



STARTING A BUSINESS

IN HOPKINS COUNTY
EDITED 7/28/2121



**Thank you for your interest in starting a business
in Hopkins County.**

**This guide has been developed by the
Madisonville-Hopkins County Economic
Development Corporation and local partners as
a tool to help you start and grow your business.**



BUSINESS PLAN

One of the first steps in starting a business is planning and research. A Business Plan organizes all the necessary components required to start and maintain a business. It is also an instrument that will allow financial institutions and financiers to assess your business idea when seeking funding.

- 1 The Small Business Administration has an easy template for creating a Business Plan. Go to <https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>
- 2 Madisonville-Hopkins County Economic Development Corporation will serve as a resource to assist with business planning.

FINANCING & INCENTIVES

If additional funds are necessary to open your business, or support its operations, a loan from a bank may be necessary. The bank will require a business plan that describes cash flow statements for at least 12 months, balance sheets & 3 years of projected profit-and-loss statements. Bankers take into account several factors during consideration for a loan, including the following:

Ability to Repay the Loan

Your Investment in the Business

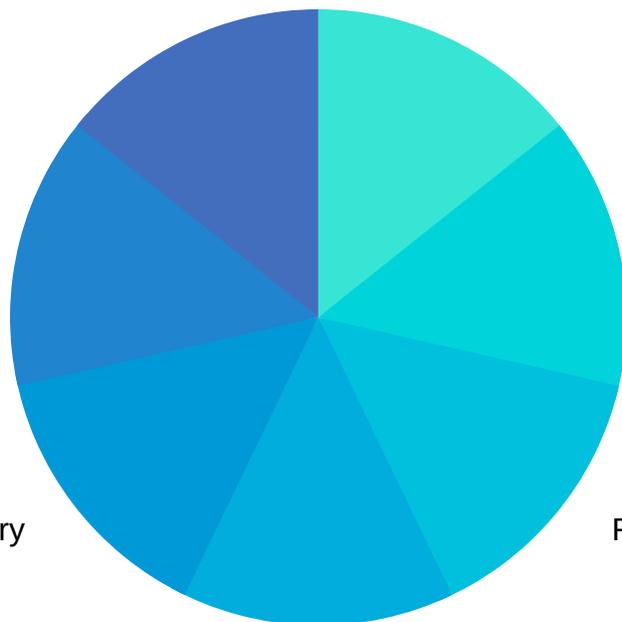
Collateral

Credit History
1.

Inventory

Reason for Loan

Working Capital
14.3%



PERMITS & LICENSES

A starting point for determining appropriate license requirements in Kentucky is the Business Information Clearhouse's permits and licenses database. This online database will allow you to search for state licenses that apply to certain types of businesses.

1 <http://onestop.ky.gov/start/Pages/default.aspx> or (800) 626-2250

2 For information on licenses and permits for the City of Madisonville visit: <https://www.madisonvilleliving.com/zoning-and-permits-department> or (270) 824-2108

ENVIRONMENTAL PERMITTING

Even the smallest businesses may need to obtain an environmental permit or license. If your business will use or produce any chemicals or materials that could be considered hazardous, or have a significant impact on the environment, the Kentucky Energy and Environment Cabinet's Division of Compliance Assistance offers help in the area of compliance and permitting.

3 <http://dca.ky.gov/complianceassistance/Pages/default.aspx> or (800) 926-8111

CHAMBER OF COMMERCE

Affordable memberships, resources, benefits and opportunities for businesses of all sizes. Your membership in the Chamber also opens the door to networking opportunities, allowing you to collaborate, form partnerships, and perhaps even engage in cooperative marketing opportunities with other members. The Chamber works to promote its members and studies by the American Chamber of Commerce show that when a business is a Chamber member, consumers are nearly 50% more likely to think favorably of it, and consumer awareness increases by nearly two thirds.



For information about Chamber benefits or membership call (270) 821-3435



LEGAL

Consult an attorney about liability and business structure.

1

Sole Proprietorship

- Vast majority of small businesses
- Owned by single person
 - Assets
 - Profits
- Personally responsible
 - Liabilities and debt
 - Owner's personal asset at risk
- All profit is personal income

2

Partnership

- Similar to Sole Proprietorship
 - Multiple owners
 - Totally responsible for liabilities and debt
 - Profit taxed as personal income for partners
- Should be governed by Partnership Agreement
 - Defines how
 - Decisions made
 - Profits shared
 - Disputes resolved
 - Partners exit
 - Consult attorney to develop
- Two basic types
 - General
 - Limited

LEGAL

Consult an attorney about liability, taxes and business structure.

3

Corporation

- Chartered by state where headquartered
- Unique entity
 - Separate from owners
 - Can be taxed, entered into contracts, sued
 - Limited liability - owner's personal assets protected
- Owners are share holders
- Must be governed by board of directors
- Does not dissolve when ownership changes
- Articles of Organization must be filed with state

4

LLC

- Hybrid of Sole Proprietorship and Corporation
 - Limited liability - owner's personal assets protected
 - Tax efficiency - profit taxed as personal income
 - Organizational flexibility - no board of directors, etc.
- Option of requesting S-Corp status
 - Employment tax only on wages of shareholder - employee
- Articles of Organization must be filed with state
- LLP also available for partnerships

5

S-Corp

- Essentially a Corporation with a tax election
 - Employment taxes only on wages of shareholder - employee
 - Remaining profits treated as distributions to shareholders
 - Income taxes paid on shareholders' personal returns
- Requires 'reasonable compensation'
 - Shareholder-employee must be paid wages, if enough profit
 - As if hired from the outside

LEGAL

Consult an attorney about liability, taxes and business structure.

Choose a Business Name

When determining the name of your business, you may request a preliminary name availability check by contacting the Secretary of State's office at (502) 564-2848 or by going to <https://web.sos.ky.gov/ftsearch/?path=nameavail>

Depending on how your business is structured there are certain required components of a legal business name. Refer to [https://web.sos.ky.gov/ftshow/\(S\(yrsf45oswm2ygk3hpxel5n5p\)\)/guidelines.aspx](https://web.sos.ky.gov/ftshow/(S(yrsf45oswm2ygk3hpxel5n5p))/guidelines.aspx)

Follow these tips when choosing a business name:

- Make it unique
- Make it memorable, short, easy to spell
- Make sure it has a positive connotation (foreign language meaning?)
- Communicate what your business does
- Consider the web - website name available, social media, etc.

Choose a Location

Choose a location that best fits your business needs:

- Home Based
 - Most common to start
 - Low cost
- Coworking Space - Kentucky Innovation Station
 - Mobile or permanent work station
 - Low cost
- Retail
 - Car/foot traffic
 - Parking
- Commercial
 - Accessibility
- Industrial
 - Facilities
 - Transportation

ACCOUNTING

Utilize the services of an accountant to file your taxes each year. It is advisable that you consult an accountant when you are starting your business to determine different filing requirements that may apply to your business structure.

1

Secure Funding

- Personal Funds
 - Investments
 - Cash
 - Personal loan (2nd mortgage)
- Friends and Family
- Commercial loan
 - Banks
 - Credit Unions
 - SBA Guaranty Programs
- Investor

2

Getting a Bank Loan

- Sound Business Plan
 - Likelihood of success
 - Cash flow to repay loan
- Owner Equity
 - Skin in the game
 - Typically 20-25%
- Collateral
 - Business property/buildings
 - Business inventory
 - Business equipment
 - Owner personal property
- Owner Credibility
 - Credit score, credit history
 - Knowledge & experience

ACCOUNTING

3

Set up Accounting/Bookkeeping

- Consult with an accountant
 - Income/business taxes
 - Employer taxes
 - Sales tax collection and remittance
 - Employee tax withholding and remittance
- Why keep books?
 - Legal requirements like taxes
 - Only way to know how your business is doing
- Decide how you will keep your books
 - Contract out
 - Commercial software package/manually
 - Clearly define roles
- Open a dedicated business bank account

4

Obtain Insurance

- Consult an insurance agent - get quotes
- Determine needs
 - Property
 - Equipment and inventory
 - Liability
 - Auto (fleet)
 - "Key Man"
 - Home office
 - Officer and Directors /Error and Omissions

ACCOUNTING

5

Plan for Employees

- Federal
 - **Workplace poster requirements
<https://www.dol.gov/whd/resources/posters.htm>
 - Social Security and Medicare withholding
 - Federal Unemployment Tax
 - Federal Income Tax withholding (Form W-4)
 - Federal Wage & Tax Statement (Form W-2)
 - Employment Eligibility Statement (Form I-9)

**The U.S. Department of Labor provides requirement information and free federal posters at: www.dol.gov

- State
 - Workplace poster requirements
<https://labor.ky.gov/Pages/index.aspx>
 - Report new hires at
<https://ky-newhire.com/#/public/public-landing>
 - Unemployment Insurance

<https://kcc.ky.gov/employer/pages/unemployment-insurance.aspx>
<https://kcc.ky.gov/career/If-you-are-an-Employer/Documents/EMPLOYER%20GUIDE%202019.pdf>

- State Income Tax Withholding
- Workers Compensation Insurance
- ADA - Americans with Disabilities Act

6

Get your Tax Numbers

- Federal Identification Number
 - Like a Social Security Number for your business
 - Required for most operating entities
 - www.irs.gov/businesses/small-businesses-&-self-employed
- State Tax Identification Number
 - Obtained when completing Kentucky One Stop registration
<https://onestop.ky.gov/Pages/default.aspx>
- Local Tax Requirements
 - Contact your County Clerk

ACCOUNTING

7

Obtain Licenses and Permits

- Federal
 - Only required if your business is involved in activities supervised and regulated by a federal agency
 - Examples include: firearms and investing
 - <http://onestop.ky.gov/start/Pages/federallicense.aspx>
- State
 - Business license only required for select businesses
 - Examples include: alcohol sales and nursing homes
 - <http://onestop.ky.gov/start/Pages/occupational.aspx>
 - Check with state if you need an environmental permit
- Local
 - Business license - contact your City/County Clerk's office
 - Building/zoning/signage - contact your local zoning board

HIRING EMPLOYEES

As your business grows, you may need to hire employees. There are many local organizations that can assist you in this process.

The Kentucky Office of Employment and Training (OET) is responsible for the administration of a number of programs and services designed to assist employers in a variety of employment related areas. OET provides qualified people for job openings, comprehensive labor market information, training opportunities and more. For additional information visit their website at www.oet.ky.gov or call their Madisonville office at 270-452-7562

 For local assistance in hiring temporary employees, contact:

- Manpower www.manpowermidsouth.com or 270-825-0691
- People Plus www.peopleplusinc.com or 270-825-8939
- Paramount Staffing <https://www.paramountstaffing.com/> or 270-824-9300

All organizations have offices in Madisonville and stand ready to help you with your staffing needs.

The JobNet Career Center is home to several job service organizations that can also assist you with your hiring needs.

EMPLOYEE TRAINING

1

The West Kentucky Workforce Board

- Non -profit responsible for managing local workforce development projects throughout Purchase/Pennyrile regions
- OJT (On the Job Training) program- employer is reimbursed up to 50% of wages paid to workers during negotiated training period.
- Visit: <https://www.wkworkforce.work/> or call 270-821-9966

2

Kentucky Farmworker Program

- Provides employment/training opportunities to farm workers and their families across Kentucky
 - Classroom Training offers a formalized setting for skills
 - Vocational/Technical School
 - Trade School
 - Other state approved training program
 - On The Job Training may be offered to some employers when the cost of training can be underwritten by KFP
 - Employer reimbursed up to 50% for cost of training
 - Work Experience - especially useful to young clients or those who have not been participating in public workforce for an extended period of time
- Visit: <https://kyfarmprograms.com/>

3

Workforce Solutions

- Training and development source for Pennyrile region
- Offers customized targeted training for regional employers and employees
- Trained in advanced business applications
- Visit: <https://madisonville.kctcs.edu/workforce-solutions/index.aspx>
- Call: 270-824-8659

Employer or Independent Contractor

An important first step is to determine whether someone doing work for you is an employee or independent contractor. This will determine tax and form requirements.

Visit: <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>

CITY OF MADISONVILLE TAX ORDINANCE

110.03 OCCUPATIONAL LICENSE FEE PAYMENT REQUIRED.

(A) Except as provided in division (B) of this section, every person or business entity engaged in any business for profit and any person or business entity that is required to make a filing with the Internal Revenue Service or the Kentucky Revenue Cabinet shall be required to file and pay to the city an occupational license fee for the privilege of engaging in such activities within the city. The occupational license fee shall be measured by one point five percent (1.5%) of:

(1) All wages and compensation paid or payable in the city for work done or services performed or rendered in the city by every resident and nonresident who is an employee;

(2) The net profits from business conducted in the city by a resident or nonresident business entity.

(3) Minimum fee. Each person, association, corporation, or other business engaged in any occupation, trade, profession or other business activity in the city shall pay a minimum license fee of twenty-five dollars (\$25.00) payable in advance, to the city for each tax year (or fraction thereof in the case of a new business). Said minimum fee shall be a credit on the net profit license fee as otherwise provided in this chapter only for the tax year which said minimum fee covers and shall not be a credit for any subsequent year.

(4) It shall be unlawful for any person, association, corporation or other business to engage in any occupation, trade, profession or other activity in the city without first having applied for and paid the minimum license fee herein required. If said minimum license fee is not paid prior to engaging in any business activity, a penalty of ten dollars (\$10.00) per month or fraction thereof, shall be imposed for the period during which any unlawful business or activity occurred.

**For additional information contact Donna Earl at the City of Madisonville.

[» LEARN MORE HERE](#)

HOPKINS COUNTY TAX ORDINANCE

Occupational/Net Profits License Ordinance

General Information

The Hopkins County Fiscal Court enacted an Occupational/Net Profits License Ordinance effective on January 1, 2016. Any business currently operating in Hopkins County, Kentucky will have between January 4, 2016 and February 27, 2016 to purchase a one-time only business license at a cost of \$15. Anyone planning to open a business after January 1, 2016 should apply for a business license prior to the beginning of business operations. The \$15 business license cost may be deducted as an estimated payment on the first year Net Profit License Fee Return.

Below this article are links to the forms for Business License Application, Net Profit License Fee Return and Employers License Fee Withheld Return (2 to a Page). Also below is a schedule of due dates for filing the returns listed.

Current Business License Application	January 4, 2016 to February 29, 2016
New Business License Application	Prior to the beginning of business operations
Net Profit License Fee Return	105 days after the end of the Business Year
Employers License Fee Withheld Return	
Monthly	15 th of the Following Month (except December, which will be due on January 31 st)
Quarterly	Ending March 31 April 30
(If tax is less than \$300 per month, may file quarterly)	Ending June 30 July 31
	Ending September 30 October 31
	Ending December 31 January 31
Annual Recap & W2s	February 28 th

Anyone doing business in Hopkins County on January 1, 2016, must fill out the Business License Application and return it to the Tax Administrator by February 29, 2016. An account number will be assigned and a copy of the Application will be mailed back as confirmation that the license has been approved.

Any business making an annual net profit of less than \$2,500 is not required to pay the Net Profit License Fee but must file a return.

If any employee earns more than \$500,000, only the first \$500,000 is subject to the Occupational License Fee. If an employee earns less than \$2,500 from all employers in Hopkins County those earnings are not subject to the Occupational License Fee. However, all employers should withhold the .5% from all employees' gross pay regardless of expected earnings. For any overpayment, a refund will be made, but must be requested by the employee in writing.

****For additional information contact Madonna Priestat the Hopkins County Government Center @ 270-452-0009 or mpriest@hopkinscounty.net**

PREPARING A BUSINESS PLAN

1

Why a Business Plan

- Uncover flaws in your business model
- Avoid common mistakes
- Move faster by anticipating every step
 - Establish business
 - Operate business
- All stakeholders on same page
 - Partners
 - Investors
 - Employees
 - Suppliers
- Focus efforts on what matters most
- Understand true potential of business concept

2

Guidelines

- Make a professional impression
 - Neat and organized
 - Ask someone to proof it
- Content counts, length does not
 - Don't worry about how long/short sections are
- Every business plan is unique
 - Many elements common to successful plans
 - A template is available for the following plan

COVER SHEET

Business Plan for (your business name)

Business Name:

Business Address:

Business Telephone:

Business Email:

Primary Contact's Name:

Primary Contact's Address:

Primary Contact's Telephone:

Primary Contact's Email:

Date Prepared:

Confidentiality Statement: The contents of this document are strictly confidential. Reproduction without the express consent of the person listed above is prohibited.

TABLE OF CONTENTS

(List the major sections of your plan to make it easier for the reader to navigate)

Executive Summary

Table of Contents

Section I : The Business

Business Description

Products and Services

Marketing and Sales

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Section II: Financial Data

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Projected Monthly Cash Flow

Projected Income Statement

Breakeven Analysis Historical

Financial Statements Personal

Financials

Section III: Supporting Documents

EXECUTIVE SUMMARY

(Explain your business in one page or less. It should be the last section you write.)

Company Name:

Legal Status: (sole proprietorship, partnership, C-Corp, S-Corp, LLC.; in what state and date formed)

Organization: (names of owners and their roles, number of employees)

Objective of Business Plan: (start-up, expansion, buying existing, buying franchise, turn-around, etc.)

Target Date: (when do you hope to start/buy/expand/implement this plan)

Type of Business: (retail, wholesale, service, manufacturing, contracting, professional, import/export)

Location: (where will business be located and will property be leased or owned)

Products and Services Provided: (main products and services which you will market)

Target Market: (to whom will you try to sell)

Competition: (with whom will you compete)

Loan Overview: (amount, length of time needed and how it will be used, e.g. to purchase equipment)

Invested Cash: (amount of cash you will provide)

Collateral: (what you will use as collateral and what is it worth)

Loan Repayment: (how the loan will be repaid, e.g. through the business' cash flow)

Other Major Details: (partners, strategic alliances, key suppliers, etc.)

SECTION I : THE BUSINESS

(In this section you will provide a detailed description of every aspect of your business)

BUSINESS DESCRIPTION

(Describe what your business does and how it is organized.)

Business Name:

Business Address:

Business Email:

Business Phone:

Owners: (list each owner's name, title or role in the business, home address, and telephone number)

Legal Status: (sole proprietorship, partnership, C-Corp, S-Corp, LLC.; in what state and date formed)

Type of Business: (retail, wholesale, service, manufacturing, contracting, professional, import/export)

Industry: (briefly describe your industry, including economic trends, outlook, and forecasts)

Brief History: (if not new, when started, by whom, how performing, major recent changes, etc.)

Objective of Business Plan: (start-up, expansion, buying existing, buying franchise, turn-around, etc.)

Goals: (your short-term and long-term goals for your business, e.g. size, profitability, expansion, etc.)

PRODUCTS AND SERVICES

(Provide a detailed description of the products and/or services which you will market.)

Products: (list major products offered; include catalog, brochure, menu, etc. in Section III, if appropriate)

Services: (list major services offered)

Pricing Plan: (describe pricing strategy, provide examples)

Competitive Advantage: (describe your value proposition and how it will be better than your competition, consider customer relationships, customer service, product/service offering, cost, quality, or lead time)

MARKETING AND SALES

(Describe the market in which you will compete and how you will reach that market.)

Target Market Demographics: (describe your main customer demographics such as age, gender, marital status, socioeconomic background, or other common factors)

Target Market Location: (describe the geographic location and estimated size of your target market)

Market Research: (present the results of any market research you have conducted)

Logo: (insert your logo, include your tag line, if you have one)

Key Message: (in very few words, what is the key message you'll communicate to your customers)

Advertising Budget: (how much will you spend initially and ongoing)

Advertising Mediums and Frequency: (how will you reach your customer, include details and frequency)

- Social media, like FaceBook, Twitter, Pinterest, Snapchat, etc.
- Website
- Internet ads, like banner ads or search engine placement
- Internet review sites like Yelp and Trip Advisor
- Online videos, like YouTube
- Traditional mediums like radio, television, newspapers, or magazines
- Trade publications and/or trade shows
- In-store displays and/or live demonstrations
- Paper mail, like direct mail or mass email
- Flyers/brochures, include distribution

MARKETING AND SALES

(Describe the market in which you will compete and how you will reach that market.)

Advertising Medium Owners: (describe who will prepare, implement, and monitor each medium used)

Public Relations: (describe no-cost ways to get your name/brand recognized and valued)

Sales Promotions: (describe planned sales special promotions, activities, giveaways, etc.)

Competition: (describe your top three competitors)

Competitor Name:	
Products/Services:	
Description:	
Price:	
Primary Strength:	
Primary Weakness:	

Competitor Name:	
Products/Services:	
Description:	
Price:	
Primary Strength:	
Primary Weakness:	

Competitor Name:	
Products/Services:	
Description:	
Price:	
Primary Strength:	
Primary Weakness:	

LOCATION

(Describe your place of business.)

Address: (provide the address of your business and indicate the type of facility, e.g. home-based)

Description: (provide details such as structure type, features, age, square footage, lot size, parking capacity, and general condition)

Improvements: (describe any renovations or improvements needed to operate your business)

Proximity: (describe the area in which your business is located, what is nearby, amount of vehicle and foot traffic expected, and area growth forecast)

Accessibility: (describe how easy it is for customers to find and enter your business)

Zoning: (describe any zoning restrictions that effect your business)

Cost: (provide your purchase/lease price, unusual operating costs, and costs of needed improvements)

MANAGEMENT AND PERSONNEL

(Describe the people involved in your business.)

Ownership: (provide the names and ownership stakes of all shareholders and describe their involvement in the operation of the business)

Management: (describe key management positions and identify who will fill them)

Personnel: (list number of employees that are needed, their job descriptions, special skills required, who will be responsible for hiring them, and the process that will be used to find and select them)

Compensation: (describe how owners, managers, and employees will be compensated)

Special Training: (describe any special training that is required for you or your employees)

Key Professional Relationships: (list the contact information for any accountant, attorney, banker, insurance agent, marketing agency, consultant, or mentor used by you or your business)

Qualifications: (describe the relevant education, work experience, skills, associations, etc. of all owners and key business leaders so as to build confidence that you will be successful in your business)

OPERATIONS

(Describe the operating details of your business.)

Hours: (list days/hours of operation; describe expected seasonal fluctuations and how you will accommodate)

Payment: (list payments you will accept such as cash, credit cards, and checks; describe how you will process payments, your payment terms, and how you will manage accounts receivable)

Distribution: (describe any special storage, handling, packaging, and shipping considerations)

Inventory: (describe how you will manage inventory tracking, ordering, and receiving)

Facilities: (list any special furniture, fixtures, equipment or machinery that is needed to operate your business and their costs)

Suppliers: (provide details about your key suppliers, including contact information, products or services supplied, costs, delivery, turnaround, terms of sales, contracts, etc.)

Accounting: (describe who will keep your books and the software/system that will be used; include who will book daily transactions, who will process payroll, who will handle sales tax and employee withholding remittance, and who will process income tax returns)

Legal: (describe any key legal considerations for your business such as licensing, bonding, permits, insurance, zoning, government regulations, patents, trademarks, and copyrights)

SECTION II: FINANCIAL DATA

(Provide detailed financials for your business - use spreadsheet templates provided.)

SOURCES AND USES OF FUNDING

(Describe how much money is needed for your business and how the money will be spent.)

Sources: (provide the descriptions and amounts for all sources listed in the table below)

Source	Description	Amount
Cash on Hand	<i>(specify cash that will be supplied by business owners and where cash is currently held; include bank names and account numbers)</i>	\$
Sale of Assets	<i>(itemize anything that will sold to generate cash such as personal investments or major items such as a car)</i>	\$
Personal Loans	<i>(specify terms of all loans from friends or family and any lines of credit or second mortgage on personal residence)</i>	\$
Investors	<i>(list contact information for all passive partners in your business and their investment stake)</i>	\$
Business Loan	<i>(specify expected duration and terms of bank loan being sought)</i>	\$
Total Sources		\$

Uses: (describe all uses listed in the table below; Total Uses must equal Total Sources above)

Use	Description	Amount
Inventory	<i>(initial inventory purchase needed to launch business)</i>	\$
Working Capital	<i>(cash needed on hand to operate business until it is profitable)</i>	\$
Capital Equipment	<i>(itemize all equipment, tools, furniture, fixtures, business machines, and vehicles which will be purchased to manufacture, sell, store, or deliver your products and services)</i>	\$
Repairs and Renovations	<i>(repairs and renovations needed to your place of business to get started)</i>	\$
Land and Buildings	<i>(provide details of what needs to be purchased; do not include leased or rented property)</i>	\$
Total Uses		\$

PROJECTED BALANCE SHEET

(List assets and liabilities of your business on opening day for a new business or latest for existing business)

Assets

Current Assets:

Cash	\$
Accounts Receivable	\$
Inventory	\$
Other	\$ _____

TOTAL CURRENT ASSETS \$

Fixed Assets:

Furniture & Fixtures	\$
Machinery & Equipment	\$
Buildings	\$
Land	\$ _____

TOTAL FIXED ASSETS \$

OTHER ASSETS \$

TOTAL ASSETS \$ _____

Liabilities and Owner Equity

Current Liabilities:

Account Payable	\$
Notes Payable	\$
TOTAL CURRENT LIABILITIES	\$

Long Term Liabilities:

Notes Payable	\$
Loan Payable	\$
TOTAL LONG TERM LIABILITIES	\$

TOTAL LIABILITIES \$

TOTAL LIABILITIES & OWNER EQUITY \$ _____

PROJECTED INCOME STATEMENT

(Estimate your profit and loss for three years)

	Year 1	Year 2	Year 3
Income			
Sales/Gross Receipts			
Returns			
Cost of Goods Sold			
Gross Profit	\$	\$	\$
Expenses			
Salaries			
Payroll Expenses (taxes, etc.)			
Outside Services			
Accounting and Legal			
Office Supplies			
Operating Supplies			
Advertising			
Repairs and Maintenance			
Transportation and Shipping			
Travel and Entertainment			
Rent/Lease (real estate, equip, etc.)			
Telephone			
Utilities			
Insurance			
Taxes (property, etc.)			
Interest on Loan			
Depreciation			
Miscellaneous			
Total Expenses	\$	\$	\$
Net Income			
Net Income Before Taxes	\$	\$	\$
Income Taxes	\$	\$	\$
Net Income After Taxes	\$	\$	\$

BREAKEVEN ANALYSIS

(Calculate the level of sales required to cover your total costs and operating expenses.)

Total Sales: (include both paid and credit accepted) \$ _____

Total Cost of Goods Sold: (Costs that increase with each sale) \$ _____

Total Gross Margin: (Total Sales minus Total Cost of Goods Sold) \$ _____

Contribution Margin: (Total Gross Margin divided by Total Sales) \$ _____

Total Operating Expenses: (Costs that don't increase with each sale) \$ _____

Breakeven Point: (Total Operating Expenses divided by Contribution Margin) \$ _____

HISTORICAL FINANCIAL STATEMENTS

(if you have been in business for some period of time or are purchasing an existing business, attach financial reports such as:

- Balance Sheet
- Income Statement,
- Accounts Receivable
- Accounts Payable
- Debt Schedule
- Tax Returns for the last three years.)

PERSONAL FINANCIALS

(Document owner's personal financial situation)

Personal Financial Statement: (Fill out a Personal Financial Statement form for each business owner/partner. Check with your bank to see if they have a specific form they require. The following form is required for SBA loans. If you use the following form, you have the option of going to <http://www.sba.gov/content/personal-financial-statement> for a pdf form into which you can directly type your responses. Do not mail this form as instructed on the first page.)

Federal Income Tax Returns: (attach the personal federal income tax returns for the previous three years for each business owner/partner)



PERSONAL FINANCIAL STATEMENT

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan.

Return completed form to:

- 7(a) loans** - to the lender processing the SBA application;
 - 504 loans** - to the Certified Development Company processing the SBA application;
 - ALL Disaster loans** - to the Disaster Processing and Disbursement Center at 14925 Kingsport Road, Fort Worth, TX 76155-2243; and
 - 8(a)/BD** - applicants who are individuals claiming social and economic disadvantaged status and their spouses
- electronically at <http://www.sba.gov> or send hard copy with paper application to either of the two following offices listed below:

Mail to the following address, if your firm is located in one of the states below:	Mail to the following address, if your firm is located in one of the states below:
US Small Business Administration DPCE Central Office Duty Station Parkview Towers 1150 First Avenue 10th Floor, Suite 1001 King of Prussia, PA 19406	US Small Business Administration Division of Program Certification and Eligibility 455 Market Street, 6th Floor San Francisco, CA 94105
MA, ME, NH, CT, VT, RI, NY, PR (Puerto Rico), VI (US Virgin Islands), NJ, PA, MD, VA, WV, DC, DE, GA, AL, NC, SC, MS, FL, KY, TN	IL, OH, MI, IN, MN, WI, TX, NM, AR, LA, OK, MO, IA, NE, KS, CO, WY, ND, MT, UT, SD, CA, HI, GU (GUAM), NV, AZ, WA, AK, ID, OR

Name	Business Phone
Residence Address	Residence Phone
City, State, & Zip Code	
Business Name of Applicant/Borrower	

ASSETS		LIABILITIES	
	(Omit Cents)		(Omit Cents)
Cash on hand & in Banks	\$ _____	Accounts Payable	\$ _____
Savings Accounts	\$ _____	Notes Payable to Banks and Others	\$ _____
IRA or Other Retirement Account	\$ _____	(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto)	\$ _____
Accounts & Notes Receivable	\$ _____	Mo. Payments \$ _____	
(Describe in Section 5)		Installment Account (Other)	\$ _____
Life Insurance-Cash Surrender Value Only	\$ _____	Mo. Payments \$ _____	
(Complete Section 8)		Loan on Life Insurance	\$ _____
Stocks and Bonds	\$ _____	Mortgages on Real Estate	\$ _____
(Describe in Section 3)		(Describe in Section 4)	
Real Estate	\$ _____	Unpaid Taxes	\$ _____
(Describe in Section 4)		(Describe in Section 6)	
Automobiles - Total Present Value	\$ _____	Other Liabilities	\$ _____
(Describe in Section 5, and include Year/Make/Model)		(Describe in Section 7)	
Other Personal Property	\$ _____	Total Liabilities	\$ _____
(Describe in Section 5)		Net Worth	\$ _____
Other Assets	\$ _____		
(Describe in Section 5)			
Total	\$ _____	Total	\$ _____

Section 1. Source of Income	Contingent Liabilities
Salary	As Endorser or Co-Maker
Net Investment Income	Legal Claims & Judgments
Real Estate Income	Provision for Federal Income Tax
Other Income (Describe below)*	Other Special Debt

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders, or Certified Development Companies will rely on this information when making decisions regarding an application for a loan from SBA or an SBA Participating Lender, or for participation in the SBA 8(a) Business Development (BD) program.

Signature _____

Date _____

Print Name _____

Social Security No. _____

Signature _____

Date _____

Print Name _____

Social Security No. _____

NOTICE TO LOAN APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than 30 years and/or a fine of not more than \$1,000,000.

NOTICE TO APPLICANTS OR PARTICIPANTS IN THE 8(a) BD PROGRAM: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:

Any person who misrepresents a business concern's status as an 8(a) Program participant or SDB concern, or makes any other false statement in order to influence the 8(a) certification or other review process in any way (e.g., annual review, eligibility review), shall be: (1) Subject to fines and imprisonment of up to 5 years, or both, as stated in Title 18 U.S.C. § 1001; (2) subject to fines of up to \$500,000 or imprisonment of up to 10 years, or both, as stated in Title 15 U.S.C. § 645; (3) Subject to civil and administrative remedies, including suspension and debarment; and (4) Ineligible for participation in programs conducted under the authority of the Small Business Act.

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503, **PLEASE DO NOT SEND FORMS TO OMB.**

SECTION III: SUPPORTING DOCUMENTS

(Attach all other information important to the success of the business. Consider including patents, leases or purchase agreements, partnership contracts, franchise contract and supporting documents, credit reports, budgets, photos or maps of business location, floor layouts, market research reports, letters of reference, property appraisals, land surveys, financial audits, and environmental audits.)

