

## BARE BONES STARTUP

You quit your job last week.  
Your hobby has turned into a business.  
You just got laid off...

For whatever reason, you need to start a business. No, you haven't gone to classes. No, you don't know how to write a business plan. But you have to start your business - RIGHT NOW - and you'll worry about the details, later on!

This may not be the ideal way to begin a new venture, but realistically, this *IS* how a number of great small businesses got started. So, if you are determined to go forward, here are five basic steps for a Bare Bones Startup:



1st

### YOU NEED REGISTRATIONS, PERMITS & TAX ID NUMBERS

Yes, local, state and federal agencies want to know what you're doing. They have "rules" that you have to play by (and they all want a piece of your action). Go to [sbc.cvcc.edu](http://sbc.cvcc.edu), click on KNOW-IT, and then "Make It Official" for information on Registrations, Tax ID Numbers and more.

2nd

### YOU NEED A BUSINESS CHECKING ACCOUNT

All money collected from customers for your products or services goes into this account. All money spent for materials, labor and operations are paid, by check, out of this account. To avoid a collision with the IRS, DO NOT co-mingle business and personal expenses. If you need money, write yourself a paycheck out of the business checkbook and then deposit it into your personal checking account.

3RD

### YOU NEED A BOOKKEEPING SYSTEM

For recording money coming in and money going out, a simple hand-written ledger or Excel spreadsheet will do for now:

<u>Date</u>	<u>Deposited/Paid</u>	<u>From/To</u>	<u>Income/Expense</u>
4/02/08	\$150.00	Jane Smith	Sales
4/15/08	85.35	MediaCity, Inc	Advertising
4/18/08	25.49	Office Max	Office Supplies

Later, when your business is up and humming, and when you are comfortable with computers and software, QuickBooks Professional would be a very smart choice.

4th

### YOU NEED TO TALK TO YOUR TAX ADVISOR

Yes, the person who prepares your personal tax return can help you determine your exposure to liability and provide you with a professional Chart of Accounts. If risk of liability is minimal for your venture, we would recommend that you operate as a "Sole Proprietor" for now.

5th

### YOU NEED TO TALK TO AN EXPERIENCED BUSINESS COUNSELOR

Much of what you read here and on our web site will raise additional questions.

So when you're ready to talk about effective and affordable marketing, choosing the ideal location, pricing your products and services, or getting a business loan, just give us a call.

**SMALL BUSINESS CENTER**  
Catawba Valley Community College  
Call for an appointment.  
828-327-7000, Extension 4112  
[sbc.cvcc.edu](http://sbc.cvcc.edu)

