

10

FINANCING YOUR BUSINESS

Free Funds—Everyone wants to know where they can get “free” money. Despite ads indicating there are “giveaways” from the government, the possibility of getting “free” money is slim. Beware of offers to the contrary. If any funds are available, you can find them in the legitimate grant resources below:

- www.grants.gov
- www.firstgov.gov
- www.mdredbookonline.com

Bootstrapping—Most small business people finance their business with their own savings, credit cards, home equity loans, or money borrowed from friends and family.

Banks—Local banks can work with you to secure a commercial loan, however, they will want to see evidence of the 7 C’s of Credit: Credit Score, Collateral, Cash Flow, Conditions, Competence, Character and Capital. Before approaching the bank, you will want to have a solid business plan.

SBA—The Small Business Administration provides loan guarantees to banks to encourage funding of small businesses. **The SBA does not give out loans;** rather, they lend support to your loan request from a bank. The SBA’s website has many excellent, free online courses that can help you get your business started.

www.sba.gov

For more info on the SBA and SBA loans, contact:

- SBDC (Cecil County) - 410-287-6060 ext. 653
- SBA (Maryland) - 410-962-4392
- SBA (US) - 1-800-827-5722
- SCORE Delaware - 302-573-6092

Maryland Dept. of Business and Economic Development
This state department has some finance programs and offers free business assistance.

www.choosemaryland.org/business

Cecil County Office of Economic Development - Features a revolving loan fund that some businesses may qualify for to purchase land, buildings and equipment. 410-996-6292

www.cecilbusiness.org

Angels and Venture Capitalists - These are wealthy, private investors willing to fund new business ventures. Some function individually, but most work through a formal network of investors. Most are also looking to invest in businesses with the potential for significant profits, usually high-tech or innovation companies. Two local angel groups are:

- Chesapeake Emerging Opportunities Club
www.ceopportunities.com
- Mid Atlantic Angel Group Fund

11

HIRING EMPLOYEES

If you will be hiring employees, read and print the free booklet: **Employer’s Quick Reference Guide**. This guide gives a complete overview of the steps you need to take in order to hire employees legally. The booklet is located at the following website:

dllr.state.md.us/employment/empguide/empguide.pdf

The following is a quick outline of some of the steps necessary when hiring employees. Please read the guide above for more complete information.

Taxes: Employers (even those self-employed) must file state and federal withholding taxes for themselves and for their employees. If you are self-employed, your taxes need to be paid with a Schedule SE and the 1040 income tax form. If you have employees, you will need additional forms. Contact the following:

- Internal Revenue Service - 800-829-1040
www.irs.gov
- Maryland Taxes - 800-492-1751
<http://business.marylandtaxes.com>

Hiring: Maryland law requires employers to register new hires, re-hires and temporary employees within 20 days. Call 888-634-4737 or register via their website at:

<http://newhire-reporting.com/md-newhire/default.aspx>

Unemployment Insurance: Contact the following to determine if you are liable for Maryland unemployment insurance and worker’s compensation taxes.

- Maryland Unemployment Insurance Employers’ Line
800-492-5524 ext. 1211

12

YOUR INTELLECTUAL PROPERTY

To protect your intellectual property (names, symbols, formulas, songs, etc.), you must register them with federal agencies.

Patents and Trademarks: A *patent* protects the inventor by conferring the right “...to exclude others from making, using, offering for sale, or selling” the registered invention within the US. A *trademark* is any word, name, symbol, device, or combination thereof used to identify and distinguish the goods of one manufacturer from another. Info and an online application can be found at the United States Patent and Trade Office:

- 800-786-9199 www.uspto.gov

Copyright: A *copyright* protects original works of authorship fixed in a tangible medium of expression, such as writing, music, photos and more. Contact the following:

- 202-707-3000 www.copyright.gov

13

CECIL BUSINESS RESOURCE PARTNERS

The following organizations are available for free, knowledgeable, confidential consultations to help you get started in business in Cecil County. These organizations work as partners in the Cecil Business Resource Partners, a group formed to support small business development in Cecil County.

- Cecil County Public Library,
The Small Business Information Center
Elkton Central Library
410-996-5600 ext. 128
www.cecil.ebranch.info - click “Small Business”
- Small Business Development Center
www.harford.edu/sbdc
410-287-6060 ext. 653
- Office of Economic Development
www.cecilbusiness.org
410-996-6292
- Susquehanna Workforce Network
www.swnetwork.org
410-996-0550
- Cecil College Business Training Resource Center
www.cecil.edu/business-services/index.asp
410-392-3366 ext. 605
- Business & Education Partnership Advisory Council
www.bepac.org
410-996-5453
- Cecil County Chamber of Commerce
www.cecilchamber.com
410-392-3833

ADDITIONAL LOCAL RESOURCES

- SCORE
Apply online or at the SBIC.
www.scoredelaware.org
302-573-6552
- Elkton Alliance
www.elktonalliance.org
410-398-5076

Additionally, each town in the county has a chamber of commerce or other business organization that focuses on their community’s economic success. These organizations can be excellent resources in starting or developing your business.

Useful Business Links:

- www.business.gov
- www.sba.gov
- www.irs.gov/businesses/small
- www.census.gov
- www.sec.gov/info/smallbus.shtml
- www.mdsbdc.umd.edu
- www.toolkit.cch.com

Revised 12/03/09

CECIL COUNTY PUBLIC LIBRARY



The Small Business Information Center

KEYS TO STARTING A BUSINESS IN CECIL COUNTY



DEVELOPING A BUSINESS CONCEPT

- Thinking about starting your own business?
- Wondering if you have what it takes?
- Trying to develop your business idea?
- What’s the best place to start when you’re considering going into business for yourself?

The Cecil County Public Library’s Small Business Information Center provides free information and assistance with the process of starting a small business. The Cecil County Public Library is unique in providing this no cost, focused service for potential and existing small business owners. In addition to access to up-to-date business info, the SBIC also works with a team of local business organizations to get you the help you need. Make an appointment with the SBIC to brainstorm business concepts, discuss your plans, look for specific business information, work on marketing, financial strategies, and more. The SBIC is here to help you start and stay in business!

The Cecil County Public Library Small Business Information Center

301 Newark Avenue

Elkton, MD 21921

410-996-5600 ext. 128

sbic@ccplnet.org

www.cecil.ebranch.info

2 FORMING A LEGAL BUSINESS STRUCTURE

Before you register as a business, you must determine your legal ownership structure and file with the state. Differences, benefits and costs of each can be viewed at:

http://sba.gov/smallbusinessplanner/start/choosestructure/START_FORMS_OWNERSHIP.html

The legal structures are:

- **Sole Proprietorships or Partnerships**—no legal filing required for entity to exist, other than a business permit.
- **Limited Partnership, Limited Liability Company, Limited Liability Partnerships, or Corporation**—must file with the Maryland State Dept. of Assessment and Taxation.

Information on the advantages and disadvantages of each can be found in books at the library, and in an online state publication: *Guide to Legal Aspects of Doing Business in Maryland*, located at:

<http://www.oag.state.md.us/legalaspects.pdf>

3 REGISTERING A BUSINESS NAME

Your business needs to register with the State of Maryland. An online database lets you search to see if your name is available or actively being used. The business name database is under the Maryland Department of Assessments and Taxation at:

www.dat.state.md.us

Click on “Business Data Search,” then “Business Data Search” again, then “Business Entity”. Once you’ve determined an available business name and chosen a legal structure, you can register online at the above web address

4 GETTING AN EIN FROM THE IRS

Phone: 410-767-1340.

An EIN (Employer Identification Number), known as a Federal Tax ID Number, is obtained from the IRS. Look under “businesses” at www.irs.gov to determine if you will need an EIN.

If your business requires one, you can download the form at:

www.irs.gov/pub/irs-pdf/fss4.pdf

You must know what your legal business structure will be before you apply for an EIN. You can apply online, by phone, or through the mail:

FAX: 631-447-8960

TEL: 800-829-4933

5 BUSINESS LICENSES AND MORE

Business licenses, certifications and permits can be confusing because requirements vary from business to business. The best plan is to contact the following agencies and explain what kind of business you are planning. They will help you to determine what you need to do to be “legal”.

- **County Clerk of the Circuit Court**—410-996-5375
- **The Dept. of Permits and Inspections**—410-996-5235
- **The Cecil County Health Department**—410-996-5550

Many businesses also need to register with the state of Maryland. You can do so by phone at 888-218-5925 or online:

<http://www.dllr.state.md.us/license>

6 MARYLAND BUSINESS TAXES

Information about business taxes in Maryland can be found at the following website:

<http://business.marylandtaxes.com>

You must register with the state for paying your business taxes. If you use the Maryland Combined Registration Online Application at the website below, it will include your business accounts for income tax withholding, sales and use tax, and unemployment insurance. Go to:

interactive.marylandtaxes.com/webapps/comptrollercra/entrance.asp

Other tax and business application forms can be found at:

www.dat.state.md.us/sdatweb/sdatforms.html

The local tax office in Cecil County is at:
103 Chesapeake Blvd., Elkton, MD 21921; 410-996-0580.

7 CONTACTING REGULATORY AGENCIES

Zoning and Building:

Make sure your business site is zoned for the kind of business activity you intend for the property.

Cecil County Dept. of Planning and Zoning

129 East Main Street, Room 300
Elkton, MD 21921
410-996-5220

Environmental:

Determine if there are any regulations (air pollution, water discharge, waste, etc.) protecting the environment that you need to correct on your property, or that you need to properly prepare for in your business production.

Maryland Dept. of the Environment

1800 Washington Blvd., Baltimore, MD 21230
800-633-6101
www.mde.state.md.us

Health:

Businesses involving preparing food for sale or providing health services for people require special health regulations and inspections.

Cecil County Health Dept.

401 Bow Street, Elkton MD 21921
410-996-5550
www.cecilcountyhealth.org

Safety:

Maryland Occupational Safety & Health

1100 N. Eutaw Street
Baltimore, MD 21201
410-767-2189
www.dllr.state.md.us/labor/mosh.html

Federal OSHA

820 First Street, NE
Washington, DC 20020
202-693-5000
www.osha.gov

8 WRITING YOUR BUSINESS PLAN

A business plan is the foundation to making your business work. Lenders, potential investors, and other business professionals will want to see your business plan, especially if you are trying to get a loan. Even if you aren’t seeking financing, a business plan is your blueprint for success. It’s hard work to write a business plan, but well worth the effort as statistics show that a business plan can make a significant difference between a business thriving or dying.

A typical business plan is about 20 pages long and details the following topics: Executive Summary; Business Description; Management; Market Analysis and Strategy; Customers and Competitors; Operations; and Financial Analysis.

The library has many books, workshops, outlines, and individual consultations available to help you to prepare your business plan. An online guide can be found at:

www.score.org/template_gallery.html

Sample Business Plans—we also carry sample business plans in our reference collection in the Small Business Information Center office and online at our website:

<http://www.cecil.ebranch.info/small-business/>

9 INSURANCE FOR YOUR BUSINESS

- Consider getting coverage for property damage, liability and business interruptions
- Investigate specialty insurance for your particular business
- Contact the state insurance agency about any problems

Maryland Insurance Administration

525 St. Paul Place, Baltimore, MD, 21202

800-492-6116

www.mdinsurance.state.md.us

Feeling overwhelmed? Let us help you!

The Small Business Information Center at the Cecil County Public Library

301 Newark Ave., Elkton, MD 21921 • 410-996-5600 ext. 128

sbic@ccplnet.org • www.cecil.ebranch.info

