Starting Your Business In Ohio
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## 1st Stop Business Connection
Ohio Small Business Development Centers  
Ohio Department Services Agency  
P.O. Box 1001  
Columbus, Ohio 43216-1001

[www.business.ohio.gov/starting](http://www.business.ohio.gov/starting)

The Ohio Small Business Development Center (SBDC) program is funded in part through a cooperative agreement with the U.S. Small Business Administration. The SBDC program is also funded in part by the Ohio Department Services Agency. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact 614-466-2711.
BUSINESS PLANNING

One of the first steps in starting your business is creating a business plan. It will help you determine what you must accomplish, acquire and learn before you open your business. Your business plan will also be used as a tool to access money to start your business. Your plan will tell bankers, suppliers and future employees about your goals, and how you plan to run your business.

A sample business plan guide is provided as part of this kit. See pages 20-22. This guide will help you gather the information you need to create your business plan.

Your local Ohio Small Business Development Centers (SBDC) can help you plan. The SBDCs are staffed by highly trained and experienced business advisors who offer confidential business advising to assist with your business needs.

Once you contact the SBDC, you will work closely with your business advisor to regularly review your progress and help you find answers. Center personnel can also recommend training courses to meet your specific needs.

<table>
<thead>
<tr>
<th>Location</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akron</td>
<td>(330) 375-2111</td>
</tr>
<tr>
<td>Athens</td>
<td>(740) 593-0473</td>
</tr>
<tr>
<td>Cambridge</td>
<td>(740) 432-6568</td>
</tr>
<tr>
<td>Cincinnati</td>
<td></td>
</tr>
<tr>
<td>Urban League</td>
<td>(513) 487-1155</td>
</tr>
<tr>
<td>Clermont Chamber</td>
<td>(513) 576-5000</td>
</tr>
<tr>
<td>Cleveland</td>
<td>(216) 622-0999</td>
</tr>
<tr>
<td>Cleveland Urban League</td>
<td>(216) 321-1633</td>
</tr>
<tr>
<td>Hispanic Business Center</td>
<td>(216) 281-4422</td>
</tr>
<tr>
<td>Columbus</td>
<td>(614) 287-5294</td>
</tr>
<tr>
<td>Dayton</td>
<td>(937) 281-0118</td>
</tr>
<tr>
<td>Entrepreneurs Center</td>
<td>(937) 775-3503</td>
</tr>
<tr>
<td>Elyria</td>
<td>(440) 366-4370</td>
</tr>
<tr>
<td>Fremont</td>
<td>(419) 559-2210</td>
</tr>
<tr>
<td>Hamilton</td>
<td>(513) 737-6543</td>
</tr>
<tr>
<td>Kent</td>
<td>(330) 678-8108</td>
</tr>
<tr>
<td>Kirtland</td>
<td>(440) 525-7707</td>
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<tr>
<td>Lebanon</td>
<td>(513) 932-8145 x5317</td>
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<tr>
<td>Lima</td>
<td>(419) 995-8184</td>
</tr>
<tr>
<td>Marietta</td>
<td>(740) 373-5150</td>
</tr>
<tr>
<td>Mansfield (Shelby)</td>
<td>(419) 755-9017</td>
</tr>
<tr>
<td>New Philadelphia</td>
<td>(330) 308-7479</td>
</tr>
<tr>
<td>North Canton</td>
<td>(330) 244-3290</td>
</tr>
<tr>
<td>Piketon</td>
<td>(740) 289-3727</td>
</tr>
<tr>
<td>Springfield</td>
<td>(937) 322-7821</td>
</tr>
<tr>
<td>Toledo</td>
<td>(419) 243-8191</td>
</tr>
<tr>
<td>Youngstown</td>
<td>(330) 941-2140</td>
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</tbody>
</table>

[www.OhioSBDC.ohio.gov](http://www.OhioSBDC.ohio.gov)
Quick Reference Guide

Do I need a business license? Some states require businesses to have a business license. The State of Ohio requires all businesses to register with the Ohio Secretary of State’s office based on the business legal organization.

1st – Register your business with the Ohio Secretary of State (See pages 5-6)
You should search the business name you want to use in the Ohio Secretary of State’s database: [http://www5.sos.state.oh.us/ords/f?p=100:1](http://www5.sos.state.oh.us/ords/f?p=100:1) or call the Business Services Division (877) 767-3453.
You must determine what legal structure is best for your business.

2nd – Will your business have employees? (See pages 13-15)

Yes - Register with the following
- Internal Revenue Service (IRS) – Form SS-4 (Application for Employer Identification Number) [www.irs.gov](http://www.irs.gov) or (800) 829-4933
- Ohio State Agencies ([www.business.ohio.gov](http://www.business.ohio.gov))
  1. Department of Taxation - Form IT-1 (Tax Withholding & School District Withholding Agent) (888) 405-4039
  2. Department of Job & Family Services – Form UCO-1 (Report to Determine Liability) (877) 644-6562
  3. Bureau of Workers Compensation - Form U-3 (Workers’ Compensation Coverage) (800) 644-6292

No - Register with the following
- Internal Revenue Service (IRS) – Form SS-4 (Application for Employer Identification Number) [www.irs.gov](http://www.irs.gov) or (800) 829-4933
- Ohio State Agencies ([www.business.ohio.gov](http://www.business.ohio.gov))
  1. Bureau of Workers’ Compensation - Form U-3 (Workers’ Compensation Coverage) (800) 644-6292

3rd – Register your business with Ohio Department of Taxation (See pages 8-10)
Vendor’s License – registration sets your business up to collect and remit Ohio sales tax.
Commercial Activity Tax (CAT) – registration is required after your gross sales reach $150,000.
Online Registrations with Ohio Business Gateway: [http://business.ohio.gov](http://business.ohio.gov) - [Electronic Filing](http://business.ohio.gov/efiling/help/)

4th – What special license or registration is required for your business?

Free Business Checklist is available at step 3 at: [http://business.ohio.gov/starting](http://business.ohio.gov/starting)
The checklist provides additional information specific to the type of business along with Ohio Revised Code (ORC) and regulating agency.

All businesses must register with the Secretary of State. In Ohio, there are six legal structures for businesses: sole proprietorship, general partnership, limited partnership, limited liability partnership, limited liability company (for profit and nonprofit), corporation (for profit, non-profit, and professional). You will register by filing forms based on that legal structure. The name of your business will also be secured when you file these specific forms. See Page 6 or go to the website: http://www.sos.state.oh.us/SOS/Businesses.aspx.

Name Availability
The Secretary of State’s office is the agency of record for Ohio businesses name and legal structure. If a name is registered as a trade name, the Secretary of State’s office will tell you that you cannot use it unless you have the permission of the business that has registered the name.

You should search the business name you want to use in the Ohio Secretary of State’s database: http://www5.sos.state.oh.us/ords/f?p=100:1:0::: or call the Business Services Division (877) 767-3453.

You must determine what legal structure is best for your business.

Forms are online at:

A trade name cannot be used by any other business. Filing prevents any other business from registering the same name with the Ohio Secretary of State. There is a filing fee (Name Registration Form 534A).

A fictitious name is not as protected as a trade name. A fictitious name is registered with the Ohio Secretary of State, but anyone can use it. There is a filing fee (Name Registration Form 534A).

Business from Outside of Ohio
If you are a business from outside Ohio, referred to as a “Foreign Entity,” you will also need to register your business with the Ohio Secretary of State’s office if you are transacting business in Ohio.

Non-Profit Organization
Non-profit or charitable organizations are also required to register with the Ohio Secretary of State. Other non-profit resources offer workshops to assist you in starting a non-profit organization:

1) Legal Information for Non-Profit Corporations (LINC) Ohio http://www.lincohio.org provides over 2,500 internet resources to help non-profit organizations with their legal and management questions.

2) United Way of Central Ohio, Neighborhood Training Academy, (614) 241-3071
http://liveunitedcentralohio.org/

The following page has business organizational options, which are for informational purposes only. It is not legal advice. Before starting your business, it is recommended you consult with your attorney.
BUSINESS LEGAL STRUCTURES

SOLE PROPRIETOR
Single owner.
{Name Registration (Trade or Fictitious) DBA}

Liability - Owner is responsible for own actions and employees actions.
Taxed Once - Owner reports all income and expenses on personal tax return.

Advantage – No partnership agreement.
Disadvantage - Personal assets are more open to attack in a legal case.

FORM# 534A
(In State or foreign to the State of Ohio)

PARTNERSHIPS
Owned and controlled by two or more.

Liability – Owners are responsible for own actions and actions of employees.
Taxed Once – Partners report share of income on individual tax return.

Advantage – Taxed only once.
Disadvantage - Personal assets more open to attack in a legal case.

FORM # 535
(In State or foreign to the State of Ohio)

LIMITED PARTNERSHIP
Owned by at least one general partner and at least one limited partner.

Liability - Partners are responsible for own actions and employee actions.
Taxed Once - General and limited partners report their share of partnership income on individual tax returns.

Advantage - Limited partners' assets are less open to attack in a legal case.
Disadvantage - General partners' personal assets are more open to attack in a legal case. Approval needed from partners before management duties are transferred.

FORM# 531A

LIMITED LIABILITY COMPANY
Owners of an LLC are called members and may include individuals, corporations, other LLCs and foreign entities.

Liability - Members are responsible for own actions and actions of the business.
Taxed Once - Members report their share of business income on individual tax returns.

Advantage - Personal assets are generally less open to attack in a legal case.
Disadvantage – Must have approval of all members before management duties are transferred.

*Note: IRS does not recognize LLC business entity and must report as a sole proprietor on income taxes.

FORM# 533A

C-CORPORATION
Owners may be one or more individuals, corporations, other LLCs/foreign entities.

Liability - Shareholders are responsible for own actions and actions of the business.
Taxed Twice – Shareholders pay taxes on their earnings dividends. Corporation also pays taxes on corporate earnings.

Advantage - Easy to transfer shares.
Disadvantage - Personal assets can be attacked, but business assets are taken first.

FORM# 532

LIMITED LIABILITY PARTNERSHIP
A Limited Liability Partnership is usually formed by a general partnership that desires limited liability but finds it too difficult to organize as a limited liability company. Businesses do not start out as limited liability partnerships.

FORM# 536
(FORM 537 for foreign to the State of Ohio registrant)

S-CORPORATION
Business must be registered as a C-corporation before applying for S-corporation status from the Internal Revenue Service (IRS).
Shareholders pay taxes on their earnings. Corporation does not pay federal taxes.

IRS FORM# 2553
INDEPENDENT CONTRACTOR OR EMPLOYEE --- HOW TO CHOOSE

You may be considering contracting your extra work or projects out instead of hiring employees. If you do this, you must pay careful attention to three details that the state and federal governments look at to determine if your workers are independent contractors or really your employees. It is important to determine whether your workers are independent contractors or employees so you know if you are liable for workers' compensation, certain taxes, unemployment compensation, etc.

1. Behavioral Control
   - Will you direct and control how the work is done?

2. Financial Control
   - To what extent will the worker be reimbursed for business expenses?
   - To what extent will the worker invest in the facilities or material used to complete the work?
   - How will you pay the worker? Weekly, monthly, or when the work is finished?

3. Type of Relationship
   - Will there be a written contract describing your business relationship with the worker?
   - Will the worker's services be available to other businesses while working for you?
   - Will you provide insurance, a pension plan, vacation and sick pay?
   - How long will your relationship with the worker last?

Detailed information is available in the IRS’s Employer's Supplemental Tax Guide (Publication 15-A). You can also file Form SS-8 (Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding) and allow the IRS to determine if a specific individual is an independent contractor or employee.

It is recommended you talk with an attorney or an accountant to make a final decision as to the status of your workers.

If you are considering employees, see the section on Employer Requirements on Pages 14-16

-7-
TAX REQUIREMENTS

FEDERAL TAXES
To help businesses identify and comply with federal income tax rules, the Internal Revenue Service (IRS) has several toll-free taxpayer assistance telephone lines. Go to www.irs.gov

OHIO INCOME TAXES
- **Sole proprietors** must pay Ohio income tax on their Ohio net earnings (income after expenses).
- **Partners** must pay Ohio income tax on their share of the partnership’s net earnings.
- **Corporations** must pay Ohio income tax on their net earnings. The shareholders must pay Ohio income tax on their dividends.

Go to www.tax.ohio.gov

COMMERCIAL ACTIVITY TAX (CAT)
- The CAT is an annual tax imposed on the privilege of doing Business in Ohio; measured by the gross receipts from business activities in Ohio. The CAT is not a transactional sales tax.
- Businesses with taxable gross receipts of $150,000 or more in a calendar year will file the CAT when the threshold is reached, file all the applicable returns, and make all corresponding payments. The CAT tax is not a transactional sales tax.
- CAT applies to:
  - Service providers, such as medical professionals, attorneys, and accountants.
  - Persons engaged in the sale or rental of any type of property.
  - Out-of-state businesses that meet any of the following criteria
    - Have more than $500,000 in taxable gross receipts in Ohio.
    - Have more than $50,000 in real or personal property in Ohio.
    - Expand more than $50,000 in payroll for work in Ohio.
    - Conduct more than 25% of business activity in Ohio.

Go to www.tax.ohio.gov/commercial_activities.aspx

VENDOR’S LICENSE
The Vendor’s License is the mechanism that allows you to collect sales and use tax from your customers and to remit sales and use tax to the Ohio Department of Taxation. To purchase your vendor’s license, you can download the forms from the website [http://www.tax.ohio.gov/sales_and_use/license.aspx](http://www.tax.ohio.gov/sales_and_use/license.aspx). Apply at your local county auditor or on the Ohio Business Gateway.

<table>
<thead>
<tr>
<th>License &amp; Filing Requirements</th>
<th>Description</th>
<th>Type of Application</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vendor</strong></td>
<td>Each person with a fixed place of business in Ohio from which taxable sales are made. Vendors must have one license for each fixed place of business. License is issued by the County Auditor.</td>
<td>ST-1 (PDF)</td>
</tr>
<tr>
<td><strong>Transient Vendor</strong></td>
<td>Retailer who transports stock(s) of goods to temporary places of business in order to make sales. The license is issued by the Department of Taxation and valid throughout the state.</td>
<td>ST-T1 (PDF)</td>
</tr>
<tr>
<td><strong>Seller</strong></td>
<td>Retailer located outside of Ohio who makes retail sales of property or services for storage, use, or consumption in Ohio. The license is issued by the Department of Taxation.</td>
<td>UT 1000 (PDF)</td>
</tr>
<tr>
<td><strong>Direct Pay Permit Holder</strong></td>
<td>Manufacturers or other consumers who purchase tangible personal property for which the taxable status cannot be determined at the time of purchase. These consumers are authorized to make sales and use tax payments directly to the state. The license is issued by the Department of Taxation.</td>
<td>ST 900</td>
</tr>
</tbody>
</table>
Consumers Use Tax Account

Purchasers who have not paid the tax to a Vendor or Seller (in most cases for out-of-state transactions) make payments directly to the state. The license is issued by the Department of Taxation.

**How Often Will I Pay?**

<table>
<thead>
<tr>
<th>Type of Return</th>
<th>Taxpayer</th>
<th>Payment Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td>Vendors, Sellers, Transient Vendors, Direct Pay Permit Holders and Consumer Use Tax Accounts</td>
<td>By the 23rd day of the month for the tax collected during the preceding month. Taxpayers whose annual liability exceeded $75,000 will be required to make accelerated and final payments by electronic funds transfer.</td>
</tr>
<tr>
<td>Quarterly</td>
<td>Direct Pay Permit Holders and Consumer Use Tax Accounts</td>
<td>By the 23rd day of January, April, July, and October for their tax liability during the preceding three months. This method of payment may be authorized for accounts with less than $15,000 in quarterly tax liability.</td>
</tr>
<tr>
<td>Semi-annual</td>
<td>Vendors, Sellers and Transient Vendors</td>
<td>By the 23rd day of the month following the close of each semi-annual period (pre-determined by filing schedule) for the tax collected during the preceding six-month period. This method of payment may be authorized for vendors and sellers whose tax liability is less than $1,200 per six-month period.</td>
</tr>
</tbody>
</table>

As a part of the vendor’s license registration you will need the North American Industry Classification System (NAICS) Code for your business. To determine your NAICS code visit [http://www.census.gov/eos/www/naics](http://www.census.gov/eos/www/naics).

The **Ohio sales tax rate is set with a state base rate of 5.75 percent**. You can access local tax rates at: [http://www.tax.ohio.gov/portals/0/tax_analysis/tax_data_series/sales_and_use/salestaxmapcolor.pdf](http://www.tax.ohio.gov/portals/0/tax_analysis/tax_data_series/sales_and_use/salestaxmapcolor.pdf).

**Certificate of Exemption**

The State of Ohio does not issue a sales tax exemption number. A vendor’s license number is **NOT** a sales tax exemption number. To claim exemption, you must provide a properly completed exemption certificate to your supplier. You must also keep such exemption certificates for your customers.

**CONSUMER LAWS**

The Ohio Attorney General’s Office enforces laws to ensure a fair marketplace for businesses and consumers. The **Consumer Sales Practices Act (ORC 1345.01 and OAC 109:4-3-01 [http://codes.ohio.gov](http://codes.ohio.gov))** is the state’s main consumer protection law. It prohibits deceptive, unfair and unconscionable sales practices in consumer transactions. A consumer transaction is a sale or advertisement of a product or service that would be used for the home or personal use.

To protect consumers, small businesses and non-profits, the Ohio Attorney General's Office offers an informal dispute resolution process to help resolve complaints regarding consumer transactions. To learn more about filing a complaint please visit the Attorney General's website [http://www.ohioattorneygeneral.gov/](http://www.ohioattorneygeneral.gov/).

**OSHA REQUIREMENTS**

Through the Federal Occupational Safety and Health Act, the U.S. Occupational Safety and Health Administration (OSHA) helps assure a safe and healthy work environment.

To help Ohio’s businesses meet OSHA requirements, the Ohio Department of Commerce’s Division of Industrial Compliance and Labor on-site consultation. This means a trained specialist will come to your business, at your request, and tell you about potential hazards at your worksite. The service is confidential and you will not be cited or penalized for any hazards found during the consultation. If hazards are found however, you will be expected to correct them. **Requesting a consultation will not trigger an OSHA inspection.**
Federal OSHA offices can also provide assistance, information and publications to help you understand OSHA requirements. [https://www.osha.gov/dcsp/smallbusiness/index.html](https://www.osha.gov/dcsp/smallbusiness/index.html)

**ZONING REQUIREMENTS**

*If you will start a business in your home or any other out of the ordinary location, please check with your local zoning authority to determine if the neighborhood zoning laws allow for that type of business in that location.*

**ENVIRONMENTAL REQUIREMENTS**

Small businesses, like big businesses, need to know and understand environmental regulations. The Ohio Environmental Protection Agency (EPA) makes sure everyone complies with environmental laws. The agency monitors land, air and water. You should contact the Ohio EPA while you are still planning your business. The Ohio EPA has programs, such as the Small Business Assistance Program, that help new businesses understand environmental laws.

**Water and Sewer**

Before your business connects to a publicly owned wastewater system, the local sewer department must approve it. If your business is constructing a new private disposal system, contact the Ohio EPA for information about regulations.

**Hazardous Waste**

If your business will create, transport, store, treat or dispose of any hazardous or toxic wastes or used oil, contact the Ohio EPA for information about regulations.

**Solid and Infectious Waste**

The Ohio EPA regulates the transfer and disposal of non-hazardous solid wastes and scrap tires. Disposal facilities include landfills, compost operations and incinerators. The Ohio EPA also regulates generators and transporters of infectious waste. Contact the Ohio EPA for information about these regulations.

**Air**

All businesses that emit a certain amount of air contaminants must have permits to install and operate the air contaminant source. The Ohio EPA should also be notified if any building areas with asbestos will be demolished or renovated. Open burning of materials is generally not allowed in Ohio.

**Other Ohio EPA Resources:**

- Small Business Compliance Assistance: [http://web.epa.ohio.gov/ocapp/ocapp.html](http://web.epa.ohio.gov/ocapp/ocapp.html)
- Ohio EPA Permit Wizard: [http://epawebapps.epa.state.oh.us/PermitWizard.jsp/index.jsp](http://epawebapps.epa.state.oh.us/PermitWizard.jsp/index.jsp)
- Publications Catalogue: [http://ohioepapubs.custhelp.com/app/answers/list](http://ohioepapubs.custhelp.com/app/answers/list)
- Please see Checklist for industry specifications at [www.business.ohio.gov/starting](http://www.business.ohio.gov/starting). (Step 3)
PATENT REQUIREMENTS

The United States Patent and Trademark Office (USPTO) is an agency of the U.S. Department of Commerce and issues patents for protection of inventions and trademarks. To receive a patent, an application must be filed in the U.S. Patent and Trademark Office. There are three types of applications that may be filed. They are: utility, design and plant. There are various application fees depending upon the patent you are applying for.

Utility patents should be applied for by those who “invent or discover any new and useful process, machine, article of manufacture, or compositions of matters, or any new useful improvement thereof.”

Design patents should be applied for by those who “invent a new, original and ornamental design for an article of manufacture.’

Plant patents should be applied for by those who “invent or discover and asexually reproduces any distinct and new variety of plant.”

What is a copyright?
Copyright is a form of protection provided to the authors of “original works of authorship” including literary, dramatic, musical, artistic and certain other intellectual works, both published and unpublished. The 1976 Copyright Act generally gives the owner of copyright the exclusive right to reproduce the copyrighted work, to prepare derivative works, to distribute copies of the copyrighted work, to perform the copyrighted work publicly, or to display the copyrighted work publicly.

The copyright protects the form of expression rather than the subject matter of the writing. For example, a description of a machine could be copyrighted, but this would only protect others from copying the description; it would not protect others from writing a description of their own or from making and using the machine. Copyrights are registered by the Copyright Office of the Library of Congress. U. S. Patent and Trademark Office (www.uspto.gov) – (800)786-9199

LICENSES AND PERMITS

Several businesses require a specialized license or permit. Below is a short list of such businesses.

BE SURE TO REVIEW YOUR CUSTOMIZED “CHECKLIST” FOR THE TYPE OF BUSINESS YOU WANT TO START.
(SEE STEP 3 AT WWW.BUSINESS.OHIO.GOV/STARTING)

Accountant or CPA
Architects
Auctioneers
Bar or Pub
Barbers Or Beauty Salon
Boiler Operators
Boxing/Mixed Martial Arts
Check Cashers
Chiropractors
Collection Agency
Counselor & Social Workers
Credit Unions
Daycare
Dentists
Dietitian
Electric Contractors/Installers
Funeral Homes & Embalmers
Hotels
HVAC Contractors
Insurance Agent
Investment Advisors
Liquor Permits
Medical Professionals
Mortgage Broker
Nursing
Optometrists
Pawn Broker
Pesticides Dealer
Pharmacists
Plumbers
Precious Metal Dealers
Private Investigators
Real Estate Agents & Appraisers
Respiratory Care
Restaurant
Savings & Loans
Security Guards
Speech Pathology & Audiology
Stock Brokers
Trucking Business
Utilities
Veterinary Medicine
X-ray Equipment
INSURANCE INFORMATION

Insure your business and its assets. Possible types of coverage for your business include: Liability, Buildings, Business Interruption, Business Income, Boiler and Machinery, Business Personal Property, Commercial Auto, Management Protection, /Human Failure, Employee Protection, Computer Equipment, Vehicles, Burglary, etc.


*It is recommended that you talk with an insurance agent or attorney to ensure that every aspect of your business is covered.*

OHIO'S SMOKING BAN

How do I file a complaint?
By phone: 1-866-559-OHIO (6446) [Smoking Ban Enforcement Line]
By e-mail: NoSmoke@odh.ohio.gov

How long has Ohio had a smoking ban?
Voters approved the indoor smoking ban in November 2006, making Ohio the first Midwestern state and the first tobacco-growing state to enact such a ban.

Who is affected?
Ohio Department of Health estimates there are some 280,000 public places and places of employment in the State that are covered by the ban. Anyone who visits or works in these places should no longer be exposed to secondhand smoke.

Are any places exempt from the ban?
Under certain conditions, private residences; family-owned businesses without non-family employees; certain areas of nursing homes; outdoor patios; and some retail tobacco stores are exempt.

More details can be found online at:
http://www.odh.ohio.gov/smokefree/Smoking%20Ban%20FAQs.aspx

*Samples of the proper signs can be found at* http://www.odh.ohio.gov/smokefree/Smoking%20Ban%20FAQs.aspx.  
*Please note: If the no smoking symbol (🚫) is used, it must, in accordance with ORC 3794.06A be printed in color.*
EMPLOYER REQUIREMENTS

EMPLOYER IDENTIFICATION NUMBER
A business with employees must complete the Federal Application for Employer Identification Number (Form SS-4) to receive an Employer Identification Number (EIN). The EIN will be needed when you file withholding taxes.

If your business is a corporation, partnership, or limited liability company, it must have an EIN even if there are no employees. Sole proprietors must also have an EIN to pay wages to one or more employees or if they are required to file any excise tax returns (including those for alcohol, tobacco and firearms. To obtain the EIN file the Application for Employer Identification Number (Form SS-4).

Every employee must have a Summary of the Total Dollars Withheld for the prior year on a Form W-2 by January 31. The employer must submit Form W-2 for each employee and Form W-3 for all employees to the Social Security Administration by February 28.

CONTACT: Internal Revenue Service (www.irs.gov) – Forms and Publications (800) 829-3676
Tax Information and Notices (800) 829-4933

IMMIGRATION LAW
The United States Immigration Law requires employers to verify that their employees are allowed to work in the United States. Form I-9 (Employee Eligibility Verification) must be completed for every employee hired. For detailed information, please contact the Bureau of Citizenship and Immigration Services' Office of Business Liaison.

CONTACT: Bureau of Citizenship and Immigration Services (www.uscis.gov/portal/site/uscis) –
Office of Business Liaison (800) 357-2099

NEW HIRE REPORTING
Federal and state laws require all employers to report all employees who live or work in Ohio. The law was created to improve child support collection and reduce false unemployment and workers' compensation claims.

Employers must report the employee's name, address, Social Security number, date of birth, date of hire, and the state in which the employee works. Employers may submit the information in many ways, including: online electronic reporting, by mailing and/or faxing the New Hire Reporting Form 7048. The information must be received no later than 20 days from the date of hire.

CONTACT: Ohio New Hire Reporting Program (https://oh-newhire.com) – (888) 872-1490

WAGE AND HOUR
To make sure you are complying with Ohio's regulation of hours, minors and wages, contact the Ohio Department of Commerce. They can answer your questions and supply the required poster.

Businesses that gross more than $500,000 annually should contact the U.S. Department of Labor for information about the Fair Labor Standards Act. Also, the federal government publishes the pamphlet "Handy Reference

CONTACT: Ohio Department of Commerce, Bureau of Wage and Hour Reporting ([www.com.state.oh.us/laws](http://www.com.state.oh.us/laws)) – (614)644-2239

**OHIO INCOME TAX WITHHOLDING**

All employers with an office in Ohio or who are doing business in Ohio must withhold Ohio income taxes from their employees' wages each pay period. This applies only to wages paid for work performed in Ohio.

Employers must complete the Application for Registering as an Ohio Withholding Agent (Form IT-1) and return it to the Ohio Department of Taxation. After you return the form, you will also receive a coupon booklet to report and pay the tax withheld from your employees' pay. You can also register by phone Monday - Friday, 8:00 a.m. - 5:00 p.m.

CONTACT: Ohio Department of Taxation ([http://www.tax.ohio.gov/employer_withholding.aspx](http://www.tax.ohio.gov/employer_withholding.aspx)) and ([http://www.tax.ohio.gov/contact_us.aspx#143505-business](http://www.tax.ohio.gov/contact_us.aspx#143505-business)) - (888)405-4039

**UNEMPLOYMENT**

Employers of one or more workers (other than agricultural and domestic employers, who have special rules) must pay a state payroll tax, called "contributions," on wages paid to employees. These payments support Ohio's system of unemployment compensation benefits.

If you fit into any of the following categories, you must make unemployment contributions:

- Employ at least one worker in 20 different weeks during this year or last year
- Pay $1,500 or more in wages during any quarter of this year or last year
- Are subject to the federal unemployment law this year or last year
- Acquire a business from an employer who was subject to the Ohio law, or
- Elect to cover employees voluntarily.

CONTACT: Ohio Department of Jobs and Family Services, Unemployment Compensation ([www.jfs.ohio.gov](http://www.jfs.ohio.gov)) - (877)644-6562

**WORKERS' COMPENSATION**

Ohio's Workers' Compensation Insurance Fund is a no-fault program designed to protect the employees and employers when a work-related injury, occupational disease or death occurs.

In Ohio, all employers with one or more employees must have workers' compensation coverage. It's the law. Coverage for Ohio employers and their employees (i.e., employees whose contract of hire was completed within the borders of Ohio and where the supervising office of the employer is located in Ohio) becomes effective when BWC receives a completed application and the $120 application fee. Independent contractors and subcontractors also must obtain coverage for their employees. If you do not have an existing policy with BWC and you are a new employer starting a business, or if you have acquired all of an existing business and the new, click the link above.
If you are self-employed, a partner in a business, or an officer of a family farm corporation, you are not automatically covered. You may elect coverage for yourself by selecting yes in the elective coverage section.

To begin coverage, employers file the **Application for Coverage (Form U-3)** with the Ohio Bureau of Workers' Compensation (BWC). The BWC also encourages you to apply on-line through their website.

**CONTACT:** Ohio Bureau of Workers’ Compensation  
[https://www.bwc.ohio.gov/employer/forms/coverage/pathtocoverage.aspx](https://www.bwc.ohio.gov/employer/forms/coverage/pathtocoverage.aspx) – (800)644-6292

**OHIO CIVIL RIGHTS COMMISSION**
The State's anti-discrimination laws are enforced by the Ohio Civil Rights Commission (OCRC). The laws apply to employers with four or more employees in Ohio. Among the various requirements, employers must post the "Fair Employment Practices" poster in a highly visible area in each workplace. The OCRC also has several publications available at no cost.

**CONTACT:** Ohio Civil Rights Commission - (614)466-2785

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**WHAT SHOULD BE INCLUDED IN YOUR EMPLOYEE PERSONNEL FILES**

When you begin to hire employees, you should be aware of many requirements and regulations that apply to not only taxes, but also protection of personal information and presenting knowledge of your standard business processes, procedures and policies. Below is a list of items you should consider as necessary in your individual employee personnel files. Personnel files should be in a locked cabinet with limited access to personal information in your care.

- Resume and/or application form
- Background Check documentation
- Offer Letter with pay details
- I-9 Employee Eligibility Verification
- Copy of Driver’s License
- W-4 Employee Withholding Request (IRS)
- IT-4 Employee Withholding Exemption Certificate (Employee and School District)
- Form 7048 New Hire Reporting
- Health Insurance acceptance or waiver
- Delivery receipt for Employee Manual
- Training Record
- Attendance Record
- Quarterly Payroll Reports
- Family and Medical Leave Policy
- Disability Policy

**Employer Required Federal Posters**
Visit: [http://www.dol.gov/oasam/programs/osdbu/sbrefa/poster/matrix.htm](http://www.dol.gov/oasam/programs/osdbu/sbrefa/poster/matrix.htm) to determine what posters you are required to have displayed for employees.
GRANTS, LOANS, AND BUSINESS CERTIFICATION PROGRAMS

GRANTS
• The State and Federal Government does not have grants available to start a business at the current time. However, the following website (www.grants.gov) is open access to federal government grant programs available to existing businesses who are eligible applicants. The Grants Guide is available at your local library. It provides you with helpful private-sector grant information.

LOANS
• There are several loan programs available for start-up and emerging businesses. You can find information on our website (www.business.ohio.gov/starting), at your local SBDC and in the Business Financing Opportunities document which is one part of your kit. (Step 2)

MINORITY BUSINESS CERTIFICATION
• The Minority Business Enterprise certification program in Ohio is designed to certify minority business, making them eligible to participate in the State’s set aside program. Information is available on this program, as well as the application process, at the link or call (614) 466-8380. http://das.ohio.gov/Divisions/EqualOpportunity/MBEEDGECertification.aspx

EDGE – Encouraging Diversity Growth and Equity Program
• EDGE is a State of Ohio development program for economically and socially disadvantaged business enterprises. Information is available on this program, as well as the application process at the following link or call 614-466-8380. http://das.ohio.gov/Divisions/EqualOpportunity/MBEEDGECertification.aspx

SPECIALIZED RESOURCES

There are advantages to having a business owned by a minority, woman or veteran. Many large businesses and government agencies have established set-aside programs which set a goal to partner and contract with minority, women and veteran-owned businesses.

MINORITY BUSINESS ASSISTANCE CENTERS

Minority Business Assistance Centers (MBAC) provide a variety of business development services to new and existing business owners. Each Minority Business Assistance Center is staffed with certified business counselors that assist minority entrepreneurs with loan and bond packaging services, management, technical, financial and contract procurement assistance.
Website: http://www.development.ohio.gov/bs/bs_mbac.htm

PROCUREMENT TECHNICAL ASSISTANCE CENTERS

The Procurement Technical Assistance Centers (PTAC) provide a variety of services that include bid preparation assistance, bid-matching services, military specifications, one-on-one training, product and procurement histories, help with information resources, and trade events where Ohio firms can meet government buyers.
Website: http://www.development.ohio.gov/bs/bs_ptac.htm
WOMEN BUSINESS OWNERS

The term “women’s business enterprise” (WBE), and its variations, means a business that is at least 51 percent controlled, operated and owned by a woman or women. Large businesses and government agencies look for and may require a percentage of their purchases to be directed to WBE, DBE or MBE contractors. General requirements include:

1. Women owners must be citizens or lawful permanent residents of the State of Ohio and the United States.
2. Ownership. Determination of whether a business is at least 51 percent owned by a woman or women shall be made without regard to community property laws.
3. Control and operation. Factors to consider in determining whether ownership and control:
   a. Percentage of stock owned in a corporation or capital invested in a partnership;
   b. Provisions for sharing income and losses;
   c. Evidence of participation in significantly business policy development and decisions of importance to the business;
   d. Corporate history indicates that the business is, in fact, woman controlled.

AGENCIES THAT CERTIFY INCLUDE

<table>
<thead>
<tr>
<th>STATE AGENCIES</th>
<th>Phone: (800) 459-3778</th>
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<tbody>
<tr>
<td>Ohio Dept. of Transportation</td>
<td>Office of Contracts DBE Services</td>
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<tr>
<th>CITY AGENCIES</th>
<th>Phone: (513) 352-3144</th>
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<tbody>
<tr>
<td>City of Cincinnati</td>
<td>Office of Contract Compliance</td>
</tr>
<tr>
<td>City of Cleveland – Mayor’s Office of Equal Opportunity</td>
<td>City Hall – 601 Lakeside Ave., Cleveland, OH 44114</td>
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<tr>
<td>City of Columbus – Minority (including Hispanic &amp; Asian) and Female Business Enterprise Certification</td>
<td>1393 East Broad St. 2nd Floor, Columbus, OH 43215</td>
</tr>
<tr>
<td>Central Ohio Women’s Business Center</td>
<td>1611 Old Leonard Avenue</td>
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<tr>
<td>City of Dayton, Attn: Roshawn Winburn</td>
<td>Dayton Human Relations Council</td>
</tr>
<tr>
<td>City of Elyria</td>
<td>131 Court St., Elyria City Hall, Elyria, OH 44035</td>
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<tr>
<th>COUNTY AGENCIES</th>
<th>Phone: (216) 443-7200</th>
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</thead>
<tbody>
<tr>
<td>Cuyahoga County Office of Procurement &amp; Diversity, 112 Hamilton Ave., Room 100, Cleveland, OH 44114</td>
<td></td>
</tr>
<tr>
<td>Franklin County</td>
<td>Purchasing, County Administration Bldg., 373 S. High St., 25th Floor, Columbus, OH 43215</td>
</tr>
</tbody>
</table>
PRIVATE SECTOR WBE NATIONAL CERTIFICATION

Women’s Business Enterprise National Council, 1120 Connecticut Ave. NW Suite 1000, Washington, DC 20036
(202) 872-5515 http://www.wbenc.org/
National Women Business Owners Corporation, 1001 W. Jasmine Dr., Suite G, Lake Park, FL 33403
(800) 675-5066 http://www.nwbo.org/

REGIONAL TRANSIT AUTHORITIES (recognize certification from other agencies)

- Stark Area Regional Transit Authority, 1600 Gateway Boulevard SE, Canton, OH 44707 (330) 454-6132, ext. 520 http://www.sartaonline.com/
- Central Ohio Transit Authority, 1600 McKinley Avenue, Columbus, OH 43222 (614) 275-5800 http://www.cota.com/
- Queen City Metro, 6 East Fourth Street, Cincinnati, OH 45202 (513) 632-7699 http://www.gometro.com/
- Toledo Area Regional Transit Authority, P.O. Box 792, Toledo, OH 43695 (419) 245-5213 http://tarta.com/
- Western Reserve Transit Authority, 604 Mahoning Avenue, Youngstown, OH 44502 (330) 744-8431 http://www.wrtaonline.com/

USEFUL WEBSITES FOR WOMEN IN BUSINESS

The websites listed below will help you find additional resources and networking opportunities for women business owners.

Women Business Owner Organizations in Ohio
www.ywcacolumbus.org - Columbus Area Women’s Business Council

State and Federal Programs
http://development.ohio.gov/bs/bs_sbdc.htm - Ohio Small Business Development Centers (SBDC)

National Women Business Owner Organizations
www.nwbo.org - National Women’s Business Council
www.witi.org - Women in Technology International
www.nawbo.org - National Association of Women Business Owners
www.bpwfoundation.org - Business and Professional Women
www.tiaw.org - Alliance of Business Women International
www.wbex.org - The Women’s Business Exchange
www.wbenc.org - Women Business Enterprise National Council

Additional Resources for Women in Business
www.iwpr.org - Institute for Women’s Policy Research

CERTIFICATIONS
DBE means "Disadvantaged Business Enterprise." This term is used by government agencies and, is not the same as WBE.
FBE means "Female Business Enterprise." This term is used by the City of Cleveland and, is the same as WBE.
MBE means "Minority Business Enterprise." This term is used by government agencies and, is not the same as WBE.
VETERAN BUSINESS OWNERS

Across the nation we see a concerted effort to include veteran-owned businesses as an emerging segment of business owners with special programs focused on their needs. In most instances “veteran” includes but is not limited to:

- Veterans
- Service-disabled veterans
- Active-duty service members
- Reservists and National Guard Members

A small business owned and controlled by a service-disabled veteran is a small business that is not less than 51 percent owned by one or more service-disabled veterans, or in the case of a publicly-owned business, that is not less than 51 percent managed in the daily business operations by one or more service-disabled veterans.

USEFUL WEBSITES FOR VETERANS IN BUSINESS

The websites listed below will help you find additional resources and networking opportunities for veteran business owners.

- [http://development.ohio.gov/bs/bs_sbdc.htm](http://development.ohio.gov/bs/bs_sbdc.htm) - Ohio Small Business Development Centers (SBDC)
- [https://clients.ohiosbdc.ohio.gov/](https://clients.ohiosbdc.ohio.gov/) - Ohio Small Business Development Centers (SBDC)
- [www.development.ohio.gov](http://www.development.ohio.gov) - Ohio Development Services Agency
- [http://dvs.ohio.gov/](http://dvs.ohio.gov/) - Ohio Department of Veteran Services
- [http://dvs.ohio.gov/home/county_veterans_service_officers.aspx](http://dvs.ohio.gov/home/county_veterans_service_officers.aspx) - Ohio’s County Veteran Service Offices
- [http://www.disabilityrightsohio.org/topic-vets-employ](http://www.disabilityrightsohio.org/topic-vets-employ) - Military and Veteran Resources
- [www.sba.gov](http://www.sba.gov) - U.S. Small Business Administration (SBA)
- [www.va.gov](http://www.va.gov) – U. S. Department of Veteran Affairs (VA)
- [www.vetbiz.gov](http://www.vetbiz.gov) – Veteran Business at the VA
- [www.navoba.com](http://www.navoba.com) – National Veteran-owned Business Association
- [www.Thefranchiseblog4Vets.com](http://www.Thefranchiseblog4Vets.com) – Franchise Blog for Veterans
- [http://www.development.ohio.gov/bs/bs_ptac.htm](http://www.development.ohio.gov/bs/bs_ptac.htm) - Procurement Technical Assistance Centers
- [www.score.org](http://www.score.org) – Service Corps of Retired Executives – Counselors to America’s Businesses
- [www.mbda.gov](http://www.mbda.gov) – Minority Business Assistance Program
BUSINESS PLAN WEBSITE RESOURCES

The websites listed below will help you find additional business plan resources.

www.sba.gov - U.S. Small Business Administration (SBA)

BUSINESS PLAN QUESTIONNAIRE

Please complete this business plan guide. It will be helpful when you meet with your Small Business Development Center (SBDC) business advisor. (Attach additional sheets as needed.)

Name: _______________________________________________________

Company Name (if known) _______________________________________

Address: _____________________________________________________

Phone: (       ) __________________________ Fax: (    ) ___________________

E-Mail Address: ________________________________________________

1. Describe the product/service your business is planning to offer. Specifically describe what the value your product/service will bring to your customers.

________________________________________________________________________________

2. Where will your business be located? What geographic area will it serve?

________________________________________________________________________________

3. Is your business...?
   [] new business       [] expansion of a current business
   [] take-over of an existing business       [] not sure what the business will be
   [] other (describe):_________________________

4. Is your business going to be...?
   [] sole proprietorship       [] C-corporation       [] partnership
   [] S-corporation       [] limited liability partnership       [] limited liability company
   [] nonprofit corporation       [] not sure

5. Why are you going into business? Think about financial and non-financial goals.

Financial Goals: ________________________________________________

Non-financial Goals: _____________________________________________

PART I. MARKETING

1. Who are your potential customers (also known as your target market)? Describe your target market in general demographic terms (such as age, income, and gender).

________________________________________________________________________________

2. Describe your target market's buying habits. Think about how often they will purchase your product/service. Think about prices and seasonal buying patterns.

________________________________________________________________________________

3. List the factors you have considered in choosing your location (such as cost, overhead, traffic flow, parking, zoning laws, building codes, options for expansion, etc.).

________________________________________________________________________________
4. Describe your main competitors. Include your competitors' business names, locations, and how well their businesses are doing.

5. Why do you think customers will buy from you? Include product/service benefits and company strengths. What are the differences between your products/services and the competitors' products/services.

6. How is your product/service priced compared to the competition?
   [] higher       [] same       [] lower       [] don't know

7. Who is your competition?

8. Explain how you decided to price your product/service. Include information about how much you expect your costs to be and how much profit you expect to make.

9. Is there a market (need) for your business? What percentage of the market do you think you will get? Think about the markets past growth (last 3-5 years) and future growth (next 2-3 years).

10. How do you plan to advertise your product/service?

11. How will your product/service reach your target market? These are known as your sales and distribution methods.

12. Describe your future customers, locations, and new products.

PART II. MANAGEMENT

1. Describe your educational background and managerial experience in this type of business. Include all types of related experience. ATTACH A CURRENT RESUME.

2. Do you belong to any trade or business organizations?

3. What management and staff positions have you identified? What duties will they have? What skills do they need? Have you completed the necessary paperwork?

4. Which records have you thought about using to control your business?
   [] payroll       [] sales/accounts receivable       [] inventor
   [] purchases/accounts payable
   [] computer software package (name): ________________________________
   [] customer relationship management: ________________________________
   [] other (describe)__________________________________________________
PART III. EQUIPMENT AND INVENTORY
1. What equipment and inventory items are required to start and run your business? Attach complete lists, including costs of what you currently own and what you need to purchase or lease.

________________________________________________________________________________

2. List the potential suppliers of the items you need for your business.

________________________________________________________________________________

PART IV. TAXES, INSURANCE AND REGULATIONS
1. What kind of taxes will your business have to pay? Who will prepare your taxes?

________________________________________________________________________________

2. Have you talked with an insurance agent? What type of insurance do you need? How much will it cost?

________________________________________________________________________________

3. Which local, state and federal regulations apply to your business? What types of licenses do you need?

________________________________________________________________________________

   a. Ohio Secretary of State – business registration - $25
   b. Vendors License – sales/use tax registration - $25

PART V. FINANCES (The Business Financing Opportunities attachment will help guide you through this area. See pages 3-5.)
1. On a separate sheet of paper, make a list of all the costs you expect to incur.

2. What is the minimum amount you need to take home from the business in order to live? $ ____________________ per month.

3. When your business makes a profit, how much money are you willing to keep in the business to help it grow? $ ____________________.

4. What will you do if sales do not cover expenses?

________________________________________________________________________________

5. How much, in total, will you need to start your business? $ ____________________.

6. Approximately what percent of this money will come from?
   personal funds % borrow from bank %
   borrow from family % private investors’ %

7. On a separate sheet of paper, explain what the money will be used for.

8. What will you use as collateral against the money you will borrow?
   [] nothing [] car [] house or personal real estate [] other (specify):_____

9. Are you willing to give up ownership rights in the company or share ownership? ________

10. Who will be responsible for your debts (your cosigner) if your business fails? Make sure you have consulted with this person.____________________________________________

11. Attached Cash Flow Projections

12. Attached Business Ratios