

A RESOURCE GUIDE FOR THE SPRINGDALE BUSINESS OWNER



BASICS OF STARTING A BUSINESS

Springdale Chamber of Commerce
202 W. Emma Avenue / Springdale, AR 72764
479-872-2222 / www.springdale.com

GETTING STARTED

The Springdale Chamber of Commerce, in its role as the city of Springdale's Department of Economic Development, stands ready to assist you in making Springdale your business home.

This brochure is designed to assist new and existing businesses identify the resources necessary to get started. Before your business can open its doors to the public, it must meet a number of city requirements including working with the Springdale Planning Department to insure the business meets appropriate zoning and safety standards. ***The Chamber of Commerce stands ready to assist your business, understand these requirements and make the process a positive one.***

BASICS

No matter how big or small your business, it will have to comply with local, state and federal regulations. Businesses must have a city business license, register with the county clerk and have a federal tax identification number.

City Business License

Every business doing business in Springdale must have a Business License. This license will insure your business is in compliance with building codes and city zoning requirements. Commercial and Home Office licenses are issued by the City Clerk. These licenses terminate on March 31 of each year.

Cost for a Business License is \$40 per year plus \$2.50 for each of the first 25 employees, excluding the owner of a sole proprietorship employed by such business, and an additional \$1.00 per year for each employee over 25. Maximum fee is \$300 per year. A copy of the Arkansas Sales & Use Tax Permit number must be submitted with a Commercial Business License application and the applicant must show photo identification or driver's license when making application.

Completed Business License applications must be submitted to the City Clerk's office. Applications may be obtained at the City Clerk's office (201 Spring Street), the Springdale Chamber of Commerce (202 W. Emma Avenue), or online at http://www.springdalear.gov/city_clerk/business_license.asp.

Registering Your Business Name

The Washington County Clerk (479-444-1711) requires sole proprietorships to obtain a "Doing Business As" (DBA) certificate. There is a \$25 filing fee. Application can be made at the Washington County Clerk's Office, 2 North College Avenue, Fayetteville, AR 72701.

To reserve a corporate name in the state of Arkansas, application must be made with the Arkansas Secretary of State's office. **The website address for the Secretary of State can be found on the last page of this brochure.** The Business and Commercial Services Division's phone number is 501-682-3409.

Tax Identification Number & the IRS

Each employer must apply for an "Employer Identification Number" (Form SS-4) to comply with Federal Income Tax, Social Security and Unemployment Insurance regulations. For Federal Business Tax Information, contact the Internal Revenue Service (IRS) at 800-829-3676 or 800-829-1040.

MISCELLANEOUS

Other City Permits

The Springdale City Clerk's office (4797-750-8119) issues other specific business-related permits that may or may not pertain to your business. Included in the list are: Taxi Driver's Permit (\$5/annually), Taxicab Company Permit (\$100/annually), Retail Beer Permit (\$15/annually), Liquor Permit (\$250/annually), Fireworks Sales Permit (\$500/annually), Private Trash Collector contract (\$150), and Itinerant Street Vendor Permit (\$10/vehicle).

Other State Permits

Restaurants, food services or food manufacturing, and other types of personal consumption businesses are required to have permits by the Arkansas Department of Health (501-661-2000).

Business owners wishing to sell alcoholic beverages need to obtain a permit from the Alcoholic Beverage Control (501-682-1105). For applicable fees and permit information, call the Alcoholic Beverage Control office.

Air pollution, solid waste, stream pollution and water quality permits can be obtained from the Arkansas Department of Environmental Quality (501-562-7444).

TAXES AND EMPLOYEES

State Sales & Use Tax

If you are a vendor located within Arkansas, you are required to register under the Gross Receipts Tax Law. A \$50 nonrefundable fee is required. It will take approximately eight to 10 working days to process the application. The permit will be mailed to the address listed on the application. **The website address for Sales and Use Tax Forms can be found on the last page of this brochure.** For more information on Sales and Use Tax, contact:

Revenue Division Sales & Use Tax Section
P. O. Box 1272 / Little Rock, Arkansas 72203
501-682-7104

Employee Records

Employers are required to maintain records on wages, hours and other items. Information regarding labor laws may be obtained from:

Ark. Department of Labor - Wage and Hour Division
10421 West Markham / Little Rock, AR 72205
501-682-4500

Miscellaneous Tax

The Miscellaneous Tax Section handles various areas of taxation for the Revenue Division, including but not limited to: Cigarette Tax, Tobacco Products Tax; Cigarette Paper; Wine, Liquor, and Beer Enforcement; Amusement Tax; Soft Drink Tax; Merchandise Vending; Beauty Pageant Registration Fees; Beer and Liquor Tax; Domestic Wine Tax; and Waste Tire Fee. **The website address for Miscellaneous Taxes can be found on the last page of this brochure.** For more information on Miscellaneous Tax, contact:

Revenue Division Miscellaneous Tax Section
P. O. Box 896 / Little Rock, Arkansas 72203
501-682-7187

Workers' Compensation

Workers' Compensation insurance is mandatory in Arkansas if you have at least three employees. The Springdale Chamber of Commerce can assist you in identifying local insurance companies that provide this type of insurance. For additional information, contact:

Arkansas Workers' Compensation Commission
324 Spring Street / Little Rock, AR 72203
800-622-4472

Withholding Taxes

Employers are required to withhold tax from wages of employees who work within the State of Arkansas. An employer or withholding agent is required to register by completing a registration packet from the Arkansas Withholding Tax Section upon hiring the first employee. **The website address for Withholding Tax Forms can be found on the last page of this brochure.**

For more information, contact the Income Tax Withholding Section:

Revenue Division Withholding Tax Unit
P. O. Box 9941 / Little Rock, Arkansas 72203-9941
501-682-7290

UTILITIES

Contact utility companies on your own. The address of your business will determine which electricity provider you must use. The Chamber of Commerce can assist you in making that determination.

Springdale Water Utilities: 479-751-5751
Arkansas Western Gas: 479-521-5400

Electricity

AEP/SWEPCO: 888-216-3523
Ozarks Electric Cooperative: 479-751-2342

Trash Removal

Waste Management: 888-964-9718
Deffenbaugh Industries: 479-872-9098

BUSINESS PLAN

Starting and managing a business takes motivation, desire, research and planning. To increase your chance for success, take the time up front to build a comprehensive Business Plan. The Chamber of Commerce (479-872-2222) is happy to help you access many excellent resources available to assist you in developing a Business Plan.

In general, a good business plan contains:

- **Business Plan Executive Summary**
A concise overview of the entire plan
- **Market Analysis**
Illustrating your knowledge about the particular industry your business is in
- **Company Description**
A high level look at how all the different elements of your business fit together
- **Organization and Management**
Company organizational structure, details about ownership, profiles of management team
- **Service or Product Line**
Description of your service or product and the benefits to potential and current customers
- **Funding Request**
An explanation of the different funding scenarios you will need to start or expand your business
- **Financials**
Developed after analyzing the market and setting clear objectives allowing you to allocate resources efficiently

FINANCING

It's common for businesses to need financial assistance. Many entrepreneurs need financial resources to start or expand a small business themselves and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

When considering financing options, have a good understanding of your financing needs as well as the type of options available to help you start and sustain your business. Some key issues to understand with regard to your business are:

Borrowing Money – Key elements are understanding types of financing, your credit history, equity investment, collateral and the management experience of your team

Business vs. Personal Finances – A business can place a tremendous strain on your personal finances. Prepare yourself by developing a monthly household budget and understanding your personal credit situation, both of which will determine how you are perceived by potential lenders and suppliers.

Estimate Startup Costs – You must know how much money you will need to keep your business afloat. Determine the amount of seed money, one-time costs and ongoing costs you expect and decide if they are essential or optional. Identify fixed and variable expenses.

Financial Statements – Understanding your assets, liabilities, inventory needs and intangibles is critical to having a sound financial model for your business.

Breakeven Analysis – A startup business owner must understand that \$5,000 of product sales will not cover \$5,000 in monthly overhead expenses. Online resources are available to help you determine when your business will be able to cover all of its expenses and begin to make a profit.

The answers to these issues are critical in determining the success or failure of your business. The Chamber of Commerce can assist you in developing a strategy to prepare your business financing. Contact us at 479-872-2222.

BUSINESS SATISFACTION

Starting a business can be time consuming and, at times, frustrating. It is our desire to do everything possible to shorten the time your business requires to open and to help make the process an enjoyable one.

Should you encounter problems or issues while navigating the process of opening a business in Springdale, feel free to personally contact:

Doug Sprouse
Mayor
City of Springdale
479-750-8114

Perry Webb
President
Springdale Chamber of Commerce
479-872-2222

Springdale Chamber of Commerce

www.springdale.com

City of Springdale

www.springdalear.gov

Springdale City Clerk

www.springdalear.gov/city_clerk

Springdale Business License Applications

www.springdalear.gov/city_clerk/business_license.asp

State of Arkansas Secretary of State Forms

www.sos.arkansas.gov/business_entity_fees_forms_pro.html

State of Arkansas Sales & Use Tax Forms

www.dfa.arkansas.gov/offices/exciseTax/salesanduse/Pages/Forms.aspx

State of Arkansas Withholding Tax Forms

www.dfa.arkansas.gov/offices/incomeTax/withholding/Pages/withholdingForms.aspx

State of Arkansas Miscellaneous Tax Information

www.dfa.arkansas.gov/offices/exciseTax/MiscTax/Pages/default.aspx

HELPFUL WEBSITES