

## Where can I go for more help?

Kansas Small Business Development Centers (KSBDC) provide assistance to entrepreneurs and small business persons through free, confidential one-on-one counseling, low-cost training and free resource referrals, and business information. Service is provided through regional and outreach centers throughout the state. The Regional Office of the KSBDC at Pittsburg State University is located in Shirk Hall, 1501 S. Joplin Street, and provides services to a 12-county region in Southeast Kansas. In addition, an Outreach Office is located at Neosho County Community College in Chanute. E-mail: [ksbdc@pittstate.edu](mailto:ksbdc@pittstate.edu) or phone: (620) 235-4920.

Kansas Department of Commerce provides assistance to start-up and existing businesses through a variety of programs which provide sales tax exemptions, state income tax credits, workforce training grants and financial assistance. Craig VanWey is the Southeast Region Project Manager and can be reached at (785) 633-8407, by email at [cvanwey@kansascommerce.com](mailto:cvanwey@kansascommerce.com)

## Web Links Reference Guide

State of Kansas  
[www.accesskansas.org](http://www.accesskansas.org)

Kansas Department of Labor  
[www.dol.ks.gov](http://www.dol.ks.gov)

KS Secretary of State  
[www.kssos.org](http://www.kssos.org)

U.S. Internal Revenue Service  
[www.irs.gov](http://www.irs.gov)

KS Department of Commerce  
[www.kansascommerce.com](http://www.kansascommerce.com)

U.S. Small Business Administration  
[www.sbaonline.sba.gov](http://www.sbaonline.sba.gov)

KS Department of Revenue  
[www.ksrevenue.org](http://www.ksrevenue.org)

Business Link to the U.S. Government  
<http://www.business.gov/>



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A partnership program with the U.S. Small Business Administration and the

## WHAT DO I HAVE TO DO TO START A BUSINESS?

If you are planning to start a business in Kansas, or just thinking about the possibility, you should consider the following questions.

### Do I need a business permit?

Often businesses located within the city limits must obtain a permit from the city office. In some counties, a permit is required outside of the city limits. Check with the city or county clerk's office to find out whether a permit is needed.

### Do I need a business license?

Depending on the type of business you are operating and the products or services you are providing, registration or licensing with specific state and/or federal agencies or commissions may be required. See the complete list [http://www.networkkansas.com/docs/migration-files/2011/05/16/steps\\_to\\_success0709.pdf](http://www.networkkansas.com/docs/migration-files/2011/05/16/steps_to_success0709.pdf) (pages 75-93).

### Do I need to be concerned about zoning?

Be sure you know if zoning restrictions apply to your business in the location you propose, even if you plan to start your business in your home. Contact the city or county clerk's office for specific zoning requirements.

### Do I need to register my business with the state?

Registering your business in Kansas is generally related to the legal form of your business: sole proprietorship, partnership, limited liability company, sub-s corporation or corporation. For more information, see: <http://www.kssos.org/business/business.html>

Forms for registration are available at: [http://www.kssos.org/forms/forms\\_results.asp?division=BS](http://www.kssos.org/forms/forms_results.asp?division=BS).

### Do I need an Employer Identification Number (EIN)?

A Federal Employer Identification Number (FEIN) is generally related to the legal form of organization of the business. Most legal forms of organizations must obtain a FEIN to be used as identification for their business. A sole proprietor who does not have employees may use their social security number as an identification number. The form for obtaining a FEIN is available at: <http://www.irs.gov/businesses/small/article/0,,id=98350,00.html>.

### **Do I need a sales tax permit?**

Businesses engaged in selling tangible personal property (goods), admissions or providing taxable services to the end user must register with the Kansas Department of Revenue to collect the appropriate state and local sales tax from customers. Businesses may also be subject to the Kansas Retailers' Compensating Use Tax. The business tax application may be obtained through Kansas Department of Revenue's website at: <http://www.ksrevenue.org/pdf/cr16.pdf>.

### **What if I have employees?**

If you have one or more employees in your business and are required to withhold federal income taxes from employee's wages, you are also required to withhold Kansas income tax from those wages in most instances. Both a Federal Employer Identification Number (FEIN) and a Kansas Withholding Tax registration are required. The FEIN application is available through the U.S. Internal Revenue Service at: (<http://www.irs.gov/businesses/small/article/0..id=98350.00.html>) and the registration through the Kansas Department of Revenue at: <http://www.ksrevenue.org/pdf/cr16.pdf> . No fee is required for registration.

### **Do I need a business plan?**

Most business persons believe a business plan is necessary only if financing assistance is needed to start the business. However, a carefully prepared business plan can be a valuable management tool both for start up and existing businesses. The business plan is a "road map" for the business that helps the business person determine where the company is, where it wants to be, and how it plans to get there. The planning process allows the business person to think through all aspects of the business venture and lays the groundwork for an operational plan. In addition, it provides the basis for potential lenders to review the business for potential financing.

### **What sources of funding are available?**

**Conventional Loans-** Most banks will make loans to start-up and existing small businesses. They typically have eligibility requirements that the applicant has to meet. One common requirement is sufficient contribution of owner's equity (cash or assets from the borrower), generally 20% to 30% of your start-up costs.

**Government-guaranteed loans:** The U.S. Small Business Administration (SBA) offers numerous loan programs to assist small businesses. However, the SBA is primarily a guarantor of loans made by banks and other private institutions.

**Local Revolving Loan Funds:** Some cities and counties have Economic Development Revolving Loan Funds. Eligibility for these programs typically involves substantial job creation activities.

**Grants:** Contrary to what you hear in the media, grants or "free money," are not too common. Nearly all funds obtained by for-profit businesses are in the form of debt capital which require repayment.

### **What information will a lender want to see?**

When applying for a small business loan, you'll typically need to provide the following:

Business plan, including a list of items needed for startup and their cost as well as financial projections that estimate sales and operating expenses for the first 1-2 years of the business

Personal financial statement (for those with 20% or more ownership.)

Credit report

Historical financial statements & federal tax returns (if purchasing an existing business)

### **Do I need insurance? If so what type?**

Businesses will want to consider two types of insurance:

**Property insurance:** Protects the assets of the business from loss due to fire, windstorm, theft or other perils to property

**Liability insurance:** Allows the business to defend itself from and pay for the claims of bodily injury or property damage.

Other insurance considerations include life and health insurance options for employees, workers compensation insurance, how to handle business interruptions that may arise, and performance or dishonesty bond coverage for employees.