



GUIDE TO STARTING A BUSINESS IN INYO COUNTY

Presented by:

Inyo County

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Disclaimer

This guidebook is offered as information only and does not constitute any actual or implied assurance of business success. Any and all decisions made after reading the information contained herein is solely and completely the responsibility of the reader.

The County of Inyo strongly recommends that any prospective business owner obtain legal advice, to assist in complying with the applicable California laws. We compiled this guide in order to help you understand the basic requirements of operating a business in Inyo County. It is distributed with the understanding that the County of Inyo is not rendering legal advice and therefore this guide is not to be a substitute for legal counsel for the individual or business entity using it. In case of conflict, the law, regulation or rule will apply.

Portions of Inyo County have been established and formally recognized as tribal lands. As such, these areas are autonomous and the tribal councils have the ability to enact regulations differing from those described here. In all instances it is imperative that before embarking in a business endeavor the proprietor make contact with the appropriate tribal governing board to assure compliance with their requirements. A listing of the Tribal Councils' contact numbers is on Page 19.

I. Getting Started: Licenses, Permits, and Regulations

Overview

This guidebook is directed specifically at persons operating or planning to operate a business within unincorporated Inyo County, California. For information about operating a business within the Bishop City limits, please contact the City of Bishop at 760-873-5863 or visit their website www.cityofbishop.com. Most of the information is general in nature and applicable to all types of businesses in California.

Most cities and counties have planning and business licensing departments. If you are in an unincorporated area of Inyo County, the county controls most of your business requirements. Typically, the county also is in charge of health and food permits, hazardous waste regulations and pollution control issues.

Check the requirements of the Zoning district you are proposing your business in. Your business proposal may not be compliant with the County's Zoning Code or might require zoning entitlements. Allowed uses are listed in the County's Zoning Code Title 18, or you can consult with the Inyo County Planning Department.

Check for Zoning Development Standards and Building and Safety requirements that apply, whether you are remodeling an existing location or starting up a new business prior to doing any work or investing substantial funds.

Business Licenses and Permits

All regular business licenses and permits are controlled at the county or city levels. Remember, if your business is located within the city limits of Bishop, contact the business permit and licensing section of the City of Bishop. If you are locating your business in an unincorporated area of Inyo County, there are currently no license requirements, with the exception of those listed in this guide. In addition many professional occupations, such as accountants, cosmeticians, optometrists, realtors, contractors, and businesses such as automotive sales and repair, beer, wine, and liquor sales, pest control, real estate appraisers, to name a few, require additional state licensing. Contact the State of California Department of Consumer Affairs or the Contractor's State Licensing Board to find out what licensing board governs your profession. For California businesses, most of this information are now available at the state's web-site www.ca.gov or the Contractors State Licensing Board www.cslb.ca.gov site. A great location to help guide you through the permitting and licensing process is <http://www.calgold.ca.gov>.

Fictitious Business Name Statements

If you operate a business under any name other than your own or other than your corporate name, you must file a fictitious name statement. This is also referred to as a DBA (Doing Business As). This statement must be filed with the Inyo County Clerk's office. There is an application fee of \$20 for one DBA and one owner, and an additional \$2 for each additional DBA and owner. The payment is due when the statement is filed. Within 30 days of filing for the fictitious business name, you must run a Fictitious Business Name Statement in a local newspaper with a general circulation in your market area. The statement must run weekly for four consecutive weeks. At the end of the 4 weeks, the newspaper will issue a Proof of Publication certificate that will be returned to the County Clerk. You can find out more about filing a fictitious business name statement on the County Clerk's website: <http://clerkrecorder.inyocounty.us/> or call 760-878-0223 or email clerk-recorder@inyocounty.us .

The following types of businesses need to apply for special permits/licenses to operate a business in the unincorporated area of Inyo County:

Cannabis

Inyo County is in the process of drafting regulations for commercial cannabis activities that could occur in Inyo County, including Zoning, Nuisance Abatement and Commercial Cannabis Business License ordinances. For more information about starting this type of business in Inyo County, please contact the Inyo County Agricultural Department at (760) 873-7860.

Health & Food Services

If you sell or handle food, you must obtain a permit from Environmental Health Services (aka your local Health Department). Environmental Health regulations are extensive and precise. Make sure you talk to all agencies regarding your requirements. Ask a health inspector to do a "walk through" of the facility with you and advise you of potential code violations. California Health and Safety laws prohibit you from selling ANY food prepared in your home, unless you qualify under the Cottage Food regulations. Cottage Food licenses have restrictions that limit the types of food prepared and the amount and locations where it is sold. Check local regulations before proceeding with a Cottage Food business. You can find out more on the Inyo County Environmental Health website:

<http://inyocounty.us/EnvironmentalHealth/index.html>.

Itinerant Peddlers

An "itinerant peddler" is any person, firm, or corporation without a fixed place of business in Inyo County who, either directly or through salespersons, engages in a temporary business of selling and delivering goods, wares, or merchandise in the county and who, in furtherance of such purpose hires or uses any area, building, structure, motor vehicle, cart, tent, or room, or any street, alley, or other place within the county, for the exhibition and/or sale of such goods, wares, and merchandise and who, in the case of a person, has no primary residence in the county or which, in the case of a firm or corporation, has its principal place of business outside of the county. (Ord. 998 § 4, 1998: Ord. 93 § 1, 1962.)

Persons interested in applying for a Peddler's License, should contact the Inyo County Treasurer/Tax Collector's office at (760) 878-0312 or by email at inyottc@inyocounty.us.

Junk Dealers, Foundries and similar business

- A. "Foundry" means any place, within the county, where metal of any type or description is cast;
- B. "Itinerant junk dealer" means any person who goes about from house to house or place to place, gathering, receiving, collecting, buying or otherwise acquiring, selling or otherwise dealing in secondhand articles, goods, wares or merchandise of any type or description;
- C. "Junk dealer" means any person other than a licensed secondhand mining supply dealer, as defined in subsection E of this section, or a licensed pawnbroker, having a fixed place of business in the county, who carries on, conducts, maintains or engages in the business of buying or otherwise acquiring, or selling, or otherwise disposing of, or otherwise dealing in secondhand articles, goods, wares or merchandise of any type or description;

- D. "Person" means and includes both the singular and plural, and means any person, copartnership, association, firm, club, society or corporation;
- E. "Secondhand mining supply dealer" means any person, having a fixed place of business in the county, other than a licensed junk dealer, itinerant junk dealer, foundry or pawnbroker, who carries on, conducts, maintains or engages in the business of buying, acquiring, reconditioning, renting, selling, disposing of, or otherwise dealing in new and usable secondhand mining supplies, equipment and machinery. (Ord. 24 § 1, 1942.)

Persons interested in applying for a Junk Dealer, Foundry or similar license, should contact the Inyo County Treasurer/Tax Collector's office at (760) 878-0312 or by email at inyottc@inyocounty.us.

Nonprofit Charitable Bingo Games

It is unlawful for any organization or person to conduct a bingo game, as defined by and under the provisions of the California Penal Code, Section 326.5, without first being licensed to do so. Any license issued under the provisions of the Inyo County Code Section 5.32, shall permit bingo games only for the benefit of organizations exempted from the payment of the bank and corporation tax by Section 23701d of the California Revenue and Taxation Code and a contribution or gift to which would be a charitable contribution under Section 170(c)(2) of the United States Internal Revenue Code of 1954. (Ord. 321 § 1 (part), 1977.)

Persons interested in applying for a Nonprofit Charitable Bingo Game license, should contact the Inyo County Treasurer/Tax Collector's office at (760) 878-0312 or by email at inyottc@inyocounty.us.

Seller's Permits

All businesses involved in the sale or rental of tangible personal property must register with the California State Board of Equalization for a seller's permit, resale license or "wholesalers" license. A security deposit may be required and can be accomplished by; 1) Non-interest bearing cash deposit, 2) Bond, **or** 3) Bank or savings and loan certificate of deposit. This permit will provide you with a registered resale number that you are required to use when conducting business. Permits must be posted where they are clearly visible. To obtain more information on the seller's permit, resale license or wholesale license, contact the California State Board of Equalization or visit their web-site www.boe.ca.gov where you can register for a permit/license on line. To date there is no cost for these permits.

Outdoor Festivals & Events on County Property

"Outdoor festival" means any music festival, dance festival, rock festival or similar musical activity at which music is provided by paid or amateur performers, by live or prerecorded means, which activity is reasonably anticipated to be attended by more than three hundred people, which is held at any place other than at a permanent building or permanent installation, which building or installation has been constructed for the purpose of conducting similar activities for the number of people anticipated to attend. (Ord. 371 § 1, 1979.)

Inyo County Parks & Recreation Facilities:

Persons interested in holding an event in the following county parks should contact the Inyo County Parks and Recreation Department for approval at 760-873-5577:

- The Gazebo area at Millpond, Bishop
- Izaak Walton Park, Bishop
- Mendenhall Park, Big Pine
- Dehy Park (and kitchen), Independence
- Spainhower Park, Lone Pine

Inyo County Public Works Facilities:

Persons interested in holding an event in the following locations should contact the Inyo County Public Works Department for approval at 760-873-0201:

- American Legion Building, Independence

Inyo County Health and Human Services:

Persons interested in holding an event held in the following locations, should contact the Inyo County Health and Human Services Department for approval at the following phone numbers:

- Tecopa Community Center, Tecopa call 760- 852-4264
- Big Pine Town Hall, Big Pine call 760-873-6364
- Statham Hall, Lone Pine call 760-876- 5518
- Bishop Senior Center, Bishop call 760-872-2402 (Facility Rental Fees may be charged at this facility and are independent of the County Policy)

Weighing & Measuring Devices, Pest Control Businesses and Farm Labor Contractors

Any person using a weighing or measuring device for commercial purposes, must first obtain certification to use the instrument from the Inyo County Sealer. Certification must be renewed each calendar year. Persons interested in applying for a certificate to use a weighing and measuring device, should contact the Inyo County Director of Weights & Measures office at (760) 873-7860. (Ord. 1121 §4, 2006; Ord. 629 § 1 (part), 1985.)

Additionally, the Inyo County Sealer is charged with enforcement of the Fair Packaging and Labeling Act. If your business makes a product that has packaging or labeling that has not yet been reviewed by a weights & measures official, you can contact the Inyo County Director of Weights and Measures office for a voluntary compliance review.

Pest Control Businesses

Any person wishing to advertise, solicit, or operate as a pest control business must first register with the County Agricultural Commissioner's office. Registration must be renewed each calendar year. (FAC Div. 6, Chap. 4, Article 2, § 11732.)

Pest Control Advisors

Any person wishing to provide pest control advisor services must first register with the County Agricultural Commissioner's office. Registration must be renewed each calendar year. (FAC Div. 6, Chap. 6, Article 3, § 12031.)

Farm Labor Contractors

Any person wishing to provide farm labor contracting services must first register with the County Agricultural Commissioner's office. Registration must be renewed each calendar year. (CLC Div. 6, Part 6, Chap. 3, § 1695(a)(8).

Pest Control Aircraft Pilot

Any person wishing to act as a pest control aircraft pilot must register with the County Agricultural Commissioner's office. Registration must be renewed each calendar year. (FAC Div. 6, Chap. 5, Article 1.5, § 11920-11924.)

Additional Considerations

Federal Identification Number

All businesses with employees are required to obtain a Federal Identification Number from the IRS. A sole proprietorship without employees may use a social security number as an Identification Number until employees are hired. Partnerships must also obtain an identification number. If the partnership has no employees, it should be indicated on the form that the number is for identification purposes only, to meet quarterly and yearly payroll reporting requirements. If you receive a Federal Employee Identification Number, the IRS will send you quarterly and year-end tax forms. These must be filled out and returned, even if you have no employees. In accordance with IRS regulations you are liable for federal withholding taxes, F.U.T.A (Federal Unemployment Tax Act.), and F.I.C.A (Federal Insurance Contribution Act). The IRS will provide kits for small businesses, information on how to estimate tax payments and complete tax forms, in addition to the Federal Identification Number form (#55-4). *IRS Hotline 1.800.829.1040*

Health and Safety Requirements

You must operate your business in compliance with OSHA (Occupational Safety & Health Act) job safety regulations. All businesses with employees must develop and maintain an IIPP safety manual (Injury and Illness Prevention Policies). Contact Cal-OSHA Consulting Services for information on compliance with OSHA safety requirements for employers

Insurance

There are numerous types of insurance coverage your business may need depending on the nature of your business. A few types of insurance are:

Liability	Basic Fire insurance
Extended Coverage	Vandalism & Malicious Mischief Coverage
Theft Coverage	Automotive Insurance
Product Liability	Business Interruption Insurance
Worker's Compensation	Professional Liability or "Errors and Omissions"

Contact a local insurance broker who is knowledgeable about business insurance to determine your specific needs.

Property taxes

The County Assessor, an elected official, is governed by the California Constitution, the laws passed by the Legislature, and the rules adopted by the Board of Equalization. An individual county government does not control the County Assessor's tasks.

The county assessor must annually assess all taxable property in the county, except for state-assessed property, to the person, business, or legal entity owning, claiming, possessing, or controlling the property on January 1. The duties of the county assessor are to; 1) Discover all assessable property, 2) To inventory and list all taxable property, 3) To value the property, and 4) To enroll the property on the local assessment roll. The assessor's primary responsibility is to annually determine the proper taxable value for each property so the owner is assured of paying the correct amount of property tax for the support of local government.

Unless the California Constitution or federal law specifies otherwise, all property is taxable. Property is defined as all matters and things—real, personal, business and non-business, or any combination thereof.

Please do not hesitate to contact the Assessor's office with any questions you might have regarding property value at 760-878-0302.

Self Employment Tax

The Self Employment Federal Tax is designed to provide you with social security coverage, if you are self-employed. This tax is substituted for social security tax and is approximately twice the amount that is normally withheld from an employee's paycheck. For more information contact a tax preparer or visit the IRS website for details.

Sign Ordinance

Most Cities and Counties have two concerns with signs: general appearance and public safety. Most government entities require sign permits and building permits whenever you install, move or remove signs. In most cases, you must pay a sign permit and a building permit fee. Business signs will have to be approved by the Building or Planning Departments if they do not comply with the local sign ordinances. Number and size of each sign often depend on your store frontage and the particular location of your business.

County

The following are Inyo County's current codes regarding placement of signs:

9.16.010 . No person shall paint, post, attach or affix any handbill, dodger, notice, sign or advertisement upon or to any bridge, fence, building or other property belonging to the county, or any tree situated in any public highway of the county; and no person shall deface, mar or disfigure any bridge, fence, building or other structure belonging to the county; or any tree situated in any public highway of the county; by painting, cutting, scratching or breaking the same or attaching or affixing anything thereto.

9.16.020. No person shall erect, construct, place or maintain any signboard, billboard, sign or advertisement, in, over or on any public highway of the county.

City of Bishop

Citizens need to check with the City Clerk of Bishop to ensure their signs are compliant with any city ordinances.

State Employer Tax Identification Number

If you have employees, or plan to have employees, contact the Employment Development Department and file an application for a State Employer Tax ID number. This number will identify your business in all future tax dealings. Contact your local office of the Employment Development Department for more information.

Wage, Hour and Child Labor Laws

If you hire employees, you will have to meet the requirements of Federal Fair Labor Standards Act and the CA Fair Employment and Housing Act, otherwise known as the “Labor Codes”. Contact the California Department of Industrial Relations for information about compliance to laws prohibiting discrimination in employment based on sex, age, color, national origin, religion or physical and mental disabilities. When you have even one employee you must display in a prominent place all mandated employment postings/notices required under both Federal and State law. A single poster can be purchased from your local chamber of commerce or from numerous web-sites selling Human Resource materials. You must purchase and post one for each year and ensure that it complies with California and Federal regulations.

Worker’s Compensation Insurance

Workers' Compensation (WC) provides benefits to employees who are injured or become ill during the course of or due to their employment. In California, **every employer** is required to carry WC insurance to cover the statewide cost of occupational injuries and illnesses. This insurance requirement is mandatory, even if you have only one part-time employee. Companies based out-of-state with employees hired in California must also have California approved workers' compensation insurance.

Workers' compensation insurance can be obtained through any number of national underwriters doing business in California or through State Compensation Insurance Fund. “State Fund” is a self-supporting, non-profit enterprise that provides workers' compensation insurance to many small to mid-sized California employers. Contact a local insurance broker specializing in Worker’s Comp policies to determine the most appropriate options for your business.

Zoning and Home Business Requirements

Before signing a lease or beginning the process of starting a business, you should verify that the location of the proposed business complies with all zoning regulations. The Planning Department monitors Zoning Code compliance. Request a copy of the standards (building setbacks, heights, parking, signage, etc.), and permitted uses for the proposed location’s zoning designation. You may have to apply for a Use Permit including, potentially, a “conditional use” permit to allow for uses specifically identified in the Zoning Code as conditional uses, or a Variance for exceptions to development standards. Both require a hearing and approval from a noticed Planning Commission meeting. If applicable, ask the Planning Department what information they need to evaluate your proposal, whether you should fill out a Zoning Entitlement

Application, the approximate costs, an estimate of time and the likelihood your proposal will be approved. Ask if you are required to attend the Board of Supervisor's or Planning Commission meetings. You can find out more on the Inyo County Planning Department website: <http://inyoplanning.org/>.

Any construction must conform to local building codes. Building permits are required for new construction as well as structural building improvements. If you are seeking a location for your business, thoroughly investigate zoning ordinances to be sure the location that you choose is zoned for your business activity. Don't just rely on the landlord or a Realtor to determine if the location is properly zoned for your business. Contact the City or County Planning Department to confirm that the zoning will be appropriate for your business activity. You can find out more on the Inyo County Planning website: <http://inyoplanning.org/>

Checklist for New Businesses

Using a checklist helps to assure that each facet of your business start-up is complete. The order of completion for each checklist item varies by business. Follow the order that is required by law or works best for you.

- _____ Determine the business activity most suitable for your skills and location.
- _____ Develop a Business Plan. (*See Section 2*)
- _____ Check local zoning laws and land use ordinances that might apply to your business.
- _____ Choose the legal structure that is best for your business. (*See Section 3*)
- _____ Determine whether your business requires a state or federal permit or license to operate.
- _____ Contact your local insurance broker to discuss and obtain the type(s) of commercial insurance you will need.
- _____ Locate the services of an accountant, banker, insurance broker and lawyer (as appropriate).
- _____ Apply for a Federal Identification Number. (Free at IRS.gov)
- _____ Employers: make sure that you have Worker's Comp coverage and complete all employer requirements before employees perform any work.
- _____ Obtain a local business license (if in the City of Bishop or if related to Cannabis).
- _____ File and publish a fictitious business name statement with the County Clerk and local newspaper.
- _____ Open a business checking account separate from your personal account.
- _____ Open a sales and use tax account (CA BOE) and apply for a reseller's permit if you plan to sell or rent tangible personal property.
- _____ Apply for a State Employer Tax I.D. Number (if you plan to have employees). (*See section 4*)
- _____ Check with the Treasurer/Tax Collector and Assessor, regarding property taxes
- _____ Local Sanitary Sewer District, especially if your food operation will discard large amounts of grease and other materials
- _____ Check with Environmental Health, for food permits
- _____ Check with Planning, for other permits and zoning
- _____ Check with Police/Sheriff/County Fire Marshall
- _____ Agricultural Commissioner/Sealer, for registration as a pest control business, advisor, or pilot, farm labor contactor services registration, or weights & measures device registration
- _____ Check with City/County Building or Permit Department for building, electrical and plumbing modifications

For potential regulatory agencies for your specific type of business visit www.calgold.ca.gov

II. Writing Your Business Plan

“If you fail to plan, you are planning to fail!” - Benjamin Franklin

The first step you should take once you decided to go forward with your business idea is to develop a comprehensive plan specifically designed to guide your business success. (AKA a business plan). Your plan should outline who you are, who your customers are or will be, your product/service line, marketing strategy, resources needed to start and operate the business, and financial outcome projections. It is important to note that a traditional “brick and mortar” business will require a very different plan than a “virtual” or online business concept.

Your business plan does not have to be complicated but it will be a necessary tool when communicating your concepts to financial institutions, if you are requesting to borrow money. It supplies the lender with a brief business history, insight into your business practices and goals, as well as a look at your strategy for the future financial success of your business. Perhaps most importantly, it should explain the business skills and management experience of the owners. Banks today are very reluctant to lend to persons without business management experience. In most instances, they will not lend to someone who cannot clearly communicate that they have a plan for making their business successful.

Preparing Your Business Plan

Developing your business plan is the most important thing you can do before going into business. For a startup, the business plan is an essential tool that functions as both a “blue print” for building a successful business and a “road map” for charting the most appropriate course to future financial success. As you work your way through all the areas of the plan, you will likely need to reassess and revise your business concept. As your concept grows, a written plan will help you keep track of the many details you can no longer keep in your head.

A Blueprint or Road Map for Your Business

A thoroughly researched and well thought-out business plan will clarify your goals, focus your energy and resources, give direction to your work and gauge your progress. Implementing a properly developed business plan will help you build a successful business and help you become PROFITABLE!

A Tool for Raising Capital

A good business plan is essential if you plan to seek financing. To obtain a loan or attract investors, you will need to present a cohesive “picture” of your business, the management team, why the business will succeed and how you intend to repay the bank or other investors.

The Format

There is no magic formula for a business plan. It’s important to understand the concept of and purpose for a business plan; writing an outline first may help you avoid overlooking important points. Free advice is available from your local Small Business Development Center office to assist you writing your plan. Go to CASBDC.org to find the local center serving businesses in your area.

Elements of a Sound Business Plan

Below is a checklist of areas you should consider as you begin the planning process. *Not all of the points will apply to you, especially if you are a very small startup, but it's important to consider each one of the following sections:*

A. The Business (overview)

Describe the business, including history, legal structure, major products or services, management team, and key personnel. Include a brief review of the following areas:

1. Products and/or Services

- Company goals (for sales, new product development, growth, etc.)
- Describe all products and services the company offers
- Explain what makes these products/services better than the competition
- Cost and profit of each product/service; describe the break-even point
- Patents, trademarks or proprietary features

2. Industry

- Describe the size, maturity and competitive nature of your industry
- Barriers to entry and growth
- Effect of economic swings upon the industry
- Describe the overall financial position and performance of the industry
- Role of government regulations in the industry

3. Location

- Consider location of your business in terms of customer access, distribution of goods and zoning

4. Management and Organization

- Current and anticipated organizational structure for your business (sole proprietorship, partnership or corporation)
- Personal history of the principals (e.g., age, education, industry experience, business affiliations) and their role in daily operations
- Percent interest or stock that each principal holds
- Succession plan in case of the loss of key personnel
- Professional resources (e.g., attorney, accountant) available to the business
- Outline and schedule of all business activities needed to start up and operate
- Description of hours and days of operation
- Equipment and supplies that are needed
- Suppliers of equipment and materials necessary for operation
- Inventory storage and maintenance

5. Personnel

- Describe current staffing and expected turnover
- Describe the need for permanent employees and independent contractors
- Personnel needs one to three years into the future (including the skills that will be needed)
- Personnel policies including performance evaluations, hiring and firing practices

B. The Market

- Target market: description of who will buy your product/service
- Target market trends, growth, obstacles and directions
- Competitors share of existing market and where will your business's share fit into that picture

1. Market Strategy

- Type of product/service you plan to offer
- Specific product/service emphasis (promotion) you will use to attract your target market
- Difference between your product and that of your competitors (competitive advantage)
- Type and number of sales staff and sales support staff needed
- Distribution channels to be used
- Pricing scheme in light of competition for your product (price differentiation)
- A/R or credit policy for customers
- Advertising plan including budget

C. The Financials

- Total funds needed by your business for the next three years
- Financing being sought from a lending institution or investors. If seeking debt financing, describe the loan amount and the repayment terms you are asking for. If seeking equity financing, describe the percentage of the company that will be given up, the proposed return on investment and the anticipated method of buying out the investor, (e.g., buy back, public offering, sale)
- Describe specifically how borrowed funds will be used (budget)
- Collateral that you can offer to secure the loan
- Methods of financial reporting and recordkeeping you will use (accounting system)

Financial Statements and Projections

In financial terms, these documents reflect the business' historical (if applicable), future performance, profitability and cash flow. The process of putting into financial terms the strategies detailed in the business plan will provide valuable insight as to whether you will be able to reach your goals and objectives. It will also be a key indicator on the amount of outside financing needed to support execution of the strategy.

Grasping the terms and concepts used for financial projections and accounting systems can be very confusing. It is advisable to consult one of the many books written specifically about small business accounting systems, cash flow projections and bookkeeping or seek assistance from your local SBDC or SCORE chapter.

- Profit and Loss statements (also known as an Income Statement) reflect the company's expenses and earnings. This is usually done on a monthly or quarterly basis and projected over three years. Include two years of historical income statements if an existing business.
- The company's cash position (a cash flow projection will reflect your company's credit and collection policies, trade credit, other financing activities, and purchase or disposal of fixed assets)
- The company's financial position (a balance sheet shows the assets and liabilities of the company on a given date; include projected quarterly balance sheet for the next three years)
- Include any significant assumptions used in preparing the financial statement projections.

Important Points

All points of a business plan deserve your consideration, but some will warrant more careful attention than others. In most cases **validating** the potential for future profitability of your business will be key.

Market - Nothing is more important than knowing your market. The most innovative product or idea in the world won't make money if its inventor/owner can't find customers for it. The biggest part of your planning efforts should go into a market study: To whom are you going to sell, who is your competition, how will your business be unique/superior?

Cash - It's important to realize that only cash is cash. There are two key points to remember: First, it's only "cash" when it's in the bank; and second, you can only spend a dollar once! Profits, accounts receivable, retained earnings and other entries on financial statements may look like cash, but they won't pay the bills. Good cash flow does not always indicate strong profits. A business that has insufficient cash to pay its expenses, could be showing profits and be in bankruptcy. Many businesses, especially those growing quickly, make the mistake of not controlling their cash position. According to the US SBA the #1 reason that a young business fails is it simply runs out of cash and cannot get more. At that point, "failure" is not a choice, it becomes inevitable. Too often people spend earnings before they're received, and when the money comes in they fail to realize it's already been spent. This is why using credit cards to cash flow your business can be so disastrous, if they're not used prudently and properly.

Financial Documents - Regularly, well-prepared balance sheets and profit and loss statements are important management tools for any business owner. A good working knowledge of your financial statements will make it easier to work with your banker and accountant. Take the time to get a grasp of these important documents.

Break-even Point - The break-even point is the level of revenue that covers the fixed and variable costs of providing your product or service. You must know the actual costs of doing business. Your fixed costs (rent, utilities, insurance, etc.) remain constant regardless of your sales. Your variable costs (cost of goods, sales commissions) fluctuate with sales. It's important that you be able to accurately identify your costs, know the sales level needed to break even, and be able to meet or exceed that figure.

III. Legal Structure for Your Business

You must consider a type of legal structure for your business. There are many subtleties involved in deciding the legal structure that best meets the present and future needs of your business and owners. By default your business will automatically be a sole proprietorship if it is owned and operated by an individual, (in CA. a husband and wife can be a Sole Proprietorship), or a partnership, if two or more individuals own the business. Some examples of common legal structures are listed below, but this is not an exhaustive list. The advice of a CPA and an attorney could be helpful in your decision.

The following is taken from Black's Law Dictionary, Eighth Ed, and is not intended to provide exact legal definitions under California law or to supplant the need to consult an attorney.

Co-Partners: A copartner is a member of a partnership. A partnership is a voluntary association of two or more persons who jointly own and carry on a business for profit.

Corporation: A legal entity (usually a business) having authority under law to act as a single person, distinct from the shareholders, who own and have rights to issue stock and exist indefinitely.

Domestic Partnership: A non-marital relationship between two persons of the same or opposite sex who live together as a couple for a significant period of time.

General Partnership: A partnership in which all partners participate fully in running the business and share equally in profits and losses (though the partners' monetary contribution may vary).

Individual: Of or relating to a single person or thing, as opposed to a group. An *individual proprietorship* or *sole proprietorship* is a business in which one person owns all the assets, owes all the liabilities, and operates in his or her personal capacity.

Married Couple: Two people who are lawfully wed

Joint Venture: A business undertaking by two or more persons engaged in a single defined project.

Limited Liability Company (LLC): A company - statutorily authorized in certain states – that is characterized by limited liability, management by members or managers, and limitations on ownership transfer.

Limited Liability Partnership (LLP): A partnership in which a partner is not liable for a negligent act committed by another partner or by an employee not under the partner's supervision. (In California, LLPs may only be formed by licensed persons for the practices of public accountancy, law or architecture).

Limited Partnership: A partnership composed of one or more persons who control the business and are personally liable for the partnership's debts (called general partners), and one or more persons who contribute capital and share profits but who cannot manage the business and are liable only for that amount of their contribution (called limited partners). (In California, a limited partnership must be filed with the Secretary of State and is defined as partnership formed by two or more persons under the laws of this state and having one or more general partners and one or more limited partners).

Trust: A legal entity created by the grantor for the benefit of a designated beneficiary. A "business trust" is a form of business organization, similar to a corporation, in which investors receive transferable

certificates of beneficial interest (instead of stock shares).

Unincorporated Association: An Association is a gathering of people for a common purpose. An unincorporated organization that is not a legal entity separate from the persons who compose it.

IV. Outside Services and Important Contacts

Here are a number of outside professionals with whom a new business person should establish a relationship.

Small Business Development Centers (SBDC)– SBDC offers free guidance, research and counseling. SBDC's also offer a variety of business management workshops throughout the year at their location and in conjunction with colleges, chambers of commerce and local cities. For the location of your local SBDC chapter visit the U.S. SBA web-site www.sba.gov and scroll over "Local Resources" on the home page.

Accountant - An accountant should be consulted to set up a good bookkeeping system for your business. Inadequate record keeping is a leading contributor to the failure of small businesses.

Attorney - An attorney's services are not only essential in the planning stages of your business, but throughout the life of your business. They can assist in choosing your legal structure, reviewing lease agreements, drawing up partnership agreements or incorporation papers, structuring contracts, as well as providing information on your legal rights and obligations.

Banker - Capital requirements of a small business make it essential that a good working relationship be established with a local banker. They are a good source of financial information and for obtaining financing.

Insurance Agent/Broker - An insurance agent/broker can advise you about the type of coverage necessary for your business. They may be able to tailor a package to meet your specific needs.

V. Business Resources

Inyo County Contacts

Economic Development	760-878-0292
County Clerk	760-878-0410
Environmental Health (Health Dept.)	760-878-0238
Planning & Permitting	760-878-0263
Public Works/Roads	760-878-0201
Weights & Measures – Agricultural Commissioner	760-873-7860
Treasurer/Tax Collector	760-878-0312
Assessor	760-878-0302

Key State of California and Federal Departments and Agencies

- [Franchise Tax Board](http://www.ftb.ca.gov) www.ftb.ca.gov
Information relating to employer withholding and tax payment requirements
- [State Board of Equalization](http://www.boe.ca.gov) www.boe.ca.gov
Information relating to sales or use tax liability, special taxes and fees, property tax administration, and franchise and income tax appeals.
- [Employment Development Department](http://www.edd.cawnet.gov) www.edd.cawnet.gov
Information relating to unemployment insurance, disability insurance and employment tax
- [Internal Revenue Service](http://www.irs.gov) www.irs.gov
Information relating to federal taxes and filing for federal employer identification number (FEIN)
- [Department of Consumer Affairs](http://www.dca.ca.gov) www.dca.ca.gov
Information relating to licensing requirements at the state level for specific business entities
- [Department of Insurance](http://www.insurance.ca.gov) www.insurance.ca.gov
Information relating to requirements for insurance companies, agents and brokers
- [State Bar of California - Office of Certification](http://www.calbar.ca.gov) www.calbar.ca.gov
Information relating to registration of law corporations and limited liability partnerships
- [Department of Industrial Relations](http://www.dir.ca.gov) www.dir.ca.gov
Information relating to worker's compensation requirements
- [Fictitious Business Name Registration](http://clerkrecorder.inyocounty.us/) http://clerkrecorder.inyocounty.us/
Information relating to Inyo county fictitious business name requirements.
- [U. S. Business Advisor](http://www.business.gov) www.business.gov
Information and services provided by the government for the business community
- [Small Business Administration](http://www.sba.gov) www.sba.gov
Information regarding starting and managing small businesses
- [U.S. Customs](http://www.customs.ustreas.gov) www.customs.ustreas.gov
Information regarding importing and exporting issues related to the U.S. Customs Service

- [U S Department of Commerce](http://www.doc.gov) www.doc.gov
Promotes American businesses, keeps a vast array of economic statistics, conducts the census, issues patents and trademarks, sets industrial standards
- [U.S. Department of Labor](http://www.dol.gov) www.dol.gov
Resources for Federal Labor Laws and regulations
- [Tax Information Center](http://www.taxes.ca.gov) www.taxes.ca.gov
Information relating to income, payroll, sales and use tax for California businesses
- [CalGOLD](http://www.calgold.ca.gov) www.calgold.ca.gov
Excellent website that provides detailed information on the business permit, license and registration requirements from all levels of government.
- [Small Business Fairs](http://www.boe.ca.gov/sutax/tpsched.htm) www.boe.ca.gov/sutax/tpsched.htm
Free seminars for small business owners sponsored by several California tax agencies to assist with the tax aspects of a business.
- [Department of Corporations](http://www.corp.ca.gov) www.corp.ca.gov
Responsible for the regulation of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending, and residential mortgage lending.
- [Department of Financial Institutions](http://www.dfi.ca.gov) www.dfi.ca.gov
Information relating to credit unions, industrial loan companies, banks, savings and loan associations or savings banks.

Tribal Councils within Inyo County

- Big Pine Paiute Tribe – (760) 938-2003
- Bishop Paiute Tribe – (760) 873-3584
- Fort Independence Indian Reservation – (760) 878-5160
- Lone Pine Paiute-Shoshone Reservation – (760) 876-1034
- Timbisha Tribal Council – (760) 872-3614