

Frequently Asked Questions

Q. What does it take to be a small business owner?

- A.** Characteristics of successful entrepreneurs:
- Takes Initiative
 - High Energy Level
 - Responsibility and Self Discipline
 - Burning Desire to Succeed
 - Perseverance
 - Problem Solver
 - Ability to Work Without a Lot of Help
 - Thrives on Ambiguity
 - Persuasive
 - Understands the Value of Money
 - Self-Confidence
 - Market Awareness
 - Goal Setting

Q. What is a business plan and why do I need one? Will the PCEDC write my business plan for me?

A. This is your business' resume and necessary because it makes you organize information about your company, identify your goals, and precisely define your business product or service. It is a required part of any loan application because it provides detailed information about your business and how you will repay any loans. It includes a balance sheet, income statement, and cash flow analysis.

Only you have the information to write your business plan. However, the EDC will assist you by providing forms for the business plan and suggestions for editing.

Q. Are there any grants available for me to start my business?

A. This is probably the most common question we get from people looking to start a business. There are almost no grants available to for profit business start-ups. Generally grants and tax breaks are targeted to non-profits, businesses with a large number of employees, who do scientific research and development, or technology firms. There are, however, loans available for starting a business through the SBA and other sources. Following are some links to sites listing grants and loans.

Federal Grants: www.grants.gov,

Washington State Financing: <http://www.access.wa.gov/business/financial.aspx>,
http://www.choosewashington.com/business_resources/Financing.asp

Small Business Administration: <http://www.sba.gov/financing/index.html>

Q. How much money will I need and what are the general guidelines a lender follows in making a business loan?

A. Completing a business plan will help you answer this question by analyzing the expected income and expenses, the potential profitability, the breakeven point and the feasibility of the business before making a financial commitment. Lenders usually use the following lending guidelines: The business concept as explained in the business plan; Collateral; Down payment (or equity in an existing business) – generally this is 25-50% of start-up costs; Credit history and personal net worth; Management ability; Ability to repay the debt; Condition of the economy and/or local area.

530 Commercial St., Raymond, Washington 98577

(360) 875-9330

(360) 642-9330
www.pacifiedc.org

FAX (360) 875-9305

Q. Do I need a business license?

A. Yes. In Pacific County, you will need a Washington State business license at the minimum: <http://www.dol.wa.gov/business/>. If you are doing business in any of the four incorporated cities, you will also need a business license from that city. See contact info at: Ilwaco: <http://www.ilwacowashington.com/>; Long Beach: www.longbeachwa.gov; Raymond: <http://www.willapabay.org>; South Bend: <http://users.techline.com/sbcity/>

Q. How do I register my business name (trade name)?

A. Register your business or trade name on your Master Application (you will file this for a Washington business license):
<http://www.dol.wa.gov/business/addtradenames.html>

Q. Once I've chosen the name for my business, how do I find out if anyone else is using it?

A. You can find out if it has been registered with the Dept. of Licensing <https://fortress.wa.gov/dol/dolprod/bpdLicenseQuery/> by calling 1-900-463-6000. You can also do a free search at the Dept. of Revenue's site: <http://dor.wa.gov/content/doingbusiness/registermybusiness/brd/> or at the Secretary of State's site: <http://www.secstate.wa.gov/corps/>.

Q. Do I need to obtain a federal identification number?

A. If you are a sole proprietor with no employees and you are using your own name in the business, you can just use your own Social Security Number. If you have employees or are a partnership or corporation, you must file Form SS-4 from the IRS or Social Security Administration. <http://www.irs.gov/pub/irs-pdf/fss4.pdf>

Q. What business structure do I need? What is a corporation, LLC, LLP, etc...?

A. Each business structure has its own advantages and disadvantages. You should consult an attorney, accountant, financial advisor, or banker to determine which would be best for your business. To see a description of each business structure, visit: http://www.secstate.wa.gov/corps/registration_structures.aspx or <http://www.dol.wa.gov/business/ownershipstructure.html>

Q. How often must I file tax returns?

A. Sole Proprietorships and Partnerships must file tax returns annually and a declaration of estimated tax quarterly. Corporations must file tax returns annually and quarterly. Visit the IRS website: <http://www.irs.gov/businesses/small/index.html>

Q. How do I obtain health insurance?

A. The Office of the Insurance Commissioner has information on which companies offer individual insurance in each county, how to compare plans and what to do if you are turned down for coverage.
<http://www.insurance.wa.gov/consumers/InsuranceTips.shtml>

Q. What insurance should I have?

A. See the small business information on the Office of the Insurance Commissioner's website:
http://www.insurance.wa.gov/publications/small_bus/small_bus_buy_and_cover.pdf

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