idea Feasible?

Answer the following questions regarding your idea. Give complete, well thought out answers to these questions. If you are unsure about or answer no to any of the following questions, then you should rethink your idea.

- What type of business do you plan to start?
- What kind of product/service do you plan to offer?
- Will your product/service satisfy a need yet unfilled?
- Will your product/service have a competitive edge based on price, location, quantity, or selection?

Researching Your Markets

It is recommended that you research your potential market demand for your product or service. First, determine what questions you need answered. The following are ideas on where to find the information you need.

Primary Data:

- Your experience.
- Experiences of people you know.
- Survey potential customers to determine their wants/needs. Observe similar businesses.
- Interview these business's owners.
- Interview suppliers, vendors, bankers.

Secondary Data:

- Visit the resource page included with this manual for all secondary data

Marketing Your Business

To properly market your product, you need to answer the following questions. This information can be used to help you develop your marketing plan. Contact the KSBDC for more information on constructing this plan.

- Who are my customers? (This determines your target market.)
- Where are they?
- How many are there? (This indicates your market size.)
- What are their needs?
- How can I reach them? (The distribution of your product is very important. Where your product is located determines how well it sells.)
- How much will they pay? (The pricing of your product is also very important. You must take into consideration what your competitors charge.)
- What are the market trends? (What are people buying? It is important to be aware of what market trends are. This relates back to knowing your customers' needs. Try to distinguish between trends and fads.) – Review definitions and glossary of terms at the end of this manual
- What are technological trends? (One obvious answer to this question is the Internet. Will you be using technology? How can it be used to help your business? Do you need to advertise on the Internet? Do you need a network of computers for your business? If you are in a business related to technology, it is imperative that you stay abreast of any changes.)
- Who are my competitors?

- How does my competition do it? (One method of marketing/dealing with competition is the end-run strategy, you adopt your competitors' strategy with the intention of making it better.)

WORKSHEET TO HELP DETERMINE CASH NEEDED TO START A BUSINESS

Startup Expenses

Enter your company name here

Sources of Capital

Owners' Investment (name and percent ownership)

Your name and percent ownership	\$	-
Other investor		-
Other investor		-
Other investor		-
Total Investment	\$	-

Bank Loans

Bank 1	\$	-
Bank 2		-
Bank 3		-
Bank 4		-
Total Bank Loans	\$	-

Other Loans

Source 1	\$	-
Source 2		-
Total Other Loans	\$	-

Startup Expenses

Buildings/Real Estate

Purchase	\$	-
Construction		-
Remodeling		-
Other		-
Total Buildings/Real Estate	\$	-

Leasehold Improvements

Item 1	\$	-
Item 2		-
Item 3		-
Item 4		-
Total Leasehold Improvements	\$	-

Capital Equipment List

Furniture	\$	-
Equipment		-
Fixtures		-
Machinery		-

Other	-
Total Capital Equipment	\$ -

Location and Admin Expenses

Rent & Related Costs	\$ -
Utility deposits	-
Legal and accounting fees	-
Prepaid insurance	-
Pre-opening salaries	-
Other	-
Total Location and Admin Expenses	\$ -

Opening Inventory

Category 1	\$ -
Category 2	-
Category 3	-
Category 4	-
Category 5	-
Total Inventory	\$ -

Advertising and Promotional Expenses

Advertising	\$ -
Signage	-
Printing	-
Travel/entertainment	-
Other/additional categories	-
Total Advertising/Promotional Expenses	\$ -

Other Expenses

Other expense 1	\$ -
Other expense 2	-
Total Other Expenses	\$ -

Reserve for Contingencies

\$ -

Working Capital

\$ -

Summary Statement

Sources of Capital

Owners' and other investments	\$ -
Bank loans	-
Other loans	-
Total Source of Funds	\$ -

Startup Expenses

Buildings/real estate	\$ -
Leasehold improvements	-
Capital equipment	-
Location/administration expenses	-
Opening inventory	-
Advertising/promotional expenses	-

Other expenses	-
Contingency fund	-
Working capital	-
Total Startup Expenses	\$ -

Security and Collateral for Loan Proposal

Collateral for Loans	Value	Description
Real estate	\$ -	
Other collateral	-	
Other collateral	-	
Other collateral	-	

Owners

Your name here
 Other owner
 Other owner

Loan Guarantors (other than owners)

Loan guarantor 1
 Loan guarantor 2
 Loan guarantor 3

SOURCE www.sba.gov

BUSINESS BALANCE SHEET PROJECTED

Balance Sheet (Projected)

Enter your Company Name here

	Beginning as of mm/dd/yyyy	Projected as of mm/dd/yyyy
Assets		
<u>Current Assets</u>		
Cash in bank	\$ -	\$ -
Accounts receivable	-	-
Inventory	-	-
Prepaid expenses	-	-
Other current assets	-	-
Total Current Assets	\$ -	\$ -
<u>Fixed Assets</u>		
Machinery & equipment	\$ -	\$ -
Furniture & fixtures	-	-
Leasehold improvements	-	-
Land & buildings	-	-
Other fixed assets	-	-
(LESS accumulated depreciation on all fixed assets)	-	-
Total Fixed Assets (net of depreciation)	\$ -	\$ -
<u>Other Assets</u>		
Intangibles	\$ -	\$ -
Deposits	-	-
Goodwill	-	-
Other	-	-
Total Other Assets	\$ -	\$ -
TOTAL Assets	\$ -	\$ -
Liabilities and Equity		
<u>Current Liabilities</u>		
Accounts payable	\$ -	\$ -
Interest payable	-	-
Taxes payable	-	-
Notes, short-term (due within 12 months)	-	-
Current part, long-term debt	-	-
Other current liabilities	-	-
Total Current Liabilities	\$ -	\$ -
<u>Long-term Debt</u>		
Bank loans payable	\$ -	\$ -

Notes payable to stockholders	-	-
LESS: Short-term portion	-	-
Other long term debt	-	-
Total Long-term Debt	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Owners' Equity</u>		
Invested capital	\$ -	\$ -
Retained earnings - beginning	-	-
Retained earnings - current	-	-
Total Owners' Equity	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities & Equity	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Source www.score.org

12 MO. PROJECTED CASH FLOW

Cash Flow (12 months)

Enter Company Name Here

Fiscal Year Begins: Jan-17

	Pre-Startup EST	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total Item EST
Cash on Hand (beginning of month)		0	0	0	0	0	0	0	0	0	0	0	0	0

CASH RECEIPTS

Cash Sales														
Collections fm CR accounts														
Loan/ other cash inj.														
TOTAL CASH RECEIPTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Available (before cash out)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

CASH PAID OUT

Purchases (merchandise)														
Purchases (specify)														
Purchases (specify)														
Gross wages (exact withdrawal)														
Payroll expenses (taxes, etc.)														
Outside services														
Supplies (office & oper.)														
Repairs & maintenance														
Advertising														
Car, delivery & travel														
Accounting & legal														
Rent														
Telephone														
Utilities														
Insurance														
Taxes (real estate, etc.)														
Interest														
Other expenses (specify)														
Other (specify)														
Other (specify)														
Miscellaneous														
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan principal payment														
Capital purchase (specify)														
Other startup costs														
Reserve and/or Escrow														
Owners' Withdrawal														
TOTAL CASH PAID OUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Position (end of month)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

ESSENTIAL OPERATING DATA (non cash flow information)

Sales Volume (dollars)														
Accounts Receivable														
Bad Debt (end of month)														
Inventory on hand (eom)														
Accounts Payable (eom)														
Depreciation														

12 MO. PROJECTED PROFIT AND LOSS WORKSHEET

Profit and Loss Projection (12 Months)

Enter your Company Name here

Fiscal Year Begins

Jan-08

	IND. %	Jan-08	% B/A	Feb-08	%	Mar-08	%	Apr-08	%	May-08	%	Jun-08	%	Jul-08	%	Aug-08	%	Sep-08	%	Oct-08	%	Nov-08	%	Dec-08	%	YEARLY	%		
Revenue (Sales)																													
Category 1																										0	-		
Category 2																											0	-	
Category 3																											0	-	
Category 4																											0	-	
Category 5																											0	-	
Category 6																											0	-	
Category 7																											0	-	
Total Revenue (Sales)		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Cost of Sales																													
Category 1																											0	-	
Category 2																											0	-	
Category 3																											0	-	
Category 4																											0	-	
Category 5																											0	-	
Category 6																											0	-	
Category 7																											0	-	
Total Cost of Sales		0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Gross Profit		0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Expenses																													
Salary expenses																											0	-	
Payroll expenses																											0	-	
Outside services																											0	-	
Supplies (office and operating)																											0	-	
Repairs and maintenance																											0	-	
Advertising																											0	-	
Car, delivery and travel																											0	-	
Accounting and legal																											0	-	
Rent & Related Costs																											0	-	
Telephone																											0	-	
Utilities																											0	-	
Insurance																											0	-	
Taxes (real estate, etc.)																											0	-	
Interest																											0	-	
Depreciation																											0	-	
Other expenses (specify)																											0	-	
Other expenses (specify)																											0	-	
Other expenses (specify)																											0	-	
Misc. (unspecified)																											0	-	
Total Expenses		0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Net Profit Before Taxes																													
Income Taxes																													
Net Operating Income		0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-

FINANCING YOUR BUSINESS

Identifying potential sources of investment capital is an important part of starting and growing your business. We want to help Kansas businesses be successful by providing the right resources at the right time. How do you know if you're ready for funding? Do you have an idea for a business? Do you currently own a business and need capital to expand? What is the right option for you? What options are available to you, based on your business stage and collateral? The answers can be tricky; however, the following resources can provide more information on sources of funding for new and existing businesses. We recommend beginning with local resources first and then moving outward.

- I. **Traditional Funding-**
 - Please visit the El Dorado Chamber of Commerce for a list of local banks and credit unions.
- II. **E Community** (if located within Butler County) www.eldoradochamber.com
 - E-Community funds can provide matching Low-interest loans for startups and existing businesses. This loan can be used for multiple purposes and is meant to be used as gap funding or a matching loan. Funding cannot exceed 60% of the total funding package. The maximum E-Community loan is \$75,000. Business must be located within Butler County and Must be a for-profit business. This is overseen by a local committee. See the El Dorado Chamber of Commerce for more information, 316-321-3150.
 - Business Coaching and Mentoring-Business coaching, advice and mentorship comes with being a part of the E-Community. Access to educational resources, like classes and workshops plus Custom assistance for your business needs
- III. **Incentives without Walls** (if located on Mainstreet) www.eldoradomainstreet.org.
 - The Incentives Without Walls (IWW) Funding Program is a zero percent interest loan program administered by the El Dorado Main Street organization. This loan program allows local businesses, within the El Dorado Main Street District, the opportunity to borrow anywhere from \$500 to \$20,000 for building improvements that will ultimately improve their business. Please see El Dorado Mainstreet for more information 316-321-3088
- IV. **Butler County Economic Development**
 - Businesses in Butler County may qualify for loan funds through the Business Development Revolving Loan Fund. The Business Development Revolving Loan Fund (RLF) is a pool that can be used in the Butler County Region for loans to projects that stimulate self-employment. Please see the Butler County Economic Development, 800-940-6017
- V. **Butler Rural Electric Cooperative**
 - Businesses may qualify for loan funds through the Butler's REC Revolving Loan Fund. This is for larger projects that create economic growth. Please see Butler REC for more information, 316-321-9600.
- VI. **SBA** www.sba.gov
 - SBA General Small Business loans 7(A). This program provides financing to small businesses through guaranteeing a percentage of the bank's loan to the business. Eligible expenditures are for land and building, machinery and equipment, working capital, and some restructure of existing debt. The maximum SBA will guarantee is \$1.5M and not more than 75% of the total loan.
 - SBA 504 Loan Program. This program provides financing for small businesses through a low interest, fixed rate, and a long-term loan. The Small Business Administration takes a second line position behind the bank. Eligible expenditures are for land and building, long-life machinery and equipment. The minimum SBA will finance is \$125,000, and the maximum is \$4,000,000 for manufacturing and job creation/retention. Please contact the Small Business Administration for all current percentages.
- VII. **Network Kansas** www.networkkansas.com
 - See E-Community first
 - i. This should be first step before reaching out for other Network Kansas loans
 - Start-Up Kansas

- i. Matching loan for a for-profit business. Up to \$45,000
 - Kansas Capital Multiplier
 - i. Matching loan up to 9%. Loans between \$25,000-\$250,000. Minimum Bank loan \$278,000
 - Women and Minority Business Multiplier
 - i. Matching loan up to 20%. Loans between \$25,000-\$250,000. Minimum Bank loan \$125,000. Must be working towards Minority-owned or women-owned certification.
- VIII. **South Central Kansas Economic Development Division (SCKEDD)** www.sckedd.org
- SCKEDD Microloan
 - i. If you own or are in the process of starting a small business and your loan request is for \$50,000 or less, and the total project debt does not exceed \$150,000, you may qualify for a Microloan.
 - Revolving Loan Fund (RLF)
 - i. If your business needs call for less than \$300,000, you may qualify for the Revolving Loan Fund (EDA).
 - Intermediary Relending Program (IRP)
 - i. If you own a business in a rural area or community with a population of up to 25,000 and you need a maximum of \$250,000 in funds, you may qualify for this program.
 - Rural Microenterprise Assistance Program (RMAP)
 - i. This loan program is for small businesses that have modest credit needs and do not qualify for financing from traditional credit sources. Your business must be located in rural areas outside the City of Wichita.
 - Rural Business Development Loan Program
 - i. Businesses planning to create jobs with a business expansion, this program might be right for you. Loans available from \$2,500 to \$50,000. Your business must be located in a rural area or city with a population less than 50,000.
- IX. **Kansas Business Incentives Overview**
- For more information on state business incentives please visit the Kansas Department of Commerce. www.kansascommerce.com/index.aspx?NID=459 or contact them at (785) 296-5298.
- X. **Business and Community Finance Incentives**
- The Kansas Department of Commerce offers a diverse portfolio of financial incentives for rural communities and businesses that are looking to locate or expand in Kansas. Programs include retention of withholding taxes, investment tax credits, sales tax project exemptions and revolving loan funds for local infrastructure projects, as well as loans and/or grants to assist rural communities in improving infrastructure, housing and urgent needs to maintain and grow. Please visit the Kansas Department of Commerce Community Incentives Page, www.kansascommerce.com/index.aspx?nid=93
- XI. **Kansas Angels Tax Credit** www.kansasangels.com/
- This program enables accredited angel investors to qualify for the tax credit, and allows companies to become certified under the guidelines of the program. (from Kansas Department of Commerce)
- XII. **Rural Opportunity Zones** www.kansascommerce.com/index.aspx?nid=320
- Rural Opportunity Zones are 77 Kansas counties that have been authorized to offer one or both of the following financial incentives to new full-time residents: Kansas income tax waivers for up to five years and/or Student loan repayments up to \$15,000.
- XIII. **USDA United State Department of Agriculture** www.rd.usda.gov/programs-services
- Summarizes the rural development loan offerings and other types of business assistance offered by the USDA.

LEGAL ASPECTS OF STARTING A BUSINESS

Choosing the legal structure for your company is one of the most important decisions you'll make when starting a business. Learn more about different business entity types, their registration requirements, and the advantages and disadvantages of each structure.

THERE ARE FOUR BASIC FORMS THAT A NEW BUSINESS CAN TAKE:

- * Sole Proprietorship
- * Partnership (general or limited)
- * Corporation (C or S)
- * Limited Liability Company (LLC)

We also included information on non-profits.

I. Sole Proprietorship

- A sole proprietorship is usually owned and operated by one person. Under the law, it is not actually considered a legal entity. It is instead considered an extension of the person who owns the business. This individual has sole ownership of assets, but is also solely liable for the debts of the business. To view advantages and disadvantages of this structure, please view Kansas Business Center. For more information, disadvantages, advantages and taxes please visit the Kansas Business Center. www.kansas.gov/business/whatisSole.html#

II. General Partnership

- A partnership can be formed in two ways. A general partnership is comprised of two or more individuals who join to start a business. Each person has proportional ownership of the business assets and proportional liability for business debts. Each person also has authority in running this business. A partnership agreement can be drawn up to alter each person's liability. However, despite this document, creditors may collect from each member of the partnership (this may include personal assets). To view advantages and disadvantages of this structure, please visit the Kansas Business Center, www.kansas.gov/business/whatisGP.html

III. Limited Liability Partnership

- A limited partnership is made up of one or more general partners as well as one or more limited partners. Limited partners contribute capital and share in profits/losses. These limited partners, however, take no part in the running of the business and are not held liable for the organization's debts. Whether taking part in a general or limited partnership, it is advisable that you draw up a partnership agreement. This document will detail each partner's rights and their responsibilities. Partnerships are required to file both federal and state income taxes. While the partnership is not typically taxed, each partner reflects charges for the partnership on his/her personal tax returns. Additionally, each limited liability partnership must have and maintain in the State of Kansas a resident agent which may be an individual or a domestic or foreign business entity, such as a corporation, a limited partnership, a limited liability company, a business trust authorized to do business in this state, or the limited liability partnership itself.
- Registration with the Office of the Secretary of State is required.
- Interests in the limited liability partnership may be required to be registered with the Office of the Securities Commissioner.

To view advantages and disadvantages of this structure, please visit the Kansas Business Center, www.kansas.gov/business/whatisLLP.html

IV. Corporation

- The most complex business structure is the corporation. A corporation is an entity, which must be approved by the State of Kansas through the Office of the Secretary of State. A corporation must file federal, state, and local taxes on its operation. One advantage to a corporation is the protection from liability afforded to shareholders. However, when an organization is small, creditors may require personal guarantees of pre-dominant owners. Another advantage to the corporation is the ease of raising capital through the sale of common or preferred stock. A disadvantage of the corporation is that the organization's income will essentially be taxed twice (once on the business's corporate tax return and again on the shareholders, personal income tax returns for any dividends paid to the shareholders). There are two types of corporations: C and S. The distinctions between an S Corp and a C Corp can be very complicated and very dramatic. It is important that you consult a professional prior to filing for either status. To incorporate your business, you must file paperwork with the Kansas Secretary of State. Once incorporated, you will be required to register and pay fees annually.
- A corporation is a separate legal entity that is comprised of three groups of people: shareholders, directors and officers.
- The shareholders elect a board of directors that has responsibility for management and control of the corporation.
- Because the corporation is a separate legal entity, the corporation generally is responsible for the debts and obligations of the business.
- In most cases, shareholders are insulated from claims against the corporation.
- The corporation, as a separate legal entity, is also a separate taxable entity.
- Registration with the Office of the Secretary of State is required.
- It may be necessary for corporate securities to be registered with the Office of the Securities Commissioner.
- A domestic corporation is one incorporated in Kansas. It must file Articles of Incorporation with the Office of the Secretary of State.
- A foreign corporation is a business incorporated in a country, state or jurisdiction other than Kansas. In order to conduct business in Kansas, a foreign corporation must file an Application for Authority to Engage in Business in Kansas.
- A professional corporation is comprised of a single professional or a group of professionals who file both Articles of Incorporation and a certificate from their specific Kansas professional regulatory board with the Secretary of State. Shareholders of a professional corporation are limited to members of that specific profession.

To view advantages and disadvantages of this structure, please view Kansas Business Center, www.kansas.gov/business/whatisCorp.html

V. Limited Liability Company (LLC)

- A limited liability company, or LLC, is a business entity that combines the limited liability of a corporation with the flexible management options of a general partnership.
- Each member of an LLC enjoys liability limited to that of the investment in the business and pays taxes in proportion to ownership share, thus avoiding the corporate malady of double taxation.
- Every LLC formed in Kansas must have at the end of the company name the words "limited company," or the abbreviation "LC," or "L.C.," or "limited liability company" or the abbreviation "LLC" or "L.L.C."
- An LLC must maintain a resident agent and file Annual Reports.

- Members of an LLC may be involved in the management of the business without incurring personal liability.
- If properly structured, an LLC may receive pass-through income tax treatment similar to a partnership.
- Registration with the Office of the Secretary of State is required.
- The professional limited liability company is comprised of a single professional or group of professionals, who file both Articles of Organization and a certificate from their specific professional regulatory board with the Office of the Secretary of State. The certificate must state that each member is duly licensed and that the company name has been approved. If the limited liability company is organized to exercise the powers of a professional association or corporation, each such profession shall be stated.
- A domestic LLC, one formed in Kansas, must file Articles of Organization.
- A foreign LLC, one formed in another country, state or jurisdiction other than Kansas, must file a Certificate for Authority to Engage in Business in Kansas/Foreign Limited Liability Company Application.
- It may be necessary for the limited liability company interests to be registered with the Office of the Securities Commissioner.

To view advantages and disadvantages of this structure, please view Kansas Business Center, www.kansas.gov/business/whatisLLC.html

VI. Not-For-Profit

- Every not-for-profit corporation formed in Kansas must include in its name one of the words of incorporation which are "association," "church," "college," "company," "corporation," "club," "foundation," "fund," "incorporated," "institute," "society," "union," "university," "syndicate" or "limited," or one of the abbreviations "co.," "corp.," "inc.," or "Ltd."
- The not-for-profit corporation must designate:
 - a resident agent,
 - a registered office address,
 - a mailing address,
 - one or more incorporators, which can be either an individual or a business, and any directors.
- Registration with the Office of the Secretary of State is required.
- A not-for-profit corporation may need to register debt securities with the Office of the Securities Commissioner.
- There are three main characteristics that distinguish a not-for-profit corporation from a for-profit business enterprise.
 - Significant amounts of revenues are received from providers or entities that do not expect to receive either repayment or economic benefits relative to the amounts provided.
 - There is no defined ownership that can be sold, redeemed or transferred, nor is there entitlement to a share of the assets if the organization is liquidated.
 - The purpose of the operation is not to produce a profit.
- There are more than 25 categories of tax-exempt organizations classified under Section 501(c)(3), and Section 501(a) of the Internal Revenue Code, as well as additional types of entities under other sections of the code. Some of the major classifications include: civic leagues, religious organizations, chambers of commerce, recreation clubs, social clubs, labor organizations, libraries, museums and voluntary health and welfare organizations.
- An organization that wants to be a nonprofit entity must apply for tax-exempt status from the IRS and pay a user fee. Tax exemption is a privilege granted by Congress through the IRS. In return, nonprofit organizations are subject to a range of IRS requirements that differ from those for business enterprises. Among those is the requirement that a nonprofit organization's activities (income and expenses) be substantially related to its exempt purpose. A nonprofit organization must limit all partisan political

activity, as well as limit lobbying activities. In addition, none of the nonprofit organization's assets can ensure benefit to any private individual.

- Most nonprofit organizations are required to file an Annual Tax Return, Form 990. If more than \$1,000 of income is received, that was not related to the exempt purpose, Form 990T must be completed and taxes on those receipts paid.
- The best course of action to take before starting activities is to seek competent professional help prior to assuming you are a nonprofit organization. For more information, contact the IRS at (800) 829-1040 or at www.irs.gov/Forms-&-Pubs Or to order IRS Publication 557 Tax Exempt Status for Your Organization, contact the IRS at (800) 829-3676.

To view advantages and disadvantages of this structure, please view Kansas Business Center, www.kansas.gov/business/whatisNFP.html

BUILDING/ZONING PERMIT INFORMATION

Once you have chosen a tentative location for your business, contact the City of El Dorado Zoning Department to determine the permitted uses of that location. There might be special restrictions on that area. **DO NOT INVEST ANY MONEY IN A LOCATION UNTIL ZONING HAS BEEN THOROUGHLY RESEARCHED!!**

The City of El Dorado's planning, zoning and development staff can help you determine if your location and type of business are compliant with current ordinances. The following are things staff of the City of El Dorado will consider:

- Current zoning classifications
- Building setbacks
- Off-street parking availability and service entrance requirements
- Buffer yards or required screening
- Lot area minimum
- Signage and facade regulations

City of El Dorado Planning and Zoning Department

216 N. Vine St.
El Dorado, KS 67042
Ph: 316-321-9100

Planning and Zoning Forms, Regulations, Comprehensive Plan and Site Review information can be found at <http://eldoks.com/164/Planning-Zoning>

If you are looking outside of the City of El Dorado limits:

Butler County Planning & Zoning

121 S Gordy, Suite 202
El Dorado, KS 67042
316-322-4325
<http://www.bucoks.com/318/Planning-Zoning>

BUILDING CONSTRUCTION, RENOVATION & OCCUPANCY

A building permit must be obtained for both new construction and renovations or additions to existing buildings. Before you may construct a new facility or renovate an existing one, you must get a permit. Once you have obtained a building permit, complied with the regulations pertaining to the area you are in, and construction is complete, your facility will be inspected. All building construction is subject to review through the City of El Dorado. If you are renovating or building new construction downtown please note there are additional steps the city must take with the Kansas Historical Society, because we are a designated Historical District. Please contact the City of El Dorado before beginning any construction or remodeling.

- Historical District
 - If you are looking in downtown El Dorado be aware that our downtown is deemed as a Downtown Historical District. Be sure to check out which properties are non-contributing and contributing, what tax breaks could be available and what regulations apply to this by visiting the Kansas Historical Society National and State Registers of Historic Places, <http://www.kshs.org/p/register-database/14638>

- Neighborhood Revitalization Plan
 - Be sure to see if you qualify for the city's NRP. (Neighborhood revitalization Plan. This plan is intended to promote the revitalization and development of certain properties within the City of El Dorado. Contact the City of El Dorado to see what areas this is available in. 316-321-9100 or visit <http://eldoks.com/documentcenter/view/1015>.

- Signage
 - Be sure to also check with the City of El Dorado's Planning and Zoning to make sure all sign ordinances are being met, <http://eldoks.com/documentcenter/view/760>. If you are located within the historic district there is an extra step on behalf of the City of El dorado, where they must turn in the sign permit to the Kansas Historical Society for their recommendations. Please be sure to allow for adequate timing when planning for signage.

- Façade Grants
 - If located in downtown El Dorado, you might be eligible for 25% matching funds, not to exceed \$2,000, to assist in restoring or beautifying your exterior front facades or storefronts. <https://eldoradomainstreet.org/let-us-help>

FEDERAL LICENSING

Most new small businesses will not require any type of federal licensing to conduct business, unless you will be engaged in one of the following activities:

- Rendering investment advice
- Making alcoholic products
- Making tobacco products
- Preparing meat products
- Making or dealing in firearms
- Trucking

You will need a Federal permit to also start large operations such as a television station, radio station, common carrier, or producer of drugs or biological products.

The aforementioned businesses are all heavily governmentally regulated.

For more information on federal licensing for these types of businesses, contact:

The U.S. Department of Alcohol, Tobacco, and Firearms

Kansas City Group III (Industry Operations)
Area Supervisor
1251 NW Briarcliff Parkway, Suite 225
Kansas City, Missouri 64116
Voice: (816) 410-6000 Fax: (816) 410-6001

The U. S Department of Transportation (USDOT)

1200 New Jersey Ave, SE
Washington, DC 20590
202-366-4000
http://transportation.libanswers.com/form.php?queue_id=1810

The Alcohol Division of the Kansas Department of Revenue can be helpful in this area as well. Link to the Kansas Handbook for cereal malt beverage <http://www.ksrevenue.org/pdf/hbcmb.pdf>

To apply for a cereal malt beverage license in Kansas, you are required to obtain a permit from the City of El Dorado. For more information and licensing fees on cereal malt beverages and liquor licensing please contact:

City of El Dorado City Clerk's Department

220 E. 1st Ave.
El Dorado, KS 67042
316-321-9100
<http://eldoks.com/134/City-Clerks-Office>

Other important departments to check into for alcohol and tobacco.

Kansas Attorney General

<http://ag.ks.gov/home>

Derek Schmidt

120 SW 10th Ave., 2nd Floor

Topeka, KS 66612

(785) 296-2215

1-888-428-8436

Kansas Alcoholic Beverage Control (ABC)

<https://www.ksrevenue.org/abcindex.html>

109 SW 9th Street, Fifth Floor

Topeka, KS 66612

(785) 296-7015

TAX INFORMATION

State of Kansas

I. Sales and Use Taxes

- Every business that sells tangible personal property, such as merchandise, to customers is required to obtain a seller's permit. This is issued from the state sales tax agency (Department of Revenue at www.ksrevenue.org). Sales tax forms must be filed monthly. The taxes must also be paid monthly. You can contact the Kansas Department of Revenue to petition for special permission to pay/file quarterly.

Kansas Department of Revenue

915 SW Harrison Street
Topeka, KS 66612-1588

II. State Excise Taxes

- In addition to federal excise tax, you may be responsible for collecting state excise tax as well. The categories are comparable to the federal categories. Alcoholic beverages, tobacco products, motor carriers, and trucks with no more than two axels are included in the taxed categories. You should contact the Kansas Department of Revenue for complete information.

III. Federal Excise Taxes

- There are some forms of business in which the U.S. government requires additional taxation. This will be a tax that you are responsible for collecting. This tax does not come out of your pocket. Typically, it is added to the sale price of your product or service. Form 720, Quarterly Federal Excise Tax Return is used to file most federal excise taxes. Federal excise taxes can be broken into nine broad categories of products and services.
 - i. Motor vehicle use tax (vehicles greater than 55,000 lbs. gross weight) Form 2290
 - ii. Retailers tax (certain types of fuels)
 - iii. Retail excise tax on the sales of the following: Heavy trucks/trailers, tires and tubes, recreation equipment (e.g. fishing/hunting supplies), firearms, and ammunition
 - iv. Air transportation tax (if you are transporting people by air, you must collect this tax)
 - v. Communications taxes (e.g. telephone or teletype services)
 - vi. Wagering taxes
 - vii. Taxes on U.S. mined coal
 - viii. Environmental taxes (imposed in petroleum products, various chemicals, and hazardous wastes)
 - ix. Alcohol, firearms, ammunitions, and tobacco taxes

IV. Estimated State Income Taxes

- A corporation is required to make estimated tax payments for the taxable year if its Kansas income tax liability can reasonably be expected to exceed \$500. A corporation is not required to file a declaration of estimated tax in its first year of existence in Kansas.
- This is [Form K-120es](http://www.ksrevenue.org/pdf/k-120es16.pdf) www.ksrevenue.org/pdf/k-120es16.pdf

V. Estimated Federal Taxes

- Taxes must be paid as you earn or receive income during the year, either through withholding or estimated tax payments. If the amount of income tax withheld from your salary or pension is not enough, or if you receive income such as interest, dividends, alimony, self-employment income, capital gains, prizes and awards, you may have to make estimated tax payments. If you are in business for yourself, you generally need to make estimated tax payments. Estimated tax is used to pay not only income tax, but other taxes such as self-employment tax and alternative minimum tax.
- If you don't pay enough tax through withholding and estimated tax payments, you may be charged a penalty. You also may be charged a penalty if your estimated tax payments are late, even if you are due a refund when you file your tax return.
- Individuals, including sole proprietors, partners, and S corporation shareholders, generally use [Form 1040-ES \(PDF\) www.irs.gov/pub/irs-pdf/f1040es.pdf](https://www.irs.gov/pub/irs-pdf/f1040es.pdf), to figure estimated tax.
- To figure your estimated tax, you must figure your expected adjusted gross income, taxable income, taxes, deductions, and credits for the year.
- Corporations generally use [Form 1120-W \(PDF\) www.irs.gov/pub/irs-pdf/f1120w.pdf](https://www.irs.gov/pub/irs-pdf/f1120w.pdf), to figure estimated tax.

VI. Employer Taxes/Personal Property & Inventory Tax

- There are taxes that as an employer you are responsible for both withholding from employee wages as well as paying yourself. For more complete information on employer taxes, see Labor and Safety Regulations Information.

VII. Federal Tax Identification Numbers

- An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. Generally, businesses need an EIN. You may apply for an EIN in various ways, and now you may apply online (<https://www.irs.gov/businesses/smallbusinesses-self-employed/apply-for-an-employer-identification-number-ein-online>.) Kansas does allow for this opportunity. **This is a free service offered by the Internal Revenue Service and you can get your EIN immediately.**

UTILITIES

I. Establishing Water, Sewer and Trash Services

- To establish water, sewer and trash service in an existing location or new facility within El Dorado, Kansas, you must contact the local Utility Department. You may be required to sign a service contract and pay a deposit. All water, sewer and trash services within the El Dorado city limits

City of El Dorado <http://www.eldoks.com/255/City-Utility-Services>

220 E. First Ave.
El Dorado, KS 67042
316-321-9100

II. Establishing Natural Gas Service

- To establish gas service in an existing location or new facility in El Dorado or Butler County.

Kansas Gas Service Inc. <https://www.kansasgasservice.com/>

700 N. Star
El Dorado, KS 67042
800-794-4780

III. Establishing Electrical Service

- To establish electrical service in El Dorado or Butler County, depending on where your business is located, you must contact:

Butler Rural Electric <http://www.butler.coop/>

216 S. Vine
El Dorado, KS 67042
316-321-9600

Westar Energy <https://www.westarenergy.com/>

700 N. Star
El Dorado, KS 67042
800-383-1183

IV. Establishing Telephone and Internet Services

- To establish internet and/or telephone services in El Dorado or Butler County, depending on where your business is located, you must contact:

AT&T <https://www.business.att.com>

800-288-2020

Cox www.cox.com

101 E 12th Ave.
El Dorado, KS 67042
316-452-5413

LABOR & SAFETY REGULATIONS

- **Educating Yourself on Labor/Safety Issues**

The Kansas Department of Labor assists in the prevention of economic insecurity through unemployment insurance and workers' compensation, by providing a fair and efficient venue to exercise employer and employee rights, and by helping employers promote a safe work environment for their employees. This facilitates compliance with labor laws while enabling advancement of the economic well-being of the citizens of Kansas.

KANSAS DEPARTMENT OF LABOR or visit www.dol.ks.gov

Safety workshops and other resources Or visit www.dol.ks.gov/Safety/Default.aspx

- **OSHA**

The issuing and enforcing of occupational and safety health regulations is handled by the United States Department of Labor. The Occupational Safety and Health Administration (OSHA) is the federal agency which administers these policies. The requirements put forth by OSHA include posting notices to employees and maintaining accurate records of employee injuries. OSHA will provide you with the information on all requirements as well as related publications. OSHA policies and regulations must be posted in the workspace where all employees may see.

In addition to OSHA the U.S. government also supports the Employment Standards Administration, Mine Safety and Health Administration, Veterans Employment and Training Service, and the Pension and Welfare Benefits Administration. Each of these departments are designed to protect both the employer and employee.

Occupational Safety and Health Administration

Wichita Area Office

100 N Broadway, Suite 470

Wichita, KS 67202

(316) 269-6644 (316)

269-6646 Voice Mail

Toll Free (Kansas Residents Only): 1-800-362-2896

- **KANSAS CORPORATION COMMISSION**

The KCC regulates natural gas, electricity, telephone and transportation vendors requiring safe, adequate and reliable services at reasonable rates. KCC also requires oil and gas producers to protect the environmental and correlative rights.

Kansas Corporation Commission

District 2 (Wichita Office)

3450 N. Rock Road

Building 600, Suite 601

Wichita, KS 67226

Phone: (316) 337-7400

Fax: (316) 630-4005

• **EMPLOYER TAX RESPONSIBILITIES**

The IRS website www.irs.gov is helpful with questions concerning taxes for employers.

Income Taxes

Businesses with employees must pay employer taxes and withhold employee taxes for both the State and Federal governments. All payments are made online once your business registers through EFPTS (Electronic Federal Tax Payment System®). To pay your taxes through EFPTS or any other way, your business must first have a Federal ID number. The Kansas and U.S. Departments of Revenue will determine your time of payment. You will be required to withhold Social Security and Medicare taxes. In addition to this withholding, the employer must pay a matching amount. You should consult the current year tax for present percentages.

[Registration for electronic filing through EFPTS](#)

Or visit www.eftps.gov/eftps/

Unemployment Insurance Taxes

All employers doing business in Kansas are subject to the provisions of the Employment Security Act. However, not all are subject to the taxing provisions of the law. Coverage is determined by the type and nature of the business, the number of workers employed and the amount of wages paid for employment. Every employing unit that begins business operations in Kansas is required to file form K-CNS 010, Status Report, within 15 days of hiring its first employee. Upon receipt of the completed form, a determination of employer liability will be made by the agency and the employer notified.

Under the current FUTA (Federal Unemployment Tax Act), a payroll tax of 6.0 percent is levied on the first \$7,000 in annual earnings paid each employee. As an enticement for states to maintain their own unemployment insurance programs, federal law provides a tax credit offset of 5.4 percent for timely contributions paid into an approved state unemployment insurance fund.

FUTA Tax Rate.....	6.0% (less)
Employer Credit.....	- 5.4%
Net FUTA Tax.....	0.6%

For further information on Unemployment Tax information download this reference handbook for [KANSAS DEPT OF LABOR UNEMPLOYMENT INSURANCE HANDBOOK](#). For the handbook, you can visit <http://www.dol.ks.gov/files/pdf/kcns430.pdf>

Workers' Compensation Insurance

Workers compensation is a required insurance plan provided by the employer to pay employee benefits for job-related injuries, disability or death that arise out of and in the course of employment. Per K.S.A. 44-508, an injury by accident shall be deemed to arise out of employment if:

- There is a causal connection between the conditions under which the work is required to be performed and the resulting accident; and
- The accident is the prevailing factor causing the injury, medical condition and resulting disability or impairment.

The words “arising out of and in the course of employment” as used in the Workers Compensation Act shall not be construed to include:

- Injury which occurred as a result of the natural aging process or by the normal activities of day to-day living;
- accident or injury which arose out of a neutral risk with no particular employment or personal character;
- accident or injury which arose out of a risk personal to the worker; or
- accident or injury which arose either directly or indirectly from idiopathic causes.

Benefits are paid at the employer's expense. Coverage begins the first day on the job.

[KANSAS DEPT OF LABOR WORKERS' COMPENSATION HANDBOOK](http://www.dol.ks.gov/Files/PDF/kwc25.pdf) Or visit www.dol.ks.gov/Files/PDF/kwc25.pdf for the handbook

- **APPLICATION, HIRING, & TERMINATION PROCESS**

There are basic ground rules to hiring and firing employees. These are legal requirements to acquiring or terminating employees. If handled incorrectly, personnel issues can result in legal problems. These legal problems can be large enough to shut your business down. It is important to make sure all your bases are covered. In addition to the do's and don'ts listed below, contact the Kansas Department of Labor, and/or an attorney for more information on correct hiring and firing policies.

APPLICATION AND HIRING

DON'T

- Ask obvious questions. Do not ask questions regarding protected class status (sex, age, race, disability, veteran status, color, religion, national origin) or anything related to these areas. These are sensitive areas and cannot be used as discriminating factors. Some applicants may believe that all gathered information is used. It is for this reason that you should not ask these questions. It is best to avoid these topics to eliminate all possibility of legal problems.

- Write on the job application form. Any notes taken during interviews should be made on photocopies or other paper. This allows you to preserve the original application without marring it for your permanent records.

DO:

- Limit your interview questions to job duties. There is no reason to ask questions that apply to the responsibilities of the position. You may ask an applicant if he/she has any barriers to completing the duties. Do not ask question like "Do you have children?" or "Are you married?" Small talk is acceptable if the interviewer is careful. Do not venture into conversations that might produce seemingly discriminatory information.

- Make sure all company procedures follow employment statutes. Have your advisors or attorney review your system for application, hiring, and termination before you begin hiring and periodically thereafter.

- EDUCATE YOURSELF!!! The best way to prevent problems is to be familiar with the law. When you are in doubt about issues concerning labor or safety, contact the Kansas Department of Labor at 316-383-9947

TERMINATION

DO:

- Review company policies. If you have not yet developed company policies regarding application, hiring, and termination, call the Kansas Department of Labor. Make a checklist of your procedures. Make sure that you have followed the rules in the firing process. If you have not yet completed your checklist, YOU

SHOULD NOT TERMINATE THE EMPLOYEE YET. Take care to finish all steps in the process to alleviate any questions and possible legal repercussions.

- Have a stated code of expected employee behavior. Many employers face problems due to unclear expectations of conduct. It is easier to prove reasons for termination if such a code is in place. This documentation will be helpful if you are faced with paying restitution because it will show that you had a sufficient cause to terminate the employee.
- Conduct an exit interview. This allows you to tie up any loose ends. Final paychecks can be issued, and company property (e.g. keys, paperwork, and files) can be returned. Ask the employee what he/she liked or disliked about your company. Ask for feedback on aspects of your company of which this person has knowledge. This person might be a bit more forthcoming with problems or constructive criticisms than someone who still works there.
- Keep termination of an employee between you (management) and the employee. The fired employee will appreciate your discretion on this matter. Termination should not be discussed with other employees. Privacy can help you avoid harsh feelings and legal repercussions.
- Have employees sign a release. If you are offering the fired employee severance pay or anything else of value, have him/her sign a release of liability to the company. This may protect you in case of legal action.
- **Where to Find Your Labor Source**
 - The El Dorado Chamber of Commerce has a “job posting” section on our website for member investors. There are many resources through which one can find employees. You can post jobs for free on Indeed, www.indeed.com. Here are Chamber members that can assist you in your employee search
 - i. **El Dorado Chamber of Commerce**
316-321-3150 www.eldoradochamber.com
 - ii. **KansasWorks Butler County Workforce**
316-321-2350 www.kansasworks.com
 - iii. **Butler County Times Gazette**
316-321-1120 www.butlercountytimesgazette.com
 - iv. **El Dorado 360**
316-321-1485 www.360eldorado.com
 - v. **El Dorado Leader**
316-778-0305 www.eldoradoleader.com

Addendum 1

CHECKLIST: Use this checklist to keep you on track.

Owner's Checklist for Starting a New Business

This printable tool is designed to give you an estimated timeline and check points on the topics to consider; it is not meant to be an exact timeline as each business will vary.

One Year

- Establish the type of business you want to start
- Establish business and personal goals
- Know your local resources
 - <http://www.cedbr.org/>
 - <http://www.wichita.edu/ksbdc>
 - <http://www.networkkansas.com>
- Identify the financial risks
- Assess your financial resources
- Begin research
 - Is there a need for your product/service
- Expand your education
 - Management/business courses - <http://www.butlercc.edu/>
 - Labor/safety - <http://www.dol.ks.gov/>

Eight-Six Months

- Determine the start-up costs
 - Determine cash needs/cash flow
 - Secure financing
 - Estimate revenues and expenditures for calendar year
 - Yearly Net cash flow for the year
- Establish legal form of business; corporation, partnership, sole proprietorship, etc.
 - Select accounting firm
 - Financial advisor
 - Bank
- Start writing your business plan
 - Focus/specialty of your business
 - <http://www.wichita.edu/ksbdc>
 - <http://www.kansas.gov/businesscenter>
- Do market research
 - Identify your customers
 - Identify your competitors
- Demographic research
 - <http://www.cedbr.org/>
- Decide on your business location
 - Contact real estate agent
 - Contact local chamber
- Develop a marketing plan
 - Paid advertising

- Social media
- Promotions
- Public relations
- Implementation

Six-Four Months

- Name your business
 - <http://www.kssos.org/>
- Finalize location
 - Check planning and zoning
 - Check El Dorado's code and policy
- Set up your space
- Set up office systems; bookkeeping, accounting
 - Hire a bookkeeper/firm
 - Hire accountant
- Select outside advisors
- Set up a network of mentors
- Demographic research
 - <http://www.cedbr.org/>
- Refine business plan
- Refine marketing plan

Three Months

- Review preliminary financial objectives
- Decide on pricing strategy
- Secure insurance coverage if applicable (see Labor/Safety)
- Forecast sales
 - <http://www.wichita.edu/ksbdc>
- Determine employee needs
 - Hiring number
 - Insurance
 - Cash flow
 - <http://www.workforce-ks.com>
 - Labor/Safety
- Refine business plan
- Refine marketing plan

Two Months

- Register your business
 - www.kansas.gov/business
- Establish marketing rollout date(s)
- Business license (if applicable)
- Ensure your legal documents are in order
- Prepare a balance sheet
 - www.sba.gov/offices/district/ks/wichita
- Forecast sales
 - <http://www.wichita.edu/ksbdc>

- Refine business plan
- Ensure all hiring positions are filled

One Month

- Fine tune cash flow budget
- Prepare for grand opening
 - Ribbon cutting and promotion for chamber members
- Review checklist
- Begin marketing
- Test equipment
 - Have contacts for repairs available

BUSINESS RESOURCES

Butler Education & Training (BETA)

316-218-6118

www.butlercc.edu/beta

El Dorado Police Department

316-321-9120

<http://www.eldoks.com/148/Police-Department>

Butler Community College

316-321-2222

www.butlercc.edu

Environmental Services

(Health & Food)

316-268-8351

Butler County Community Development

316-322-4325

www.bucoks.com

Kansas Department of Commerce

785-296-3481

www.kansascommerce.com

Butler Workforce Center

316-321-2350

www.kansasworks.com

Kansas Department of Labor (Wichita)

316-383-9947

www.dol.ks.gov

City of El Dorado

316-321-9100

www.eldoks.com

Kansas Department of Revenue

785-368-8222

www.ksrevenue.org

Center for Economic Development & Business Research

(CEDBR-WSU)

316-978-3225

www.cedbr.org

Kansas Secretary of State - Kris Kobach

(file for sales tax)

785-296-4564

www.kssos.org

El Dorado Chamber of Commerce

316-321-3150

www.eldoradochamber.com

Kansas Small Business Development Center

(620) 341-5308

<http://www.kansasbdc.net>

El Dorado Fire Department

<http://www.eldoks.com/144/Fire-Department>

316-321-9100

Leadership Butler

316-321-4108

www.leadershipbutlerinc.org

El Dorado Inc.

316-321-1485

www.360eldorado.com

Network Kansas

877-521-8600

www.networkkansas.com

El Dorado Mainstreet

316-321-3088

www.mainstreet.org

SCORE

316-269-6273

www.score.org

Social Security Office

866-931-9173

www.ssa.gov

South Central Kansas Economic Development District

316-262-7035

www.sckedd.org

U.S. Internal Revenue Service

Wichita, KS

800-829-1040

www.irs.gov

State of Kansas Business Center

800-458-6727

www.kansas.gov/help-center

U.S. Occupational Safety & Health Administration (OSHA)

Wichita, KS 67202

316-269-6644 or 800-362-2896

Small Business Administration

Wichita offices

316-269-6616

www.sba.gov

El Dorado SourceFinder

Resources for Entrepreneurs and
Business Owners

- Education & Training Analysis
 Community College
 Electric
 Force
 Economic Development and Business R
 rado
 Chamber of Commerce
 Revenue Services
 Mainstreet
 Department of Revenue
 Department of Commerce
 Small Business Development Center
 Butler
 Sas
 Business Administration
 Dept. of Agriculture

