

BUSINESS STARTUP CHECKLIST

A GUIDE TO STARTING A BUSINESS IN THE ANDALUSIA AREA

There are a number of steps that should be taken before anyone starts a small business in the Andalusia Area. The following is a checklist designed to be a general reference guide for the business owner to plan and prepare for entry into the world of Entrepreneurship.

For the complete booklet, "Alabama Answers", visit the Alabama Department of Commerce.

Prepare a Written Business Plan, Complete with Financial Statements.

It is practically impossible to negotiate for a small business loan from a bank without properly prepared financial statements. It may even be difficult to secure credit in any form without these statements. Every other month, free consulting is available at the Andalusia Area Chamber of Commerce by the Small Business Development Center. Schedule an appointment and get the help you need preparing these statements.

Decide whether you wish to Operate as a Sole Proprietorship, Partnership or Corporation.

Once you have decided to start a business, you must decide what type of business entity to use. There are many legal and tax considerations which must be considered in order to make a sound decision. Consult an attorney to help you determine the appropriate structure.

Establish a Source of Adequate and Reliable Financing.

The financing of a small business is normally the biggest obstacle that the entrepreneur has to overcome in the attempt to start a new business. There are both public and private sources available. Most of our banks offer SBA loans and you can reach out to the chamber or the SBDC for advice on non-conventional lending.

Check on Zoning Ordinances.

Make sure that a lawyer has checked your lease and zoning. Even home-based business owners are subject to many of the laws and regulations that apply to other business owners. Be sure to check with the planning office on the 2nd floor of Andalusia City Hall.

Select a Suitable Location.

Choosing a business location is perhaps the most important decision a small business owner or start-up will make, so it requires precise planning and research. Think about your demographics, supply chain, competition, traffic counts, budget, licensing, state laws and taxes and much more. Ask the Chamber or Covington County Economic Development Commission if you have any questions about this area's demographics or about available commercial development property.

Retain a CPA.

A CPA can help you establish effective business operations and plan for profitability. In addition, a CPA can assist you in setting short-and long-term strategies tailored to your business.

Get your Tax ID Number and Forms; Set up all other Tax Requirements.

You can apply online with the Alabama Department of Revenue for an Alabama tax account number.

Choose a Record Keeping System and Method of Inventory Control.

Orderly and disciplined practice of storing business records can range from the manila folders to a complex on-line electronic filing system. Be sure you can access records quickly and that they can be updated on an on-going basis.

See Insurance Agent for Full Range of Coverage.

Discuss your specific business risks and the types of insurance available with your insurance agent. Many offer discounts to Chamber Members.

Open Bank Accounts; Arrange for Services.

Make sure you have bank accounts solely for business use, and ensure that only business related transactions utilize this account. Maintain a strict separation of business funds and personal funds for liability purposes and to aid in governmental audits. Arrange for the necessary utilities, telephone and other services based on the needs of your business and licensing requirements set by federal and local authorities.

Acquire necessary Licenses and Permits.

In Alabama, every business must obtain a state license and county license, as well as a city license. The State and County licenses are issued by the Covington County Probate Judge. If operating within the city limits, a license will be required from the Licenses and Permits office on the 2nd floor of Andalusia City Hall.