

Business Kit

Information





Transform U Business Kit Basic Information

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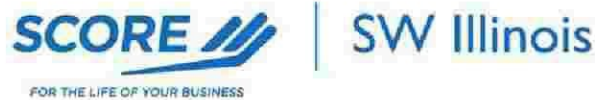
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SCORE APPOINTMENT QUESTIONS



Are you prepared for your appointment?

Preparing for your appointment is optional, but if you do a little beforehand it greatly enhances the effectiveness of your counseling session, and you maximize the counselor's ability to help you. You don't need to write anything, unless it helps you.

Review this list of typical questions and be prepared to discuss the answers.

Your counselor may ask you...

- What kind of guidance or assistance are you looking for from SCORE?
- In 50 words or less. What is your business idea?
- What products or services will you be providing?
- What planning or market research activities have you already done?
- How did you (or will you) determine the market need for your product or service?
- Specifically, who are the customers for your product or service?
- Who are your competitors, and how are you different?
- From your customer's perspective, what benefits do you provide?
- What education / business experience do you have for this type of business?
- Does your family and personal situation support your effort?
- Have you considered the start-up cost required and potential sources for the money?
- How much per hour do you propose to earn from your business?

If you have any written cash flow projections or preliminary business plan material, bring a couple of copies for us to review. We'll return them at the end of the session.

For more information go to the website:

<http://swillinois.score.org/chapters/sw-illinois-score>



SCORE BUSINESS PLAN OVERVIEW



SW Illinois

A written business plan is just a thoughtful analysis of a market and the business resources needed to serve that market. The plan helps you develop reasonable, realistic, strategies and acceptable levels of risk. The plan identifies the facilities, equipment, personnel, suppliers and money required to operate the business. Your business plan should answer these questions:

Benefits of Planning:

- Clarifies the opportunities.
- Identifies the risks.
- Quantifies the rewards.
- Develops the strategies.
- Defines the resources.
- Establishes goals.
- Guides your decisions and attracts investors.

Describe Your Business:

- What is the legal form of your business?
- Who is the owner and how long has it operated?
- Where do you do business?
- How big is your company? (revenue & customers)
- What are the growth opportunities in this industry?
- Why does this industry promise to be successful?
- What is unique or different about your company?

Describe Your Product or Service:

- What are the products or services?
- What are the customer benefits of each?
- How are the products or services packaged?
- What patents or permits are required?
- Who manufactures or supplies your products?
- How are the products and services delivered?
- Does it come with any warranty or maintenance?

Describe Your Operations:

- How are business functions organized?
- Who are the managers, and what are their qualifications? How many employees are required?
- How much will they be paid and how often?
- What equipment and facilities will be necessary?
- What influenced your choice of location?
- How will you keep records and inventories?
- Are there any specific measures you can use to identify quality, effectiveness and efficiency?

Describe Your Customers:

- Who are your customers?
- How many are in your area or niche?

- What are their buying patterns and cycles?
- Why do they buy your product or service?
- How many times do they buy and when?
- What price do they want to pay?
- Who makes the final decision to purchase?
- Can you describe the typical customer?

Describe Your Competitors:

- Who are your competitors?
- How many are in your area or niche?
- Where are they located?
- How are you different?
- Compare advantages / disadvantages?
- Are customers more likely to use your product?
- Will any trends or new inventions impact your product or service?

Describe Your Marketing Plan:

- How and where will you promote or advertise?
- How often will you use advertising?
- What are your strategies for obtaining PR?
- What are your sales strategies and tactics?
- How long does it take to make a sale?
- How will you attract new customers?
- How will you hold existing customers?
- What are your pricing / packaging strategies?
- How much will you spend on marketing and sales?

Describe Your Financial Requirements:

- How much money will you need? When? How often? For what? Why?
- What sources of funding have you identified? Can you qualify? What is its cost? Can you pay it back? When?
- What are the tax consequences of your decisions? For the business? For your personal situation?
- Is there a profit? When? If not, what can you change to make it work?
- How much per hour do you propose to earn from your business?

A Dozen Critical Factors To Include:

1. Describe the specific competence that gives your superiority over your competitors.
2. Identify the specific market niches where you will have the most success.
3. Identify all assumptions used in your plan.
4. Be realistic or even pessimistic in your forecasts.
5. Identify how and when ALL investors and loans will be repaid.
6. Identify any milestones and the effects of meeting or missing those milestones in financial terms.
7. Present a well-balanced management team and reconcile any missing skills.
8. Consider the impact of competitors' reactions to your strategies.
9. Identify contingencies and allow for changes in your estimates and strategies.
10. Don't try to do it all yourself. Rely on professionals within and outside your business.
11. Think like an investor. Balance the risks against payoff and think about payoff in all your choices.
12. Make sure your pricing covers all costs, losses, theft, benefits, unforeseen events and inflation. **PROFIT IS THE TARGET.**

Call the SCORE office at 618-467-2280 for an appointment



SMALL BUSINESS DEVELOPMENT CENTER



1. Training:

The SBDC conducts nearly 50 seminars and workshops throughout the year that address topics important to all business owners. Approximately half our offerings are directed to those people at the start-up stage of business. These range from a one-night "reality check" on starting a business to more extensive sessions on business fundamentals, feasibility studies, business acquisition and franchise purchases. The balance of our programming is designed for established businesses and focuses on topics of marketing, finance, accounting, taxation and many "industry specific" issues. All seminars are direct, to-the-point and factual. Instructors are small-business owners and professionals in their respective fields, ensuring that the information provided is timely, relevant and immediately applicable in a real-world environment.

2. Counseling:

The SBDC provides one-on-one counseling services to new and existing businesses at no charge. We will review business plans and discuss financing options, bank loans, SBA and state-backed loan programs, marketing, management and other topics of concern to our business clients. Counseling sessions are by appointment only; business plans, financial statements or other materials relating to the issue of discussions should be submitted prior to the meeting.

3. Consulting:

For companies that require specialized attention, the SBDC can act as a referral source for a variety of specialized professionals and consultants. Many provide free or low-cost initial consultation meetings. Areas of expertise include business plan development, cash flow analysis, marketing plan development, database searches for financing sources, mailing lists and more. We draw on the expertise of SBDC staff members, college faculty and business professionals who have agreed to consult with SBDC clients. To begin this process, arrange an appointment with an SBDC staff member to determine your needs and the type of expertise required.

4. Resources:

SBDC clients may visit our resource room containing computer programs, video tapes and reference material on a variety of business topics. If you are thinking about getting into business and want general information, if you are looking for information on business plans or financing, or if you want to conduct a financial analysis of your company, the SBDC reference section can be a valuable resource. There is no charge to use the resource center.

We maintain a database of accountants, attorneys, consultants, banks and other business providers who are particularly attuned to small-business needs. As the business services arm of the U.S. Small Business Administration and the Illinois Department of Commerce and Economic Opportunity, the SBDC can answer your questions concerning SBA and state financing programs, bank lending and capitalization options available to small-business owners.

SIUE Office Information

Alumni Hall Room 2126

Campus Box 1107

Edwardsville, IL 62026-1107

Phone: 618-650-2929



20 QUESTIONS BEFORE STARTING A BUSINESS



20 Questions Before Starting a Business

Many people dream of having their own business. To see if starting a business is right for you, ask yourself these important 20 questions. Your answers will help you determine if you are ready to become a small business owner or where you need to spend more time in planning.

Am I prepared to spend the time, money and resources needed to get my business started?

What kind of business do I want?

What products/services will my business provide?

Why am I starting a business?

What is my target market?

Who is my competition?

What is unique about my business idea and the products/services I will provide?

How soon will it take before my products/services are available?

How much money do I need to get my business set up?

How long can I have to finance the company until I start making a profit?

Will I need to get a loan?

How will I price my product compared to my competition?

How will I market my business?

How will I set up the legal structure of my business?

How will I manage my business?

Where will I house my business?

How many employees will I need to start up?

What types of suppliers do I need to contact?

What kind of insurance do I need to invest in?

What do I need to do to ensure I am paying my taxes correctly?



SBA STEPS TO REGISTERING YOUR BUSINESS



5 Steps to Registering Your Business

Whether you are starting a new business or expanding an existing business, you will need to follow some basic steps to ensure you have all the necessary licenses, permits and registrations needed to legally operate.

1. Determine the Legal Structure of Your Business

You must organize your business as a legal entity. There are several options to consider, and all have different legal, financial and tax considerations. The right legal structure for your business depends on a number of factors, including the level of control you want to have, your business' vulnerability to lawsuits and financing needs.

The legal structure you choose will determine further registration requirements. Once you choose a legal structure, you may have to file registration forms with your state and/or local government. The requirements vary from state to state.

[See Incorporating Your Business page](#) to learn about choosing a legal structure and where you'll need to go to file the appropriate paperwork.

2. Register Your Business Name

"Doing Business As," "DBA," "Assumed Name," and "Fictitious Name" are terms that are used to describe the process of registering a legal name for your business.

By default, the legal name of a business is the name of the person or entity that owns a business. If you are the sole owner of your business, its legal name is your full name. If your business is a partnership, the legal name is the name given in your partnership agreement or the last names of the partners. For limited liability corporations (LLCs) and corporations, the business' legal name is the one that was registered with the state government.

Your business' legal name is required on all government forms and applications, including your application for employer tax identifications, licenses and permits. However, if you want to open a shop or sell your products under a different name, then you may have to file an "assumed name" registration form with your state and local government.

[See Registering Your Doing Business As Name](#) to learn about the requirements in Illinois.

3. Obtain Your Federal Tax ID

Employers with employees, business partnerships and corporations, and other types of organizations, must obtain an Employer Identification Number (EIN) from the U.S. Internal Revenue Service. The EIN is also known as an Employer Tax ID and Form SS-4:

U.S. Internal Revenue Service

Phone: 1-800-829-4933

[See Employer Identification Number Page](#)

4. Register with Your State Revenue Agency

Just as you must have a Federal Tax ID, you will also need to obtain Tax IDs and permits from your state's revenue agency.

If you plan to sell products and you are required to collect sales taxes, you will likely need to obtain a Sales Tax Permit or Vendor's License from your state or local government (or both).

[The State and Local Tax page](#) is a starting point for learning about your state and local tax registration requirements. If you are looking for a specific state or local tax permit or license, use our search engine to find specific state and local tax forms and requirements.

5. Obtain Licenses and Permits

Most businesses are required to obtain some type of business license or permit to legally operate. The vast majority of small businesses will need to obtain a general business license or industry-specific operating permits from state and local government agencies.

See the below link to find tools and information to help you obtain all the licenses, permits and registrations you'll need to get started or expand your business.

<http://www2.illinois.gov/Business/Pages/registration.aspx>



INCORPORATING YOUR BUSINESS



Registering Your Business at State Agencies

Some business types require registration with your state government:

A corporation

A nonprofit organization

A limited-liability company or partnership

If you establish your business as a sole proprietorship, you won't need to register your business at the state level. However, many states require sole proprietors to use their own name for the business name unless they formally file another name. This is known as your Doing Business As (DBA) name, trade name or a fictitious name.

[See Registering a Business](#)

Changing Your Business Type

Your initial choice of a business type is not permanent. You can start out as a sole proprietorship, and if your business grows and your risk of personal liability increases, you can convert your business to an LLC.

If you change your business structure, follow the Internal Revenue Service's instructions for Changes in Ownership or Organization.

You will also need to file new documents with your state government, and depending on state and local laws, you may also need to obtain new business licenses.



REGISTERING A BUSINESS — MADISON COUNTY



Registering a Business / Assumed Business Name

[See Assumed Name Certificate form \(PDF\)](#) This form must be completed and signed before a Notary Public and returned to the County Clerks Office.

Illinois State Law requires that the Notice shall be published in a newspaper of general circulation within the county in which the Certificate is filed. Such notice shall be published once a week for three consecutive weeks.

[See the List of newspapers in Madison County](#) The fees listed are for the three publications. Please advise which newspaper you wish to publish and we will take care of such publications for you.

Your personal check or money order for both the filing fee of \$31.00 plus the publication fee can be made payable to Madison County Clerk. Please send your check and Assumed Name Certificate to Madison County Clerk, P. O. Box 218, Edwardsville, IL 62025.

GENERAL INFORMATION: All businesses, by Law, must have its names registered. Sole proprietorships and general partnerships must file with the county clerk's office. By registering your business name under the Assumed Business Name Act, does not prevent anyone from using your business name. The only way to prevent someone from using your business name is to file as a corporation or have a trademark for your name. Check the Fees Chart for filing and publication fees and the letter for specific filing instructions.

WHO MUST FILE: Anyone using a name (other than his/her own personal name, i.e. John Doe or Sally Smith) for his/her business. Note: By adding any word to your own personal name constitutes an assumed name (i.e. John Doe **Company** or Sally Smith **Computer Service**).

CORPORATE FILINGS: All corporations must file their names with the Secretary of State's Office. The Articles of Corporation are filed with the Recorder's Office. If the corporation is doing business as another name (i.e. TLC Lawns, Inc. d/b/a Bug-B-Gone), the corporation (TLC Lawns, Inc.) must file an assumed name certificate (Bug-B-Gone) with the County Clerk's office. At least one corporate officer must sign the assumed name certificate.

BUSINESS LICENSES: Check with the local city or village clerk's office for any licensing requirements.

[See form for Village of Glen Carbon](#)

EMPLOYMENT IDENTIFICATION NUMBER: Check with the Illinois Department of Revenue for specific requirements.

TAX INFORMATION: Check with the Illinois Department of Revenue for specific requirements.



EMPLOYER IDENTIFICATION NUMBER



Apply for an Employer Identification Number (EIN)

<https://sa2.www4.irs.gov/modiein/individual/index.jsp>

About the EIN Assistant Online Application

You must complete this application in one session, as you will not be able to save and return at a later time.

For security purposes, your session will expire after 15 minutes of inactivity, and you will need to start over.

You will receive your EIN immediately upon verification. When will I be able to use my EIN?

If you wish to receive your confirmation letter online, we strongly recommended that you install Adobe Reader before beginning the application if it is not already installed.

Restrictions

Due to a high volume of requests for EINs, the IRS will begin limiting the number of EINs assigned per day to a responsible party. Effective April 11, a responsible party will be limited to five (5) EINs in one business day. This limit is in effect whether you apply online, by phone, fax or mail.

If a third party designee (TPD) is completing the online application on behalf of the taxpayer, the taxpayer must authorize the third party to apply for and receive the EIN on his or her behalf.

The business location must be within the United States or U.S. territories.

Foreign filers without an Individual Taxpayer Identification Number (ITIN) cannot use this assistant to obtain an EIN.

If you are not comfortable sending information via the Internet, [See Form SS-4](#) and the instructions for alternative ways of applying.



STATE & LOCAL TAX OBLIGATIONS



Learn About Your State and Local Tax Obligations

In addition to business taxes required by the federal government, you will have to pay some state and local taxes. Each state and locality has its own tax laws. The links below provide access to key resources that will help you learn about your state tax obligations. Having knowledge of your state tax requirement can help you avoid problems and your business save money. The most common types of tax requirements for small business include:

Tax Permit

In most states, business owners are required to register their business with a state tax agency and apply for certain tax permits. For example, in order to collect sales tax from customers, many states require businesses to apply for a state sales tax permit.

Income Taxes

Nearly every state levies a business or corporate income tax. Your tax requirement depends on the legal structure of your business. For example, if your business is a Limited Liability Company (LLC), the LLC gets taxed separately from the owners, while sole proprietors report their personal and business income taxes using the same form. Consult the General Tax Information link under your state for specific requirements.

Employment Taxes

In addition to federal employment taxes, business owners with employees are also responsible for paying certain taxes required by the state. All states require payment of state workers' compensation insurance and unemployment insurance taxes.

Illinois

- Business Tax Registration
[See Illinois Dept. of Revenue Page](#)
- General Tax Information and Forms
<http://www.revenue.state.il.us/Businesses/>
- Workers' Compensation Insurance
[See Illinois Workers Compensation Page](#)
- Unemployment Insurance Tax
[See Illinois Department of Employment Security Page](#)



ILLINOIS DEPARTMENT OF REVENUE



Business Registration

You must register with the Illinois Department of Revenue if you conduct business in Illinois, or with Illinois customers. This includes sole proprietors (individual or husband/wife), exempt organizations, or government agencies withholding for Illinois employees.

To register your business you must either

Electronically register through the Illinois Business Gateway (approximately one to two days to process), or complete and mail

[See Form REG-1 Illinois Business Registration Application](#)

In addition, you may have to complete corresponding schedules, such as

- Schedule REG-1-A, Liquor Information,
- Schedule REG-1-B, Financial Responsibility Bond Liquor Gallonage Tax,
- Schedule REG-1-C, Cigarette and Tobacco Products Information,
- Schedule REG-1-D, Electricity Tax Self-Assessing Purchaser,
- Schedule REG-1-G, Gas Use Tax Self-Assessing Purchaser,
- Schedule REG-1-L, Illinois Business Site Location Information,
- Schedule REG-1-O, Owner, Officer, and General Partner Information, and
- Schedule REG-1-R, Responsible Party Information,
- Schedule REG-1-T, Telecommunications Tax Location Information.

Please allow 6 to 8 weeks for processing if you complete and mail Form REG-1 to us.

If applicable, you will receive your certificate of registration and taxpayer ID (i.e., your "tax" number),

If your business is already registered and your information changes (e.g., address change, ownership change, additional tax responsibilities, new location), update your registration information by calling us at 217 785-3707. If you do not, your returns and payments may not be processed correctly; we may send you a tax bill or notice; and you may not receive the forms or needed information about tax law changes.

Contact us if you do not receive forms to file for your tax responsibilities.

If you prefer, you may also contact our Central Registration Division.

Central Registration Division

Illinois Department of Revenue

PO Box 19030

Springfield IL 62794-9030 call: 217 785-3707

Fairview Heights

15 Executive Drive - Suite 2

Fairview Heights, Illinois 62208-1331

618-624-6773

8:30 am - 5:00 pm



ILLINOIS WORKERS COMPENSATION

**Illinois
Workers' Compensation
Commission**

Workers' Compensation Insurance: It's the LAW.

Illinois law requires employers to provide workers' compensation insurance for almost everyone who is hired, injured, or whose employment is localized in Illinois. Sole proprietors, business partners, corporate officers, and members of limited liability companies may exempt themselves. Overall, it is estimated that 91% of Illinois employees are covered under the Act.

Unfortunately, a small percentage of employers fail to comply with this law. These employers enjoy an unfair competitive advantage over law-abiding companies, while leaving their employees vulnerable if accidents should occur.

Frequently Asked Questions:

I am a new employer. How do I obtain w.c. insurance?

Employers may either buy insurance or obtain permission to self-insure. Roughly 90% of employers buy insurance.

In Illinois, w.c. insurance is sold in the private sector. You may contact a licensed insurance agent, perhaps one who specializes in business owners' insurance. If you cannot find an insurer to write you a policy, you may sign up or have your agent enroll you in the assigned risk plan, administered by the National Council of Compensation Insurance (800/622-4123 (ask for the Illinois assigned risk plan)).

What can I do if I have a question about my workers' compensation insurance rate?

The Illinois Department of Insurance may be able to assist with problems regarding premiums with an insurance company. For insurance rate questions, contact John Gatlin at IDOI (john.gatlin@illinois.gov; 217/782-1786). Click [here](#) for more IDOI contact information.

The National Council on Compensation Insurance, a private organization, issues advisory insurance rates. Since 1983, Illinois has allowed insurance companies to set their own rates.

Will my group health plan or occupational disability insurance cover workers' compensation cases?

No. Group health, occupational disability, general liability, disability or property insurance will not cover workers' compensation liability. Only a workers' compensation policy fulfills this requirement. This coverage must be purchased from a carrier authorized to write workers' compensation insurance in Illinois.

<http://www.iwcc.il.gov/insurance.htm>



ILLINOIS DEPT. OF EMPLOYMENT SECURITY



Illinois Department of Employment Security

If you are a new employer:

Every newly created employing unit must register with IDES within 30 days of start-up. Use the UI-1 form, "Report to Determine Liability Under the Illinois Unemployment Insurance Act". Employers can also register electronically through the Illinois TaxNet website.

<https://taxnet.ides.state.il.us/login/default.aspx>

Small Employers

An employer whose contribution rate is 5.4% or higher and whose total quarterly wages are less than \$50,000 pays contributions at 5.4% in that quarter.

Quarterly filing requirements

Employers must file wage reports (Form UI-3/40) and pay contributions in the month after the close of each calendar quarter - that is, on or before April 30, July 31, October 31 and January 31.

Although IDES sends quarterly tax packets to most employers, it is still an employer's responsibility to obtain the proper forms and file on time even if a packet is not received.