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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:

- <https://commerce.knack.com/maryland-funding-incentives>
- www.grants.gov

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. Visit www.sba.gov for more information.

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

- SBDC (Cecil County) - 443-373-3377
- SBA (Maryland) - 410-962-6195
- SBA (US) - 1-800-827-5722
- SCORE - 410-810-2969

Maryland Department of Commerce - This state department has some finance programs and offers free business assistance.

<https://open.maryland.gov/business-resources/>

Cecil County Office of Economic Development - Features programs and designations available to small businesses and start-ups that qualify. Call 410-996-6292 for more information.

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.

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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:

<http://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
www.irs.gov

- Maryland Taxes
http://taxes.marylandtaxes.com/Business_Taxes

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/>

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

<http://www.dllr.maryland.gov/employment/>

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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

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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. 127 & 128
www.cecil.ebranch.info/small-business/
- **Small Business Development Center**
<http://marylandsbdc.org/northern>
443-373-3377
- **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
443-907-1398
- **Business & Education Partnership Advisory Council**
<http://www.ceps.org/domain/23>
410-996-5474
- **Cecil County Chamber of Commerce**
www.cecilchamber.com
410-392-3833

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Additional Local Resources

- **SCORE**
<https://uppershore.score.org/>
410-810-2969
- **Elkton Alliance**
www.elktonalliance.org
410-398-5076

Additionally, some towns in the county have 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.

Library Resources

The library has online resources that include sample business plans, competitor information, demographic information, free online courses related to: starting a business, marketing, accounting, QuickBooks, networking, technology, and more.

For more information visit:

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



The Small Business Information Center

KEYS TO STARTING A BUSINESS IN CECIL COUNTY

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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, 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. 127 & 128

sbic@ccplnet.org

www.cecil.ebranch.info

2 Selecting a Legal Business Structure

Before you register as a business, you must determine your legal ownership structure and file with the state.

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.marylandattorneygeneral.gov/Securities%20Documents/legalaspects.pdf>

3 Registering a Business

To register your business with the State of Maryland visit:

<https://egov.maryland.gov/businessexpress>

At this site you can register your business name, form your legal entity, submit annual filings, and establish tax accounts.

For a list of filing fees, visit:

<https://egov.maryland.gov/BusinessExpress/Payment/FeesSchedule>

4 Maryland Business Taxes

Information about business taxes in Maryland can be found at:

http://taxes.marylandtaxes.com/business_taxes

To file electronically or view history of past returns, visit:

<https://interactive.marylandtaxes.gov/Business/bFile/OSC/SelectApp.aspx>

Other tax and business application forms can be found at:

<http://dat.maryland.gov/Pages/sdatforms.aspx>

The local tax office in Cecil County is at:
103 Chesapeake Blvd., Elkton, MD 21921; (800)638-2937

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**—410-996-5380
- **The Dept. of Permits and Inspections**—410-996-5235

Information on business licenses in Cecil County:

<http://www.mdcourts.gov/clerks/cecil/business.html>

Apply online for a Maryland business license:

https://jportal.mdcourts.gov/license/index_disclaimer.jsp

Many businesses also need to register with the state of Maryland. To find out more, visit:

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

6 Getting an EIN from the IRS

An EIN (Employer Identification Number), known as Federal Tax ID Number, is obtained from the IRS. It is a unique nine-digit number assigned to business entities operating in the United States for the purposes of identification.

To find out if you are required to obtain an EIN, visit:

<https://www.irs.gov/businesses/small-businesses-self-employed/do-you-need-an-ein>

If your business requires one, you can obtain one at:

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

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 Division of Planning & Zoning

200 Chesapeake Blvd., Suite 2300
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
410-537-3000
<http://mde.maryland.gov/>

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

10946 Golden West. Dr., Suite 160
Hunt Valley, MD 21031
410-527-4499
www.dllr.state.md.us/labor/mosh

Federal OSHA

200 Constitution Ave.
Washington DC 20210
800-321-6742
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.

The library has books, workshops, outlines, and individual consultations available to help you to prepare your business plan. To access the library's online tools that can guide you through the process of writing a business plan, finding competitor information, demographic information, and sample business plans, visit:

<https://www.cecil.ebranch.info/small-business/business-plan-help/>

The library also has an extensive print collection related to small business topics located next to the reference desk at the Elkton Branch.

For an online guide to writing business plans, visit:

<https://www.score.org/resource/business-planning-financial-statements-template-gallery>

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

