How to Start a Business in Downtown Chapel Hill

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We Wish You All the Best!



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308 West Rosemary Street

Suite 202

Chapel Hill, NC 27516

919-967-9440 — Office

919-967-9440 — FAX

OVERVIEW

There are numerous steps a business owner must take before starting a new business in or relocating an already existing business to downtown Chapel Hill. You should take the time to investigate what actions will be necessary for you to legally establish your business. This information will help keep your new business start-up on the "right track."

Starting your own business does not mean that you will have to venture into the business world alone. There a number of organizations capable of assisting businesses. Please refer to Sections IV and V for a list of organizations that provide technical assistance or advice to new businesses.



LOCAL REQUIREMENTS

I. Typically, the first step in establishing a business is to obtain either a Home Occupation Permit (if mobile or home-based) from the Town of Chapel Hill Planning Department, or a Certificate of Business Occupancy from the Inspections Division of the Town of Chapel Hill Public Works Department. In addition, private deed covenants or landlord restrictions may apply. For more information or direction on this and other issues, such as sign permits, see: http://www.townofchapelhill.org/index.aspx?page+683

Town of Chapel Hill

Town Hall, 3rd Floor 405 Martin Luther King Jr. Blvd. Chapel Hill NC 27514

Planning Department: (919) 968-2728 Inspections Division: (919) 968-2718

Most permits can be downloaded in printable format from www.townofchapelhill.org

 Once you have your Home Occupation Permit or Certificate of Business Occupancy, you then need to contact the Town of Chapel Hill Revenue Collector to acquire a Business License.

Town of Chapel Hill Revenue Office

Town Hall, 1st Floor 405 Martin Luther King Jr. Blvd Chapel Hill NC 27514 (919) 968-2759 Fax: (919) 696-2017

The application materials and fee schedule for your business license are available for review and download on the Business Management Department page of the Town's website. Please call the Town of Chapel Hill Revenue Office for further questions regarding your company's license requirement.

3. When you locate your business to downtown Chapel Hill, you must register the business name with the Orange County Register of Deeds and in other counties in which it will do business. The requirement is waived when business is done in the name of a corporation or LLC registered with the Secretary of State or is done in the name of the individual owner.

Office of the Register of Deeds

228 South Churton Street, Suite 300 Hillsborough, NC 27278 (919) 245-2675





STATE REQUIREMENTS

I. When opening a business in downtown Chapel Hill, you are strongly encouraged to first speak to a Business Link North Carolina counselor through the North Carolina Department of Commerce. This is the best way to ensure that your business is in compliance with all state requirements. A business will not be held at fault for not fulfilling a particular state requirement if the Business ServiCenter failed to advise it properly. All licensing requirements will still have to be met, but no fine will levied.

Business Link North Carolina

North Carolina Department of Commerce 4344 Mail Service Center Raleigh, NC 27699-4344 (919) 807-4280 Toll-free: (800) 228-8443

2. Currently, only 29 specific types of businesses are required to obtain State Privilege Licenses from the Department of Revenue. Most of these are professional service-based businesses. Retail businesses are not required to have a state privilege license. In addition, the majority of businesses that are required to obtain State Privilege Licenses are exempt from local licensing. It is recommended that one download the tax form from the Department of Revenue's website that lists the business types required to obtain a state

http://www.dornc.com/downloads/privilege.html

3. If you are planning to incorporate your business in North Carolina, you file Articles of Incorporation with the Department of the Secretary of State.

Department of the Secretary of State

Corporations Division 2 South Salisbury Street Raleigh, NC 27601 (919) 807-2225

license.

4. All retail sales in North Carolina are subject to sales tax unless specifically exempt by statute. Wholesale transactions with a registered merchant for the purpose of resale are not subject to this tax. For information regarding this state assessment or to obtain a Wholesale Merchant's Certificate of Sale, please contact the North Carolina Department of Revenue's Sales and Use Division.

North Carolina Department of Revenue

Sales and Use Division P.O. Box 25000 Raleigh, NC 27634

Toll-free: (877) 252-3052



STATE REQUIREMENTS (cont.)

5. Certain taxes must be withheld from an employee's wages and submitted to the government. If you will be paying wages to one or more employees, you will need to complete the Application for Withholding Identification Number for your business with the North Carolina Department of Revenue. You may apply online at http://eservices.dor.nc.gov/ncbusreg

North Carolina Department of Revenue

P.O. Box 25000

Raleigh, NC 27640-0640 Toll-free: (877) 252 –305

- 6. Other State Requirements and Tax Information:
 - * Incorporated businesses must file annual franchise and income tax returns with the state.

North Carolina Department of Revenue

Corporate Income and Franchise Tax Division 501 North Wilmington Street Raleigh, NC 27604

Toll-free: (877) 252-3052

* Any company employing one or more employees is required to provide unemployment insurance coverage for its workers. The NC Employment Security Commission administers employer contributions to the Unemployment Insurance Fund. For more information, contact their Durham office.

Employment Security Commission of North Carolina

1105 Briggs Avenue Durham, NC 27701 (919) 560-6880, NC 27634

* If your company will be employing three or more employees; you will be required to provide workers compensation coverage. For more information regarding Workers Compensation, contact the NC Industrial Commission.

North Carolina Industrial Commission

4340 Mail Service Center Raleigh, NC 27699-4319 (919) 807-2501 Fax: (919) 715-0282 infospec@ic.nc.gov

* To ensure the health and safety of workers employed in North Carolina, the Department of Labor administers the Occupational Safety and Health Act of North Carolina. The department offers free services to ensure that your business is in compliance with OSHA standards.

North Carolina Department of Labor

Occupational Safety and Health Division 1101 Mail Service Center Raleigh, NC 27699 (919) 807-2796

FEDERAL REQUIREMENTS



- 1. The "Small Business Kit" is essential for navigating federal regulations if you have employees. Call the Internal Revenue Service at (800) 829-4933 and they will mail this kit to you with all the information you need, including Forms 940, 941, SS-4, W-2's, W-4's, the "Tax Guide for Small Business", Circular E, and other federal necessities for starting a business.
- 2. As mentioned in the State Requirements section if have employees, it is necessary to complete the SS-4 Form (Application for Employer Identification Number) in order to obtain a federal withholding I.D. tax number.
- 3. Please contact the Internal Revenue Service's local Durham office in regard to all technical questions regarding federal taxation issues. Additionally, the Chamber encourages you to inquire about their "Small Business Tax Workshops" held periodically in Durham.

Internal Revenue Service

3308 Chapel Hill Boulevard, Suite 132 Durham, NC 27707 (919) 401-0300

Toll-free: (800) 829-1040

OTHER ORGANIZATIONS TO ASSIST YOU

1. The Chapel Hill Downtown Partnership will assist you if you are considering locating your business in the Downtown section of Chapel Hill. The Partnership is available to assist with information about the plan and vision for downtown, and maintains a list of all available space in downtown and can help you with specific issues related to site and building availability.

Chapel Hill Downtown Partnership

308 West Rosemary Street, Suite 202 Chapel Hill, NC 27516 (919) 967-9440

 Please call or stop by the Chamber of Commerce for more information on starting and growing your successful business. Becoming a member of the Chamber of Commerce can be an important part of an effective strategy for achieving many of your business goals.

Chapel Hill/Carrboro Chamber of Commerce

104 South Estes Drive Chapel Hill, NC 27515 (919) 967-7075 Fax: (919) 968-6874

3. The Orange County Economic Development Commission Assists companies and individuals with their business needs in Orange County. The office provides economic and demographic data, and helps clients with specific issues related to site and building availability, the government approval process, financing options and more.

Orange County Economic Development Commission

110 East King Street Post Office Box 1177 Hillsborough, NC 27278 (919) 245-2325

4. Dwight Bassett, Economic Development Officer for the Town of Chapel Hill can assist you with information regarding the town's economic development strategy and development process.

Dwight Bassett

405 Martin Luther King, Jr. Boulevard Chapel Hill, NC 27514 (919) 969-5010 dbassett@townofchapelhill.org

OTHER ORGANIZATIONS TO ASSIST YOU (cont.)

5. The Service Corps of Retired Executives (SCORE) represents a free service for businesspersons who need assistance in any of the facets of running a business.

SCORE

104 South Estes Drive Chapel Hill, NC 27514 (919) 968-6894

6. Midway Business Center in Chapel Hill features office or retail space in a supportive environment designed to reduce up-front costs of emerging businesses through provision of shared facilities, equipment and business development services.

Midway Business Center

109 North Graham Street, Suite 200Chapel Hill, NC 27516(919) 967-8779Fax: (919) 967-0710

7. Good Work, Inc. provides training and technical assistance, loans, and networks of peer support to its small business members.

Good Work, Inc.

Bull City Business Center 115 Market Street, Suite 470 Durham, NC 277701 (919) 682-8473

8. The Small Business Center at Durham Technical Community College offers counseling and business seminars for start-ups.

Small Business Center at Durham Technical Community College

400 West Main Street Durham, NC 27701 (919) 536-7241 ext. 4505

9. The Small Business and Technology Development Center (SBTDC) offers free counseling and technical assistance by appointment to small businesses.

Small Business and Technology Development Center

University of North Carolina at Chapel Hill 1700 Martin Luther King Jr. Boulevard, Suite 115 Chapel Hill, NC 27514 (919) 962-0389

OTHER ORGANIZATIONS TO ASSIST YOU (cont.)

10. The Council for Entrepreneurial Development (CED) provides guidance to start-up and emerging growth-oriented companies in the Triangle through seminars, workshops and other activities.

Council for Entrepreneurial Development

334 Blackwell Street, Suite B012 Durham, NC 27701 (919) 549-7500

Fax: (919) 549-7405

11. The Women's Business Center of North Carolina provides opportunities and tools to help women entrepreneurs achieve their business goals.

The Women's Business Center of North Carolina

II4 West Parrish Street, 4th Floor Durham, NC 2770I (919) 956-8889

12. Self-Help Credit Union is a community development lender and can assist with Small Business loans.

Self-Help Credit Union

301 West Main Street Durham, NC 27701 P.O. Box 3619 Durham, NC 27702 (919) 956-4400

Toll-free: (800) 476-7428

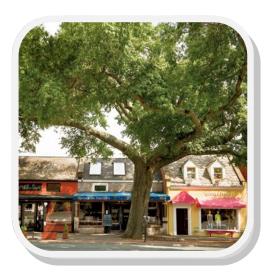
13. The Chapel Hill Public Library has a business reference room with information for starting a small business, making a business plan and more.

Chapel Hill Public Library

100 Library Drive Chapel Hill, NC 27514 (919) 968-2777



OTHER ORGANIZATIONS TO ASSIST YOU (cont.)





14. The Small Business Administration is a federal agency offering financing, training and advocacy for small firms. SBA's district office is located at Wake Technical Community College in Cary. SBA's NC office is located in Charlotte.

Small Business Administration District Office

Wake Technical Community College 600 New Waverly Place, Suite 200 Cary, NC 27511 (919) 851-1891 Fax: (919) 851-9505 North Carolina District Office 6302 Fairview Road, Suite 300 Charlotte, NC 28210 (704) 344-6563



OTHER RESOURCES TO CONSIDER

- I. You will want to contact a local financial institution. Unless your business is very small, get a separate checking account for the business. Most banks make personal loans and loans to businesses, including SBA guaranteed loans, but may not be interested in start-ups and smaller loan amounts. Many banks offer credit card processing and other useful services. Some bankers can help with valuable contacts and advice, and act as trusted references for suppliers and prospective customers.
- 2. Consider consulting with an attorney who specializes in business law for incorporating, review of contracts including leases before signing, and more.
- 3. Certified Public Accountants can be excellent advisors on taxes, whether to incorporate, and for business contacts. Most accounting firms offer various services to businesses such as tax return preparation, monthly accounting, audits (perhaps required by lenders or investors), basic bookkeeping, even payroll preparation. Choose a firm that caters to businesses of your size or type. You may be able to do many of these things in-house or by using services of specialty businesses that are that are not general accounting firms.



WE WISH YOU ALL THE BEST WITH YOUR NEW BUSINESS!

Chapel Hill Downtown Partnership

308 West Rosemary Street Suite 202 Chapel Hill, NC 27516

> Phone: 919-967-9440 Fax: 919-967-9475

WE'RE ON THE WEB!

WWW.DOWNTOWNCHAPELHILL.COM



NOTE: Information contained herein is not intended to be all-inclusive of every requirement for establishing a business. Competent legal counsel is recommended and may be required to ensure that all licenses, taxes, and other requirements for establishing and conducting business are met.

The Chapel Hill Downtown Partnership assumes no liability for omissions or errors in the plans of any person resulting from use of this general guide to locating a business in downtown Chapel Hill.

UTILITY SERVICES: If you have questions about utility services (including electricity, natural gas, public water and sewer) in your area, please refer to the contact numbers listed below:

- * Duke Power (Electricity): (919) 967-8231
- * PSNC Energy (Natural Gas): (877) 776-2427
- * OWASA (Public Water & Sewer): (919) 968-4421

RECYCLING: For information on recycling issues for businesses, contact Orange Community Recycling. Orange Community Recycling offers glass and food waste recycling for restaurants, bars, and other large producers. Businesses are offered waste-flow audits, and technical assistance on issues such as waste reduction, recycled product purchasing, and cardboard recycling. In addition, there are 10 recycling drop-off sites throughout the county. Businesses that want to recycle other items will have to hire a private service.

- * Orange Community Recycling: (919) 968-2788
- * Shimar Recycling: (919) 680-6262
- * Orange Recycling Service: (919) 688-5660
- Orange County Solid Waste Department (landfill disposal issues): (919) 968-2885



