
Business Guide

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Introduction

NYC Business Solutions is at the forefront of the Bloomberg Administration's commitment to support and grow New York City's small businesses.

NYC Business Solutions Centers are located in central business districts throughout the five boroughs. Staff at these Centers can help you with the following services:

- **Business Courses and Business Planning** – We can provide assistance with developing a strategy for your business, as well as teach you skills that will support you in your business endeavor.
- **Legal Services** – We can assist business owners, ensuring that they know how to choose a legal structure, register a business or assess a lease through access to a network of pro-bono lawyers.
- **Navigating Government** – We can demystify complicated government procedures to help businesses smoothly meet regulations and requirements.
- **Financing** – We can quickly assess the right lending opportunities for a client, package a loan application, and leverage existing relationships with lenders to increase the chances of successfully receiving a loan.
- **M/WBE Certification** – We help businesses complete the process to become an M/WBE certified business. Once certified the business will have access to even more assistance related to bidding and procurement opportunities
- **Hiring** – We save business owners money and time by giving them access to a ready pool of pre-screened job candidates.
- **Incentives** – We can help you identify and take advantage of city business incentives that will save you money.
- **Training Funds** – We help business owners access a matching funds for employee training to improve employee skills, and increase the quality of business operations.

For more information:

Call 311 or

Visit our website at <http://www.nyc.gov/html/sbs/nycbiz/html/home/home.shtml>

1.1 Considerations for Starting a Business

Before you start a business, there are recommended steps to take that can improve your chances of success. The following steps will help you decide if starting a business is right for you.

Personal Assessment

The first and most important thing you should do is a self-evaluation. Being a business owner can be challenging. Knowing your strengths and weaknesses helps you focus your initial efforts on the things you do best, while simultaneously finding ways to improve upon or compensate for your weaknesses.

- **Are you good at multi-tasking?** Normally, when you start your own business you will have to do everything by yourself. This can be a significant change from when you work for someone else and are only responsible for one area of a business' operations.
- **What is your tolerance for risk?** If you see risk as an opportunity rather than a threat then you may have the right profile to start a business. Think about how you handle unforeseen projects – do you adjust well or do you rather have an organized straightforward project? Starting a business will likely involve unplanned setbacks and spontaneous opportunities to which you must react quickly.
- **Do you need the regularity of a paycheck?** New business owners usually spend more than expected on starting their businesses. They often will not see a regular paycheck for months. You need to consider how stressful this would be for you and whether you have enough savings in reserve to weather these financial ups and downs.
- **Are you a self-starter and comfortable being alone?** In your business you will be the leader. This makes you responsible for doing the right thing at the right time. If you prefer to work in a team or lean on others for support and advice, then starting a business may not be for you.
- **Do you value predictability or diversity?** Business owners will encounter all different types of people through their staff, customers and vendors. You must be people-oriented and able to manage conflict in order to navigate these different relationships successfully.

Your Business Proposition

It is important understand and clearly define your unique proposition for potential customers. You may have a concept that is so different from anything else on the market that it commands immediate attention, but usually businesses are successful by employing the following tactics:

- Providing something attractive or advantageous by taking an existing product and adding an innovative aspect to that product

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- Developing an idea that will successfully fill a niche market
 - Develop new markets or promotional techniques for existing goods

Writing Your Business Plan

A business plan precisely defines your business idea, identifies your goals, and serves as your company's resume. The basic components include a current and pro forma (future projection) balance sheet, an income statement, and a cash flow analysis. Because it provides specific and organized information about your company (including how you will repay borrowed money), a good business plan is a crucial part of any loan application. To learn more about how to write a business plan download our Business Plan template from the NYC Business Solutions website or visit our workshop calendar to find the next available "Business Basics" seminar.

Know All Your Expenses

You should know all of your expenses, both one-time startup expenses and ongoing cash requirements. You should itemize each purchase and expense and research its realistic cost. You should consider: equipment, insurance, business filings, stationery, signage, furniture, supplies, inventory, accounting and legal services, bank fees, salaries, benefits, etc. For help thinking about expenses, review the Managing Your Cash Workbook.

Secure Necessary Capital

This could be in any form, including bank loans, personal savings, family contributions, etc. Staff at the NYC Business Solutions Centers can help you identify the right type of financing and right lender for you while working with you to package your loan application.

Establishing a Business Bank Account

Establish a business checking account that is separate from any personal accounts you may have. Shop for the bank and services that best suit your needs. Consider large national banks and smaller local banks, as each has different strengths to offer to small businesses.

Setting up Your Accounting System

You will not know if you are making or losing money, over- or under-stocking inventory, etc. without maintaining records about your sales, inventory, expenses, and cash flow. These records will also allow you to compare your actual results to your projections and they will be necessary to file taxes at the end of each year. See http://www.sba.gov/starting_business/index.html or meet with a NYC Business Solutions Center for assistance.

Assess Your Real Estate Needs

Determine the type of space you need: square feet, properties' physical condition, layout suitability, traffic flow, parking, use requirements, utility requirements, and

cost. Pay particular attention to how the cost/square foot compares with other comparable locations. Take a look at our Simple Solutions "Zoning" document for more information.

Identify Your Vendors

Identify those companies or individuals from whom you will buy the products and services you need. Consider their reliability carefully.

Assess Your Personal Needs

Identify other positions at the company that you will need to fill. Establish clear job descriptions and clear required qualifications for these positions. You can contact your NYC Business Solutions Center to find out how we can provide hiring assistance.

Start Networking

Continue to identify classes, workshops, or one-on-one business counseling assistance that will help you better understand how to start and run your business.

Information from "How to Start a Retail Business" www.entrepreneur.com July 22, 2008 were use for parts of this section.

2.1 Tips on Structuring a Business

This section is designed to help small business owners make informed decisions regarding their business structure needs and provides an overview of different types of legal business structures.

Basic Legal and Practical Issues to Consider

One of the first decisions that you will have to make as a business owner is how the company should be structured. There is no one legal structure that's best for all small businesses. Whether you're better off starting as a sole proprietor or choosing one of the more complicated organizational structures such as a partnership, corporation or Limited Liability Company (LLC) usually depends on several factors including those listed below. This guide only provides basic information on some of the legal and practical issues to consider when setting up a business. **IT IS NOT A SUBSTITUTE FOR PROFESSIONAL ADVICE.** Persons contemplating starting a business are strongly encouraged to consult legal, financial and tax advisors.

In making a choice, you will want to take into account the following:

- Your vision regarding the size and nature of your business
- The number of people owning equity in the company
- The level of "structure" and formality you are willing to and capable of dealing with
- The business's vulnerability to lawsuits
- Tax implications of the different ownership structures
- Expected profit (or loss) of the business
- Whether or not you need to re-invest earnings into the business

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- Your need for access to cash from the business for personal use

Sole Proprietorship

The vast majority of small businesses start out as sole proprietorships because this is the simplest type of business organization to establish for an individual starting a business. Under this structure, your business is an extension of you. With the exception of complying with any applicable licensing requirements and obtaining a "Doing Business As" certificate if you plan to operate under an assumed name (e.g., Candy's Treats), there is nothing else you need to do. The pros and cons of structuring your business as a sole proprietorship are:

- Easiest and least expensive form of ownership to organize
- Sole proprietors are in complete control, and within the parameters of the law, may make decisions solely as they see fit
- Profits from the business flow through directly to the owner's personal tax return without taxation at the business level
- The business is easy to dissolve, if so desired
- Sole proprietors have unlimited liability and are legally responsible for all debts against the business – not only are their business assets at risk but their personal assets may be at risk as well
- May be at a disadvantage in raising funds and are often limited to using funds from personal savings or consumer loans
- May have a hard time attracting high-caliber employees with experience in larger organizations, or those that are motivated by the opportunity to own a part of the business
- As the sole owner, the demands of running a business are high and fall solely on your shoulders without the benefit of other owners or partners

Partnerships

General Partnership

In a partnership, two or more people share ownership of a single business. As is the case for sole proprietorships, in a partnership, the law does not distinguish between the business and its owners. While a formal, written partnership agreement is not necessary, it is strongly advised to clearly set out in advance each partner's upfront and potential future contributions, involvement in the business and what will happen in the event of a liquidation. It may be difficult to think about a "break-up" when the business is just getting started, but many partnerships split up in times of crisis and a legal agreement can prevent problems from escalating.

- Partnerships are relatively easy to establish; however time should be invested in developing the partnership agreement
- A general partnership has flow-through taxation meaning no taxes are paid at the business level. Instead, the individual partners are taxed on the income they receive from the partnership. Each partner will pay taxes on their share of the business income on their personal tax returns
- Each partner is jointly and severally liable for the entire amount of any business debt or claim even if it was incurred by the other partner, meaning that they can be held personally liable as in a sole proprietorship

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- The partnership may have a limited life; it may end upon the withdrawal or death of a partner

Limited Partnership (LP) and Partnership with Limited Liability (LLP)

“Limited” means that most of the partners have limited liability (to the extent of their investment) as well as limited input regarding management decisions, which generally attracts investors interested in making capital investments for short-term projects. This form of ownership is not often used for operating retail or service businesses. Forming a limited partnership or limited liability partnership is more complex and formal than that of a general partnership.

Corporations

C-Corporation

A corporation is considered by law to be a unique entity, separate and apart from those who own it. A corporation can be taxed; it can be sued; it can enter into contractual agreements. The owners of a corporation are its shareholders. The shareholders elect a board of directors to oversee the major policies and decisions and may appoint officers to carry out these decisions and day-to-day operations. The corporation has a life of its own and does not dissolve when ownership changes.

- A corporation which is properly formed and operated assumes a separate legal and tax life distinct from its shareholders
- A corporation pays taxes at its own corporate income tax rates and files its own corporate tax forms each year
- A corporation’s management and control is vested in the board of directors who are elected by the shareholders of the corporation
- Typically, day-to-day operations and dealings with third persons are conducted through officers and employees of the corporation to whom authority is delegated by the directors of the corporation (President, Vice-President, Secretary, and Treasurer)
- Shareholders are the owners of a corporation
- The Board of Directors is responsible for the Management and policy decisions of the corporation
- In most states, one or more persons may form and operate a corporation
- A corporation is subject to “double taxation”, meaning that it is taxed on its own profits; and, in addition, then, any profits paid out to its shareholders in the form of dividends are taxed again as dividend income at the individual shareholder’s tax rate. Dividends are not deductible from business income by a corporation
- As a separate legal entity, a corporation is capable of continuing indefinitely. Its existence is not affected by death or incapacity of its shareholders, officers, or directors or by transfer of its shares from one person to another
- The process of incorporation requires more time and money than other forms of organization
- Corporations are monitored by federal, state and some local agencies, and as a result may have more paperwork to comply with regulations

Sub-Chapter S-Corporation

Owners who want the limited liability of a corporation and the “pass-through” tax-

treatment of a partnership or a sole-proprietorship will often make the S-Corporation election.

- A corporation application must first be filed at the state level
- All Sub-Chapter S-Corporations are required to have a calendar year end to their fiscal year (to coincide with when individuals file their tax returns). You can petition for a date other than December 31, by applying to the IRS for permission under the provisions of IRS code section 444
- Maximum of 75 shareholders
- ALL shareholders must be either U.S. Citizens or Permanent Resident Aliens. Non-resident aliens or non-US citizens are NOT acceptable
- The corporation must have issued only ONE class of stock
- No more than 25 percent of the corporation's gross income can be derived from passive investment activities such as interest or real estate income

If you plan on drawing a very low salary and leaving most of the corporate earnings in the corporation for reinvestment, the S corporation may not be the solution for you. The Internal Revenue Service requires that the owner pays him or herself a "reasonable" salary (if there is enough profit to do so) that is equivalent of what it would cost to pay someone to do that job (subject to geographic differences and level of company profits). If you do not do this, the IRS can reclassify all of the earnings and profit as wages, and you will be liable for all of the payroll taxes on the total amount.

Limited Liability Company (LLC)

The LLC is a relatively new type of hybrid business structure that is now permissible in most states. It is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership. The owners are members, and the duration of the LLC is usually determined when the organization papers are filed. The time limit can be continued if desired by a vote of the members at the time of expiration.

- An LLC is easier to form compared than a corporation, but is more complex to form than a general partnership
- The LLC can have a much broader management base than a partnership
- A formal, written operating agreement is not required, but it is strongly advised to clearly set out in advance each member's upfront and potential future contributions, involvement in the business (if any), management structure and what will happen in the event of a liquidation
- LLCs may be managed by the members (in any manner they see fit to arrange) or may be managed by a manager. The manager is not required to be a member of the LLC
- The liability of a member of an LLC is limited to the member's personal investment in the company
- LLCs tend to have a much more complex tax filing system than other entities (please consult a tax advisor for details)
- Tax and liability treatment of LLCs is not uniform across state lines
- LLCs may have some restrictions place on the transfer of ownership

3.1 Registering Your Business

This section is designed to provide tips on how to obtain a Business Certificate or incorporate your business in New York State

HOW TO FORM A SOLE PROPRIETORSHIP OR PARTNERSHIP

Who Must File a Business Certificate?

If you plan on conducting for-profit business in NYC under any name other than your own, you are required by law to file a Business Certificate in the appropriate County Clerks Office.

County Clerks' Offices

Brooklyn

Supreme Court Building
360 Adams St, Room 189
Brooklyn, NY 11201
311

Manhattan

Supreme Court Bldg,
60 Centre St.,
Room.103B,
New York, NY 10007
311

Staten Island

130 Stuyvesant Place,
st Floor,
Staten Island, NY 10301
311

Bronx

851 Grand Concourse,
Room 118,
Bronx, NY 10451
311

Queens

88-11 Sutphin Blvd.,
Room 106,
Queens, NY 11435
311

Which Forms Do I Need?

Sole Proprietorship (One owner):	Form X 201
Partnership (More than one owner):	Form X 74
Amend a Business Certificate:	Form T 224
Close a Sole Proprietorship:	Form T 341
Close a Partnership:	Form T 176

Where Do I Get the Proper Forms to File?

Forms may be available at commercial stationary stores that sell legal forms or you may phone Blumberg at (800) 221-2972 for a store location near you that carries the forms. (www.blumberglegalforms.com).

How Many Forms Should I Obtain?

Three (3) forms are recommended: one for the County Clerk, one for your bank if you plan on opening a business account, and the third for display at your business.



How Do I Determine Whether the Name I Want to Use Is Available?

You must complete a name search at the County Clerks office to assure that the chosen name is not already in use. The County Clerks office will conduct a search on their system at the time of the filing for availability.

Requirements

The Business Certificate Must Include:

- Completed forms must be notarized
- The name of the business
- The full street address (NO, P.O. Box or C/O)
- The full name of the business owner(s)
- Proof of home address

Proof of Home Address:

- Driver's license or car registration .Voter registration card
- Post marked envelope addressed to you in your full name
- Recent credit card statement with your name and address
- Bank statement/passport: full name & address

*The fee is \$100 to file plus \$10 each to certify both additional copies for a total of \$120. (All fees must be paid with cash, certified check, or money order.) Two copies of the form certified by the County Clerk will be returned to you. One is for a bank to open a bank account for your business; the other is for your place of business.

How to Form a Corporation in New York State

Which Form do I need?

Business Corporation: Certificate of Incorporation

Limited Liability Company: Articles of Organization

Limited Partnership: Certificate of Limited Partnership

Limited Liability Partnership: Certificate of Registration

Where Do I Get the Proper Forms to File?

Forms may be available at commercial stationary stores that sell legal forms or you may phone Blumberg at (800) 221-2972 for a store location near you that carries the forms. (www.blumberglegalforms.com). Completed forms must be notarized by a Notary Public.

*A corporate kit contains a corporate seal, blank stock certificates for the shares the corporation is authorized to issue, and forms for recording the minutes of meetings of the corporation. The kits are not available at The Department of State and a corporate seal is no longer required by NY State.

Where Do I File It?

Corporations are formed by filing a Certificate of Incorporation with the New York Department of State. If you are mailing the certificate, the completed signed form together with the necessary filing fees should be sent to the NYS Department of State, Division of Corporations, State Records and Uniform Commercial Code, 41 State Street, Albany, NY 12231. Or you also may bring the certificate for processing to the Department of State at the address stated above.



*The filing fee for a certificate of incorporation is \$125, plus an additional minimum of \$10 representing the tax on the shares the corporation is authorized to issue.

How Do I Determine Whether the Name I Want to Use Is Available?

The Department of State will make a determination of name availability in response to written requests addressed to the Albany office of the Department of State that are accompanied by a fee of \$5 for each name to be searched for availability (no phone inquiries).

Customer Service Representatives/Certificate Filing Assistance

Please call (518) 473-2492 or visit <http://www.dos.state.ny.us/corp/corpwww.html>

4.1 Tax FAQ

This section provides resources for help with tax preparation as well as answers to frequently asked questions regarding where to obtain an Employer Identification Number (EIN), a Sales Tax Number or a Resale Certificate.

Preparing Your Business Taxes

You will likely need assistance in preparing your business taxes to tackle such questions as- What and how much can I deduct? Are there any personal expenses that may be deductible as business expenses? How do I depreciate my equipment? And so on.

Resources

Internal Revenue Service

- To access free tax information visit <http://www.irs.gov>.
- Small businesses should go to the "Small Business/Self-Employed" on the Businesses page
- Small businesses, corporations, partnerships and trusts that need help preparing business returns can contact the Business and Specialty Tax Line at (800) 829-4933.
- Order forms, instructions and publications by calling (800) TAX-FORM (800-829-3676) TTYITDD users may call (800) 829-4059 to ask tax questions or to order forms and publications

For "fax tax service" use the phone attached to your fax machine to dial the IRS at (703) 368-9694. They will fax you forms and publications

Post Offices and Libraries

- Check post offices and libraries in your area for tax related forms and publications (many offer this information)



How to Obtain a Federal Employer Identification Number (EIN)

Who Must Obtain an EIN?

An EIN is required for most businesses; only sole proprietors with no employees are not required to have an EIN. (Sole proprietors can use a Social Security number as an EIN.)

Quick Checklist: You will need an EIN if you answer "Yes" to any of the following questions:

- Do you have or plan to have employees or contractors?
- Do you plan to operate your business as a corporation or a partnership?
- Do you plan to file any of these tax returns: Employment, Excise, or Alcohol, Tobacco and Firearms?
- Do you plan to withhold taxes on income, other than wages, paid to a non-resident alien?
- Do you plan to have a Keogh plan?
- Are you involved with any of the following types of organizations?
- Trusts, except certain grantor-owned revocable trusts, IRAs, Exempt Organization Business Income Tax Returns
- Estates, Real Estate mortgage investment conduits Nonprofit organizations
- Farmers' cooperatives, Plan administrators

Which Forms Do I Need and Where Do I Obtain Them?

To obtain an EIN, you must complete IRS Form SS4, Application for Employer Identification Number and file it with IRS. To get the form and file it:

- Via internet visit <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>
- By phone call the Tele-TIN phone number toll free at (800) 829-4933 between 7:00 AM and 10:00PM
- In person, visit one of the local office located below, between 8:30AM and 4:30PM, Mon –Fri.

Harlem	Midtown	Downtown	Brooklyn	Queens	Staten Island
55 W. 125 th St New York, NY 10027	110 W. 44 th St. New York, NY 10036	290 Broadway New York, NY 10007	625 Fulton St. New York, NY 11201	59-17 Junction Blvd, Rego Park, NY 11368	10 Richmond Terr, Staten Island, NY 10301
(212) 436-1000	(212) 436-1000	(212) 436-1000	(718) 388-2068	(718) 760-6019	(212) 436-1000

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- By fax, fax the completed **Form SS-4** to (631) 447-8960 (4 days wait)
 - By mail, send the completed **Form SS-4** to: NYS Service Center Attn: EIN Operations Holtsville, NY 11742 (30 day wait)

How to Obtain a Sales Tax Number—Register Vendor / Resale No.

Who Must Be a Registered Vendor?

A Sales Tax Number is required for all businesses that will be making sales in New York State that are subject to sales tax. You may be required to collect the sales tax from the person to whom you make the sale. (Please refer to www.nystax.gov and click on online publications to look at Publication 750 for a list of Taxable Sales.)

Which Forms Do I Need and How Long Will it Take to Get a Certificate of Authority?

To obtain a Certificate of Authority, you must file form DTF-17 -"Application for Registration as a Sales Tax Vendor" for your business with the New York State Department of Taxation and Finance at least 20 days (but no more than 90 days) before you begin operating your business.

The Tax Department will review your application. If the application is approved, the Tax department will mail you a Certificate of Authority. You cannot legally make taxable sales or issue or accept most exemption certificates until you have received your valid Certificate of Authority. If you listed several places of business on Form DTF-17-ATT, the Tax Department will provide you with a valid Certificate of Authority for each location.

Types of Certificate of Authority:

- Regular -if you will be making taxable sales from your home, a shop, a store, a cart, a stand, or any other facility or facilities from which you regularly conduct your business
- Show/Entertainment -if your only business activities in the state will be operating as a show or an entertainment vendor
- Temporary -if you expect to make taxable sales in New York State for no more than two consecutive quarterly sales tax periods in any 12-month period

Where Do I Get the Proper Forms to File and Where Do I File Them?

- Applications for a Certificate of Authority are available by:
 - Internet: visit <http://www.nys-permits.com> and click on "on-line applications" and then "Taxation and Finance, Department of" to obtain and file the form.
 - Telephone: (800) 698-2909 to obtain the form
- To file your form via mail, please send the completed form to:

New York State Tax Department
Sales Tax Registration Unit
W A Harriman Campus
Albany, NY 12227

Visit www.nystax.gov and click on “find publications” to obtain: Publication 750 -A Guide to Sales Tax in New York State - for more information.

5.1 Introduction to Permits and Licensing

With numerous city and state rules and regulations it can be difficult to understand which permits or licenses you need to start your business. The Department of Small Business Services (SBS) is available to answer the main questions:

- Which permits do I need?
- Which agency or agencies provide these permits? What information do I need to provide?
- Do I need permits from more than one agency, from both the City and State?

Tips on Applying for Permits

- **Start Early.** Prepare your application well in advance of the date you wish to start any activity that may require a license; it can take time to get a license approved, especially if you need a permit that requires inspections or approval from multiple city departments (e.g., Consumer Affairs, Buildings, Fire, or Transportation) or qualifying exams.
- **Take Steps in the Right Order.** Knowing what is required to obtain the permit will save you time and aggravation. For example, know what documents you will need to submit with the application and prepare them in advance. If the permit you need requires multiple agency approval or both City and State approval, you should get them in the order indicated.
- **Know the Rules.** It is not enough to get a permit. You need to be informed about what you can and cannot do under the regulation or law because, even if you don't know the rules, inspectors do. If you have questions, call the relevant agency and ask. Don't ignore fines. Seek help.

These are the key agencies that issue permits. For more detailed information, use the websites or phone numbers provided.

General Business Activities	Licensing Agency
<p>Department of Consumer Affairs (DCA) Phone: 311 Website: http://www.nyc.gov/consumers</p>	<p>Issues licenses/permits for most retail activities and other common business activities, including cabarets, debt collection agencies, cigarettes, electronics, employment agencies, garages, home improvement contractors, stoop-line stands, sightseeing buses, street fairs/general vending (non-food), tow-truck companies, laundro-mats, locksmiths, motion pictures, newsstands, and much more.</p>
<p>Department of Health (DOH) Phone: 311 Website: http://www.nyc.gov/health</p>	<p>Issues licenses/permits for restaurant and food establishments, mobile food vendors, tattoo and funeral parlors, manufacturers of ice cream, groomers of small animals, users of insecticides, and much more.</p>
<p>Department of Buildings (DOB) Phone: 311 Website: http://www.nyc.gov/buildings</p>	<p>Issues licenses/permits for construction-related trades, such as licensed electricians and plumbers, cranes, derricks, hoists and riggings, as well as for maintenance and repair of boilers and elevators, store alterations and certificates of occupancy. DOB also issues Certificates of Occupancy and permits for awnings and outdoor signs.</p>
<p>Department of Environmental Protection (DEP) Phone: 311 Website: http://www.nyc.gov/dep</p> <p>The Environmental Economic Dev. Unit (EEDAU) helps find sources of financial aid for regulatory compliance and pollution prevention.</p>	<p>Issues water taps or wet connection permits, water meter permits, sewer connection permits, industrial wastewater discharge permits. Also issues work permits and certificates of operation for businesses that must comply with the NYC Air Control Code; permits for asbestos demolition and renovation activities. Facilities storing or handling hazardous substances at or above certain levels must file an annual Facility Inventory Form to comply with the NYC Community Right-to-Know Law; certain facilities also must file a Risk Management Plan.</p>



<p>Department of Transportation (DOT) Phone: 311 Website: http://www.nyc.gov/dot</p>	<p>Issues permits for revocable consent, street furniture, sub-surface street repairs and sidewalk repair or installation.</p>
<p>Taxi and Limousine Commission Phone: 311 Website: http://www.nyc.gov/tlc</p>	<p>Issues licenses for taxis, limousines, and small charter buses.</p>
<p>New York State AGENCIES Website: http://www.nysl.nysed.gov/ils/nyserver.html or www.nys-permits.org (O.P.A.L) or 800.342.3464 If you're getting the runaround by a state agency (ies) call the Office of Regulatory Reform and they intervene and take care of the problem. OR Online Permit Assistance & Licensing -A quick reference to identify needed permits or licenses</p>	
<p>NYS Department of Health (DOH) Phone: 311 Website: http://www.health.state.ny.us/</p>	<p>Issues licenses for health organizations, health spas, pet shops and funeral establishments.</p>
<p>NYS Liquor Authority (SLA) Phone: 311 Website: http://abc.state.ny.us</p>	<p>Issues licenses for alcoholic beverages.</p>
<p>NYS Department of Motor Vehicles (DMV) Manhattan/Bronx Phone: 311 Website: http://www.nysdmv.com/</p>	<p>Issues licenses for commercial vehicles.</p>
<p>NYS Department of State Division of Licensing Services (518) 474-0050 (leave message) Business and Licensing Services (518) 474-4429 (voice prompt or speak) Website: http://www.dos.state.ny.us/</p>	<p>Issues licenses for appearance enhancement, barbers; alarm installers; armored car carriers; bail enforcement agents; central dispatch facilities; hearing aid dispenser businesses; private investigators; real estate brokers; real estate appraisers, real estate salespeople and real estate branch offices; security guards; watch, guard, and to customer service representative) patrol agencies; armored car guards and telemarketers.</p>

For More Information Please Visit NY Business Express:
<http://www.nyc.gov/portal/site/businessexpress>

6.1 Zoning

This section is designed to provide information regarding New York City zoning rules and regulations as well as sources for further information.

Why should a small business owner be concerned with city zoning policies? New York City is divided into three basic zoning districts: residential (R), commercial (C) and manufacturing (M). The three basic categories are further subdivided by the intensity of use, whether for retail or manufacturing categories, parking, building bulk or residential density. For example, if you open a commercial business in a residential zone you could be closed down regardless of how much you invested on renovations or the fact that you signed a lease.

Once you have found a location in an area that you are interested in establishing your business, contact the Department of City Planning to make sure that your location is in the appropriate zone. You can also view a map of your zoning area by borough by clicking onto the Department of City's Zoning Map page:
<http://www.nyc.gov/html/dcp/html/zone/zmapintr.html>

If you want to find the block and lot number for a particular building, the Department of Finance has a site that can assist you:
<http://webapps.nyc.gov:8084/CICS/fin1/find001I>.

Following this initial research, you can call the Department of City Planning's Zoning Information Desk that provides general zoning information relating to the zoning of specific properties. You need to know the borough, address and tax block and lot of the property before you call. Inquires can be made between the hours of 9:00 A.M. to noon and 1:00 P.M. to 4:00 P.M., Monday through Friday at (212) 720-3291.

Department of City Planning

Phone: 311

E-mail: <http://www.nyc.gov/html/mail/html/maildcp.html>

Website: <http://www.nyc.gov/html/dcp/>

Transportation Division

Phone: 311

Website: <http://www.nyc.gov/html/dcp/>

Where to Go for Assistance

If you are leasing commercial space and are not in a legally commercialized zone, City Business Assistance at the Department of Small Business Services (212) 618-8844 can help by:

- Assisting businesses seeking to relocate to a commercial district
- Working on your behalf with Department of Building's Padlock Enforcement Unit
- Negotiating an extension of time for you to relocate to a commercially zoned district, expediting concerns with other city agencies for smooth transition of services (licenses, re-inspections or utilities)

-
- Offering referrals to low or no cost real estate assistance
 - Providing referrals to financial and technical assistance

7.1 Insurance Essentials

This section is designed to help small business owners make informed decisions regarding their insurance needs.

Liability, Fire, Theft and Health

Most business owners think of insurance as a tax, an expensive necessity to be kept at a minimum. It isn't. It is a form of risk management essential to all businesses. As risk takers, entrepreneurs test their abilities in the marketplace every day. By reducing the financial consequences of fires, accidents, thefts or other unforeseen events beyond the entrepreneur's control, insurance improves a risk taker's odds.

Do I Really Need it?

Legal requirements: In New York State, if you have any employees, you are required to carry workers' compensation and disability benefits insurance. If you own a car or truck for business you need auto insurance. Often a landlord will require you to maintain a certain level of liability coverage as a condition of your lease. Your bank or your investors might require you to maintain life, business interruption, fire or other types of insurance to protect their investments.

The benefits of coverage: Insurance isn't just protection against disaster. It has positive benefits and advantages few business owners realize. Employee programs such as health benefits can help you retain good employees. Borrowing against equity in your life insurance or retirement fund is one way to raise capital for expansion. It can also improve your bank and supplier credit. In addition, you can insure against your loss of business income as well as your lost goods in a fire or other incident.

Insurance Planning

It is important to design an insurance program that suits your business needs and risks. A lifetime of work and dreams can be lost in a minute if you don't have adequate coverage. Deciding what coverage is adequate takes planning and forethought, just like other aspects of your business. The first step should be to enlist the help of a professional insurance agent, broker or consultant who can explain the types of coverage available and can help develop an effective insurance program for your business.

Understand your risks: The key to an adequate plan is to understand the risks of your business. They will range from the loss of business due to fire or your own

protracted disability to unforeseen events like a broken display window or goods partially damaged from a flooded storeroom. Obviously, everyone has different concerns. A young, single person may have less concern for the consequences of personal injury than a middle-aged father of five.

Assess the costs: On a sheet of paper list all the possible risks you face. Evaluate the losses you will suffer from each. Cover your largest loss exposure first. Use as high a deductible as you can afford, since the cost of a policy varies depending on how much risk you are willing to shoulder. Avoid duplicative insurance, but don't shortchange your business with less coverage than you actually need. Finally, review your program periodically. The coverage you start with may be inadequate for the amount of business you do after six months.

Groups of Insurance Professionals

Agents: Agents are licensed representatives of insurance companies who are responsible for marketing the company's products. They usually earn commissions based on their sales. They might represent only one company (captive), or several companies (independent).

Brokers: Brokers are licensed representatives who represent a number of different carriers. They earn commissions based on their sales. Brokers are construed to represent the buyer.

Consultants: Insurance consultants can help evaluate a business's needs, design a plan and recommend the most economical carrier. But for small businesses, a qualified agent/broker can do the same thing. The consultant is paid by the buyer, based on a contract or agreement.

Determine the Financial Stability of the Carrier

Remember that when you select a carrier, you should base your decision not only on the plan it offers, but also on its reputation, stability and record in serving the small business market. Ask for a copy of its rating by A.M. Best & Co., Standard & Poor's, or Duff & Phelps from the broker, agent or the company itself. These organizations are the ones that provide an opinion as to an insurer's financial strength and ability to meet ongoing obligations to policyholders. The opinions are based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile. (However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.)



For more information, contact New York State Insurance Department (NYSID.) They are responsible for licensing carriers and monitoring their operations

Phone: (212) 480-6400

Website: <http://www.ins.state.ny.us>.

Types of Coverage

Insurance coverage is available for just about every conceivable risk you might face as a business owner. But the cost and specific coverage of policies vary widely among insurers. Just what is available and how you can use it to manage your business's risk should be carefully discussed with a trained professional agent, broker or consultant. Generally, coverage falls under some of the following categories:

Property Insurance: covers the gamut of possible loss of property from a multitude of perils (fire, smoke, explosion and vandalism). Often you can buy comprehensive "all-risk" coverage. You can cover the property for its cash value at the time of loss, replacement costs or an appraised value. You can insure against loss of property you don't own such as a customer's television. You may need special protection for accounts, bills, currency, deeds, etc. You can insure against the loss of goods in transport as well as your car or truck against theft and collision damage.

Liability Insurance: covers your legal liabilities from accidents and other injuries. In addition to bodily injury, you can be covered for personal injuries as well--libel, slander, etc. You could also be liable for others under contract to you, a circumstance that is also insurable.

Auto Insurance: covers your liabilities for injury and the cost of repairing a car or truck in case of an accident. It doesn't cover loss of cargo that you have to insure separately. You can also insure yourself against accidents with uninsured drivers.

Workers' Compensation and Disability Insurance: are required by New York State if you have any employees. Workers' compensation covers employees for loss of income and medical expenses through job related accidents, while disability insurance covers them for loss of income if they become disabled off the job. In addition to your employees, you can also cover yourself for loss of income if you are disabled. Starting entrepreneurs often overlook insuring themselves in the event they become disabled. But consider the consequences to your family should you lose your ability to work for an extended period of time. Various levels of risk can be covered.

Business Interruption Insurance: coverage protects you in case a fire or other peril shuts your business down. It can cover employees' salaries, taxes, rent, utilities, etc. You can also protect against business losses if a peril shuts down a key

supplier, losses affected by utilities' failures, or losses when an insured peril doesn't shut you down but seriously disrupts your business.

Crime Insurance: can be purchased to protect against burglaries, robberies as well as employee theft. Federal crime insurance is often available for small businesses in high risk areas for which insurers will not write policies.

Employee Benefits: such as group life and health insurance, and retirement income programs provide additional security for your employees and are often crucial to keeping good workers. Also, key-man insurance protects the business against financial loss caused by the death of a partner or invaluable employee.

Health Insurance: for the business owner, is another type of coverage an entrepreneur often overlooks. But the cost of healthcare can be expensive. Along with all the other risks you evaluate, consider your health, and devise a program that meets what you consider an acceptable level of risk. High deductibles in healthcare insurance can often reduce the cost of coverage significantly while protecting you against catastrophic illness.

Business Life Insurance: is important as your business actions don't just affect you. Your family and employees are affected. What happens to a business when the proprietor dies? Does it close? Does a life of family savings go down the drain? Various types of coverage are available that cover numerous problems that arise upon the death of business owners or partners. Among them are sole proprietorship insurance which provides for maintenance of the business on the proprietor's death; and partnership or corporation insurance to retire partner or shareholder interests upon their death.

Useful Websites

New York State Insurance Department

Website: <http://www.ins.state.ny.us>.

New York State Insurance Fund (NYSIF) Specializing only in Workers' Compensation and Disability Insurance. (NYSIF is the largest provider of workers' compensation insurance in New York State. If desired, businesses can choose private providers)

Website: <http://www.nysif.com>

InsurancePoliciesOnline.com

Offers a wide variety of helpful online documents for your business

Website: <http://www.InsurancePoliciesOnline.Com>



All Quotes Insurance

Offers a convenient way to comparison shop for insurance

Website: <http://www.AIIQuotesInsurance.Com>

A.M. Best Company

Website: <http://www.ambest.com>

Standard & Poor's

Provides opinions on an insurer's financial strength and ability to meet ongoing obligations to policyholders

Website: <http://www.standardandpoors.com>

Duff & Phelps

Provides opinions on an insurer's financial strength and ability to meet ongoing obligations to policyholders

Website: <http://www.duffandphelps.com/index.htm>.

Having Difficulty Getting Insurance?

New York Property Insurance Underwriting Association (NYPIUA): is a pool of insurance companies writing fire insurance in New York State. It offers fire and extended coverage, as well as coverage for vandalism, malicious mischief and sprinkler leakage to consumers who are unable to purchase this type of insurance from individual insurance companies.

Address: 100 William Street,
New York, NY 10038

Phone: (212) 208-9700 Fax: (800) 522-3372

Having Difficulty with Your Carrier?

Contact these organizations for assistance:

New York State Insurance Department Consumer Services Bureau

Address: 25 Beaver Street, New York, NY 10004-2319

Phone: (212) 480-6400

New York State Insurance Department

Address: 160 Broadway, 21st Floor, New York, NY 10013

Phone: (212) 480-6400 or (518) 474-6600

8.1 Trademarks, Service Marks, Copyrights, and Patents

This guide is designed to help small business owners make informed decisions regarding their trademarks, service marks, copy right & patents.

Trademark & Service Mark

A trademark (also known as a brand name) is used to distinguish physical products while a service mark identifies a service such as a financial service, advertising, etc.

Trademark or service mark rights can be established by:

- Simply starting to use the mark, but the rights are limited to that state;
- Applying for a federal registration for use nationwide.

The designation "TM" for trademark and "SM" for service mark is used with the name when the mark is not federally registered. ® or "Reg. U.S. Pat. & Tm.Off." means the mark is federally registered.

A mark can be registered in the state for a local business if it is not to be used in interstate or foreign commerce. It is quick and inexpensive to register. Federal registration provides nationwide priority rights and offers federal court protection against infringement. In international trade, the mark must be registered on a country by country basis. To register a trademark or service mark in New York State, contact:

NY State Dept. of State-Division of Corporation and State Records, Albany
(518) 474-4770.

To register a mark federally, Please contact:

U.S. Patent & Trademark Office/U.S. Department of Commerce
Washington, D. C. 20231
(800) 786-9199

Website: <http://www.uspto.gov/>

Copyright

A copyright, designated by a ©, protects literary, artistic, and musical works including sculptures, movies, computer programs, etc" Registration is granted by the federal government and is inexpensive. Although it is not necessary to register to use the symbol, registration is important to bring suit for copyright infringement.

To register a copyright, Please contact:

U.S. Copyright Office
Library of Congress

Washington, D. C. 20559
For information: (202) 707-3000
For forms: (202) 707-9100
Website: <http://www.copyright.gov/>

Patents

A *patent* is a grant from the government to an inventor that protects his or her claimed invention in the USA for up to twenty years from the date of application. Owning a patent gives you the legal right to stop someone else from making, using, sell or offering for sale your invention without your permission. However, proving that someone is infringing on your patent requires a legal trial which may take three years or more to be heard in court and could cost millions of dollars depending on the complexity. Unfortunately, only slightly more than 60% of patent holders win their lawsuits.

There are three types of patents: design, utility, and plant.

- A **design** patent protects the appearance or ornamental design of your invention. It is relatively easy to register and is the least expensive patent to file. The design patent's term is 14 years, and no maintenance fees are required to keep it in force. Its disadvantage is that someone could make the changes to the design to get around your patent. Thus the protection is more limited than a utility patent.
- A **utility** patent typically protects a device. This patent is more complicated than a design patent because it requires you to explain and claim how your invention is used. It is also much more expensive to file. Its term is 20 years from the date you file your application and to keep it in force requires the payment about every four years of maintenance fees ranging from \$300 to \$3000 (depending on the size of your company).
- A **plant** patent protects the invention or discovery of a new or distinct plant variety. The term of the patent is for 20 years; maintenance fees are the same as the utility patent.

To save time and money, you may consider a patent search to see what ideas similar to yours have already been patented. Then you can decide if you want to proceed with patenting your idea. The U.S. Patent and Trademark Office has a free handbook "Basic Facts About Patents," which is available by calling (800) 786-9199. It is interesting to note the fewer than 10% of patented ideas ever reach the market.

Distinguishing between design patents and copyrights. Both cover aesthetic features of articles. A copyright is generally used for non-utilitarian articles that exist for their looks not for their usefulness. Some examples, are paintings, sculptures, songs, and books. Design patents are utilized to protect the novel ornamental features of a utilitarian object.

Filing a patent application with the U.S. Patent Office gives you the right to claim "patent pending" status on your product. However, generally speaking, your product can be copied legally until the date you are awarded a patent. After that date any

product falling within the patented claim is considered an infringing product. Under certain circumstances, damages may be obtained on the claims in a print publication of a patent application.

Finding the right patent attorney. Get referrals from other businesses and from local or state bar associations. You may also contact the U.S. Patent and Trademark Office website for their listing of Patent Attorneys and Agents Register to Practice before the PTO. Then ask the following questions:

- How long have you been practicing? (Look for three-plus years)
- Who are some of your clients?
- Do you have technical expertise in the general area of my invention?
- How many applications have you in the past 3 years? (Look for 30 plus applications or about a dozen a year)
- What has been your cost range for the last 10 applications you filed?