

Great Plains Regional Resource Directory

for assistance with business & community issues

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Check our website www.swosu.edu/academic/bdc regularly.

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GENERAL BUSINESS START-UP INFORMATION

The following is a list of agencies and general information that should be of help when starting a new business in the State of Oklahoma and/or Western Oklahoma. Depending on the type of business enterprise you are considering opening, there may be specific regulatory requirements. For assistance in determining these requirements, please call the **Oklahoma Department of Commerce Direct Assistance Program at (405) 815-6552 or e mail - bddinfo@odoc.state.ok.us**.

SBA web site: www.sba.gov

To register an assumed name certificate, business name will need to be filed with the county clerks office in the county in which the business will be located. County clerks office will check their records to see if business name is already in use. If you do not incorporate, you will most likely have to register your business name.

Contact the city clerk in the city in which the business will be located for all regulations at that level. If the location will be outside the city limits, the city may still have extraterritorial jurisdiction. If not, contact the county office.

To incorporate your business: **Oklahoma Secretary of State, 101 State Capitol Building, Oklahoma City, Oklahoma 73105, 405-521-4211.**

For information regarding obtaining a Certificate of Authority required for foreign companies to do business in Oklahoma, contact the **Oklahoma Secretary of State, 101 State Capitol Building, Oklahoma City, Oklahoma 73105, 405-521-4211.**

To obtain a state sales tax permit (beer, tobacco or wine) or information on franchise tax, contact the **Oklahoma Tax Commission, P.O. Box 26920, Oklahoma City, OK 73126-0920, 405-521-3279 or web site - www.oktax.state.ok.us**

Alcoholic Beverage Commission, Auditing and Enforcement Divisions, 4545 North Lincoln Blvd., Suite 270, Oklahoma City, OK 73105, 405-521-3484, web-site - www.able.state.ok.us

Licenses for liquor stores, lounges, bars, sales, transportation or storage of liquor.

The Internal Revenue Service furnishes a kit, upon request, providing small businesses with federal tax information. This kit, as well as tax forms and other publications, is available by calling 1-800-Tax Form. To order the kit request publication YBTK.

Every employer who pays wages to one or more employees must obtain a Federal Employer Identification Number by filling out form SS #4 from the Internal Revenue Service. For more information, contact the **Internal Revenue Service, Taxpayer Service Section, 380 Westminster Street, Providence, RI 02903, 1-800-829-1040, web site - www.state.ri.us/bus/fedtx.htm**

For specific information on unemployment insurance taxes and labor posters, contact web site - www.oesc.state.ok.us/locator/default.asp

To become more familiar with the basic requirements for workers' compensation in Oklahoma, contact **Oklahoma Department of Labor, 4001 North Lincoln Blvd., Oklahoma City, OK 73105-5212, voice: 405-528-1500, toll free: 1-888-269-5353, fax: 405-528-5751, web site - www.state.ok.us/~okdol/workcomp/workcomp10.htm**

For information on workers' compensation policies, rates and classifications, contact the **Oklahoma Department of Labor, 4001 N. Lincoln Boulevard, Oklahoma City, Oklahoma 73105-5212, Toll Free: 1-888-269-5353 Web site: www.state.ok.us/~okdol/workcomp10.htm**.

Department of Environmental Quality 707 N. Robinson, Oklahoma City, Oklahoma 73101-1677, Toll Free 1-800-869-1400, Web site: www.deq.state.ok.us

Oklahoma Cosmetology Board, 2200 Classen Blvd. Suite 1530, Oklahoma City, Oklahoma 73106, Telephone: (405) 521-2441.

There are specific regulations regarding safety in the workplace, and certain posters that must be displayed. For information, contact the **Oklahoma Department of Labor - OSHA & Wage and Hour, 4001 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105-5212, Toll Free: 1-888-269-5353, Web Site: www.state.ok.us/~okdol/**

All buildings, new or old, must be inspected for electrical hook-up. **Contact your local City Hall.**

All locations must be checked to make sure the use of the land will conform with the city's ordinances. **Contact your local City Hall.**

For water, sewer, and garbage services. **Contact your local City Hall.**

All businesses are subject to some type of fire code regulation, dependent upon the nature of the business.

Contact your local Fire Chief.

For Health Cards, information on inspections and licenses, business that handle food or serve people in nursing homes, day care centers, etc. **Contact your local County Health Department or Department of Health and Human Services.** If no local Health Department exists, contact the State Health Department. **Contact Department of Human Services, 2400 N. Lincoln Blvd. Oklahoma City, OK, 405-521-3646.**

To obtain a patent or trademark, contact: **U.S. Patent and Trademark Office, U.S. Department of Commerce, Washington, D.C. 20231, Telephone: (703) 557-4636, Web: www.uspto.gov**

To obtain a copyright: **Copyright Office, Library of Congress, 101 Independence Avenue, SE, Washington, D.C. 20559-6000, Telephone: (202) 707-3000, Web: lcweb.loc.gov/copyright**

American Society of composers, Authors & Publishers, 1608 West Belmont Avenue, Suite 200, Chicago, IL 60657, Telephone: 773-472-1157, Fax 773-472-1158

The Weatherford Library, 219 E. Franklin, Telephone: 772-3591. Reference section contains information on demographics, statistics, companies, industries, products and many other subjects which are relevant to small businesses.

Southwestern Oklahoma State University Library, Al Harris Library, Telephone: 774-3730. Same information provided as public library. In addition, it is a repository of Government documents.

We recommend that you consult an attorney to ensure that all legal requirements are satisfied before operations begin.

The Small Business Development Center (SBDC), which operates under the auspices of Southwestern Oklahoma State University's School of Business, is partially funded by the U.S. Small Business Administration. The SBDC provides confidential counseling to small businesses, at no charge, in order to promote growth and management improvement in the community. All SBDC programs are extended to the public on a nondiscriminatory basis.

A. Business Plans & Business Plan Consulting

1

1. Market Feasibility

What is a business plan and why do I need one?

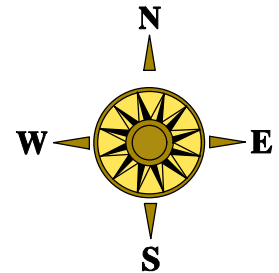
Why do I need to define my business in detail?

A business plan is a useful strategic planning document that can be used by new and existing businesses to identify their present situation and to set goals for future operations. If you need to borrow money from a bank, the Small Business Administration, or from most investors to start, expand or operate a business, then a business plan will show them that you know what you are doing and that your business may be profitable.

Even if you don't need to borrow money to start-up, expand or operate your business, a business plan will help you to map the future course of your business and to set goals for your business. Taking the time to put your business plan in a hard copy format will give you the chance to look at it in the future to compare whether your expectations met the actual course of the business, and then to change your plans accordingly to meet your goals.

In a nutshell, a business plan can:

1. Help set priorities
2. Build on your strengths
3. Increase your profits
4. Maximize revenues
5. Help manage your resources
6. Help you avoid mistakes, and
7. Help obtain financing.



The Business Appendix ([pages 101 to 104](#)) contains a business plan template that you can use to prepare a business plan for your business. It should be noted that this is only a template, and it can be customized to meet your needs.

If you have any questions or need help in constructing a business plan for your business, the following resources may provide help to you.

Small Business Development Centers (SBDC)

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses. They also are contacts to obtain financial assistance through the Small Business Administration (SBA) in the form of loan programs.

Please see [page 129](#) for a listing of Small Business Development Centers in the area.

Local Area Vocational & Technical Schools (Small Business Management Programs)

The Small Business Management Program at the Area Vo-Tech Schools offers the business person a step-by-step program for creating a quality small business using professional information. Classes are offered covering different aspects of the business and using outside specialists to present state-of-the-art information and help to the businesses. Additionally, the instructors or business development coordinators can help with business plans and may visit the business to ascertain progress and identify problems before they become severe.

Please see [page 131](#) for a listing of Local Area Vocational & Technical Schools.

Internet Resources

Search Engine Phrase: Business Plans

Additionally, the Internet may be used as a resource to find information and software related to business plans. From a search engine (Dogpile, Yahoo!, Webcrawler, Lycos, Alta-Vista, etc.), type in *business plan*, and sites related to business plans should be returned to help you with your business plan. Specific sites that may be of use for business plan development are listed below.

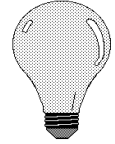
Small Business Administration (SBA)

www.sba.gov

A. Business Plans & Business Plan Consulting

1. Market Feasibility

What do you know about your industry?



In constructing your business plan, it will be important to be knowledgeable about the industry in which you compete, your own business and yourself. Therefore, this section (your industry) and the following two sections (your business & yourself) are included to provide information and help address these topics.

Knowledge of the industry in which you plan to compete will provide you with valuable information about the national trends of the industry. And invariably, national trends will affect your business, so taking the time to learn about your industry now may save headaches in the future. The following questions may help you learn about your industry.

- ☐ What are the national trends in the industry?
- ☐ Nationwide, is your type of business growing, staying the same, or shrinking?
- ☐ What are the current products and services that are being offered?
- ☐ If it is a new "never been done before" idea (very rare), what businesses are closest to it? (What are their trends like? Why has it never been done before?)
- ☐ What will be the future products/services that the industry will offer?

Resources



Publications

Each of the following publications may be found in a library. If your local library does not have these publications on hand, then you may still be able to obtain these publications if your local library participates in an inter-library loan program.

The Encyclopedia of Associations - lists trade associations, which often have trade magazines that publish information on the industry. These publications include information on suppliers, the latest methods, and regulations.

Standard & Poor's Industry Surveys - provide big picture information on almost any industry, the latest trends, and often financial figures on nationwide sales, expenses, and profits.

Business Periodicals Index - lists articles on your industry, product, geographical area that you will operate in.

The Wall Street Journal Index - lists articles on whole industries and information on specific companies that have appeared in this highly respected business paper.

You want to show in your business plan that you know about the industry your business will be in. Be sure to use numbers to back up your facts wherever you can. Valuable information about a specific industry may be reported on by the trade association representing your industry. To learn if there is an appropriate trade association representing your business, refer to the Encyclopedia of Associations and then contact the association with the address provided in the encyclopedia.

Sales & Marketing Management

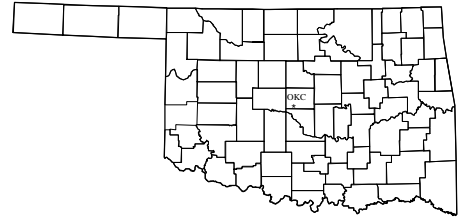
Sales & Marketing Management is a periodical published in New York that may help with learning about your industry and the trends that it faces. Many larger libraries (like the Al Harris Library at Southwestern Oklahoma State University) subscribe to this publication.

A. Business Plans & Business Plan Consulting

1. Market Feasibility

3

What is the Market?



With this you are trying to identify and quantify the market. By identifying the target market you state who your customers will be, or who you would like them to be. Remember, not everyone will be your customer nor do you want everyone to be your customer (For example: people who can't pay). Because you will have neither the time nor the money to advertise to everyone, you need to know who your best customers will be, and the following questions may serve as a guide for identifying your target market.

- ☐ What do your customers need/want?
- ☐ Are there special groupings of your customers? (heavy-users, occasional users, etc.)
- ☐ What is their income? (\leq \$15K, \$15K-\$25K, \$25K-\$35K, \$35K-\$50K, \$50K-\$75K, \$75K-\$100K, \geq \$100K)
- ☐ Who makes the decision to buy? (Mom, Dad, the kids, the boss, the secretary, a committee, etc.)
- ☐ How old are they? (Children, teens, young adults, adults, senior citizens)
- ☐ What sex will your customers be?
- ☐ Primarily, what is the marital status of your potential customers? If married, do they have children?
- ☐ What is their educational level? (\leq 12 years, H.S. grad, some college, college graduate, etc.)
- ☐ Where do they live? (Apartment, 3 bedroom home, etc.)
- ☐ What is the primary geographic region that you expect to draw? (Clinton, Jackson County, Southwest Oklahoma, etc.)
- ☐ Who is most likely not to use your product/service?
- ☐ Are they primarily going to be of a particular ethnic, social or cultural type? (Caucasian, Hispanic, African- American, religious, retired, fraternity/sorority members, etc.)

After identifying the market you will need to quantify the market. By quantifying the market, you are not only assessing the demand for your goods/services, but also estimating how much money you can make. There is no predefined means of quantifying the market, rather your goal is to try to convince your banker/investor that your sales estimate is reasonable. They need to know that you can pay them back for the money you borrowed. Several ways you can estimate your sales (quantify the market) are:

1. *The Voice of Experience* - Perhaps your long years of experience allow you to estimate your sales. Or you may have come across an expert who can give you an estimate of what your sales will be. You will have to provide proof of the expertise, in some manner that is recognized by your banker/investor.
2. *Trade Information* - Sometimes industry trade associations have information on estimated sales. Often this will take the form of "average per store", "sales per foot" or "sales per capita". Be careful because sometimes trade associations are more interested in "hyping" the industry than providing accurate information.
3. *Estimated Sales Information* - Using several sources, including U.S. Census data, American Demographics magazine or Sales & Marketing Management magazine, it is possible to estimate the total size of the local market. Then estimate what share of the market your operation might capture.
4. *Break-Even Analysis* - If all else fails, you can estimate minimum sales you will need by working out your total expenses for one month. Then, along with your "Cost of Goods", it is possible to calculate "Break-Even Sales". This is the minimum sales you must have to pay your bills. You'll have to prove you can make at least this amount per month to your banker/investor.

At what stage in the life cycle is the market that you are entering?

If you know whether the market you are entering is in the introduction, growth, maturity or decline phase of its life-cycle, you may be able to make better estimates of your potential market size. Trade associations and industry reviews may be a good source to determine this information. Please see end of this section for a listing of trade associations and industry reviews available in the reference section of a public or university library.

A. Business Plans & Business Plan Consulting

1. Market Feasibility

What is the competition?

Can you meet or beat competition in terms of quality, quantity and/or price?

By knowing who and what you are competing against, you will be able to determine your company's market niche and how your company will fit into the overall market. Often, you can learn about your competition by looking in the phone book, talking to customers, suppliers and salesmen or even the competition directly. Another possible source for learning about your potential competition may be the business reference section of the library. Possible questions that you may need to have answers for when learning about your competition include:

- ☐ Who are your competitors?
- ☐ Are there businesses that offer services/products almost like yours?
- ☐ What services/products do they offer?
- ☐ What are their prices? ("\$10 plus deposit", Competitor X has the highest prices in town.)
- ☐ Are they growing, staying the same, or failing?
- ☐ What makes them successful?
- ☐ Who are their target customers?
- ☐ Why do people buy from them?
- ☐ Where are they located? (Marking their location on a map is useful)
- ☐ How much money do they make?
- ☐ What are their expenses?
- ☐ What are their hours of operation?
- ☐ How long have they been in business?
- ☐ How many employees do they have?

It may be important to note that your new business should not heavily depend upon your ability to offer goods/services at a "lower price" than your competition. The reason for this would be that everyone buys their supplies at similar prices and everyone has similar costs; therefore, a lower price means you will make less profit. Coupled with the higher costs associated with starting a business will result in a formula that spells disaster. So when learning about your competition, you should identify consumer needs that are not currently being met by your potential competition.

What price do you expect for the product/service?

Can you sell your product for an acceptable profit?

Pricing decisions may have an important bearing upon the success of a new business. Pricing your goods/services too high may drive potential customers to your competition, or make them decide that they can do without your goods/service. On the other hand, pricing your goods/services too low will decrease your profit margin and may cause cash flow problems for your business.

Three approaches to pricing can be used to establish a range for consideration. The first, cost-plus, builds prices by taking the company's expenses and cost of sales and establishes a price which will cover them and produce an acceptable profit. The second approach, value-added, establishes price based upon the economic benefit the customer receives, regardless of the company's cost and expense structure. Matching customer expectations is the final pricing approach, in which competitive pricing and customer purchasing history specify what appear to be acceptable. The actual price is the culmination of this analysis and, ultimately, management's best judgment. Further explanations of the three pricing strategies are included as a supplement and may be found in the *Business Appendix on page 105*.



Visa is a registered trademark of Visa International. MasterCard is a registered trademark of MasterCard International.

1. Market Feasibility

What do you know about your customer, his/her preferences, demands, expectations?

It is crucial to identify the customers who are/will be utilizing the product(s) or service(s) of your business and to list the characteristics of a typical customer. List the type of business or consumer and a specific name if known.

Demographic variables help you to measure the characteristics of consumers: age, sex, ethnic background, family compensation, profession, occupation, social class and income are examples.

- ☐ What are the demographics of the primary targeted customer group?
- ☐ What are the demographics of the secondary targeted customer group?
- ☐ What distances are customers willing to travel to purchase your product(s) or services(s)?
- ☐ What distance are you willing to travel to sell to customers?

A section specifically addressing demographics is included in this resource directory; to find more information about locating demographic data you may want to refer to either that section (page 11) or the [Great Plains Regional Resource Data Manual](#) also prepared by the Business Development Center at Southwestern Oklahoma State University.

If further assistance is needed with any of the previous five questions, then you may want to use one of the following resources:

Resources

Small Business Development Centers

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses.

Please see [page 129](#) for a listing of the Small Business Development Centers in our area.

Trade Associations

The trade association representing your industry may be a valuable source of information about the typical demographics of the average customer for the goods/services that you plan to market. To find the trade association representing your industry you may need to use the [Encyclopedia of Associations](#).

Please see [page 2](#) about using the [Encyclopedia of Associations](#).

Sales & Marketing Management

Sales & Marketing Management is a periodical published in New York that may help with identifying the customer and size of the market in the region. Many larger libraries (like the Al Harris Library at Southwestern Oklahoma State University) subscribe to this publication.

Local Area Vocational-Technical Schools

The Small Business Management Program at the Area Vo-Tech Schools offers the business person a step-by-step program for creating a quality small business using professional information. Classes are offered covering different aspects of the business and using outside specialists to present state-of-the-art information and help to the businesses. Additionally, the instructors or business development coordinators can help with business plans and may visit the business to ascertain progress and identify problems before they become severe.

Please see [page 131](#) for a listing of Local Area Vocational & Technical Schools.

A. Business Plans & Business Plan Consulting

1. Market Feasibility

What are your Strengths, Weaknesses, Opportunities and Threats (SWOT)?

Based upon the previous information that you learned about your industry, business and competition, you will need to identify your own strengths & weaknesses in yourself & business that may affect how your business performs with regards to the industry and your competition. Likewise, knowing the opportunities & threats that your business faces will help you manage your business more effectively.

Strengths & weaknesses are usually internal to the business or company which may be strongly influenced by an individual or group if it is a small business. Alternatively, opportunities & threats are usually external in nature.

The comparison of strengths, weaknesses, opportunities and threats is normally referred to as a SWOT analysis. The purpose of the strategic alternatives generated by a SWOT analysis should be to build on company (business) strengths in order to exploit opportunities and counter threats and to correct weaknesses. To choose among the alternatives generated by a SWOT analysis, the organization has to evaluate them against each other with respect to their ability to achieve major goals.¹

After working through some of the inserts on this topic, you may be able to identify your business' strengths & weaknesses. That along with your knowledge of your industry, business & competition should help you identify some opportunities and threats faced by your business.

To help you, some potential strengths, weaknesses, opportunities & threats are listed below - which is not an all-inclusive list.

Strengths

- ☐ Business owners possess valuable experience related to their business
- ☐ Good to excellent credit on part of the owners
- ☐ Good business location
- ☐ Plentiful resources (assets) possessed owners
- ☐ Good reputation
- ☐ Skills possessed by employees
- ☐ Good financial management
- ☐ Many product lines
- ☐ Information system competencies
- ☐ Good marketing skills
- ☐ Good materials management systems
- ☐ Broad market coverage
- ☐ Portfolio management skills
- ☐ Etc.

Weaknesses

- ☐ Little or no experience possessed by business owners
- ☐ Fair to bad credit on part of owners
- ☐ Poor business location
- ☐ Few resources (assets)
- ☐ No reputation
- ☐ Unskilled labor
- ☐ Poor financial management
- ☐ Obsolete, narrow product lines
- ☐ Inadequate information systems
- ☐ Poor marketing plan
- ☐ Poor materials management systems
- ☐ Rising manufacturing costs
- ☐ Growth without direction
- ☐ Etc.



¹ Charles Hill & Gareth Jones, Strategic Management: An Integrated Approach, 3rd Edition, Houghton Mifflin Comp., Geneva IL, page 11.

A. Business Plans & Business Plan Consulting

1. Market Feasibility

7

Opportunities

- ☐ Expanding core business
- ☐ Exploit new market segment
- ☐ Widen product range
- ☐ Expand into foreign markets
- ☐ Economic expansion
- ☐ Lower cost of goods sold
- ☐ Apply R & D skills in new areas
- ☐ Etc.

Threats

- ☐ Attacks on core business
- ☐ Increase in competition
- ☐ Changes in consumer tastes
- ☐ Increased industry rivalry
- ☐ Economic recession
- ☐ Rising labor costs
- ☐ Availability of new or substitute products
- ☐ Etc.

Once you have gone through SWOT identification, a SWOT analysis involving some of the following questions may be appropriate. If you need help with the topic, the Small Business Development Center may be able to provide it.

- ☐ How will you capitalize upon your strengths?
- ☐ How will you compensate for your weaknesses?
- ☐ How will you take advantage of your opportunities?
- ☐ How will you address the threats faced by your business?



Several supplements have been included in the Business Appendix that may further help with the strengths/weaknesses of the owner(s) or potential owner(s). A separate SWOT analysis should be performed with respect to the actual business. Those supplements that deal with strengths/weaknesses of the owner(s) would be:

- (1) the Reality Check supplement,
- (2) the Know Yourself supplement, and
- (3) the Quiz for Entrepreneurial Couples supplement.

In addition to these supplements, the Small Business Development Center may be able to provide assistance to any specific question that you have about SWOT analysis.

Small Business Development Centers

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses. They also are contacts to obtain financial assistance through the Small Business Administration (SBA) in the form of loan programs. In most cases, the SBDC provides its services without charge.

Please see [page 129](#) for a listing of the Small Business Development Centers in our area.

Internet Resources

Search Engine Phrase: *SWOT*

Specific sites on the Internet may be available to help with SWOT analysis. From a search engine type in the phrase “SWOT” or “Strengths, Weaknesses, Opportunities & Threats” and sites related to this topic should be returned.

A. Business Plans & Business Plan Consulting

1. Market Feasibility

a. Site Location

What are my location needs? (Present & future)

Depending upon your business, the choice of location may be one of the most important factors affecting the success of it. Manufacturing, service and retail firms each have distinct location needs. Therefore, an ideal site for a manufacturing operation would most likely not promote the same success for a retail facility. In fact, as the Oklahoma Department of Commerce mentions, “to service firms, the question of location is often trivial”. The explanation for the previous statement involves the fact that customers of service firms rarely make “spur-of-the-moment” purchases, rather shop around with the use of the telephone only when they need a service performed.

The following questions may assist you in choosing a location for your business. Additionally, questions relating to the labor force may have a source providing answers from the Business Development Center at Southwestern Oklahoma State University.

Considerations For Locating a Small Plant

- ☐ Are you able to satisfy your market?
- ☐ Is the labor force adequate?
- ☐ Where will the labor force come from?
- ☐ If the present labor supply is inadequate or marginal, will living conditions be conducive to attract new people?
- ☐ What mode of transportation is important for your present needs?
- ☐ What transportation needs might you have in the future?
- ☐ Are there facilities to bring the raw materials in rapidly and economically?
- ☐ Is a suitable site available in the general area in which you have decided to locate?
- ☐ Is needed rail or highway transportation available in the area?
- ☐ Can the zoning be obtained?
- ☐ Is adequate water and sewer service available?
- ☐ Does the community or area you are considering want your business?

Considerations For Locating a Retail Business

- ☐ What type of goods will be sold: convenience items, shopping goods, or speciality items?
- ☐ Is there adequate sales office and storage space?
- ☐ Is there adequate parking for customers and workers?
- ☐ Is public transportation available?
- ☐ Is there an adequate labor supply?
- ☐ Will surrounding businesses provide traffic flow all year?
- ☐ Is the location close to the target market?
- ☐ Is pick up and delivery available?
- ☐ Is there compatibility between this business and neighboring businesses?
- ☐ Is the store easily accessible by foot or automobile?
- ☐ Does the site require improvements?



On-Site Considerations

- | | |
|--|---|
| <input type="checkbox"/> Zoning Ordinances | <input type="checkbox"/> Topographic Maps/Soil Boring Reports |
| <input type="checkbox"/> Building Permits | <input type="checkbox"/> Flood Prone Area Maps |
| <input type="checkbox"/> Covenants | <input type="checkbox"/> Permit to Connect a Private Drive |

1. Market Feasibility

a. Site Location

Shopping Center Locations

Shopping Centers are distinctly different from the other two major locations—that is, downtown and local business strips. The shopping center building is preplanned as a merchandising unit for interplay among tenants. Its site is deliberately selected by the developer for easy access to pull customers from a trade area. It has on-site parking as a common feature of the layout. The amount of parking space is directly related to the retail area.

For the merchant a decision whether or not to locate in a shopping center, these “plus” characteristics must be related to the limitations placed upon you as a tenant. In a shopping center, a tenant is part of a merchant team. As such, you must pay your pro rata share of the budget for the team effort. You must keep store hours, light your windows, and place your signs within established rules.

Some logical questions might include:

- ☐ What is the trade area and its growth prospects?
- ☐ What is the general income level in the trade area?
- ☐ What is the number of households in the area?
- ☐ What is the share of various age groups in the population?

Make your own analysis of the market which the developer expects to reach. In this respect, money for professional help is well spent, *especially* when the research indicates that the center is not right for your type of operation.

In most **non-shopping** center locations, rent is a fixed amount which has no relationship to sales volume. In most **shopping** centers, rent is usually stated as a minimum guaranteed rent per square foot of leased area against a percentage. Typically, while this is between 5 and 7 percent of gross sales, it varies by type of business and other factors. This means that if the rents as calculated by the percentage of sales is higher than the guaranteed rent, the higher amount is the amount paid. If it is lower than the guaranteed rent, then the guaranteed rent is the amount paid.

But this guarantee is not the end. In addition, you may have to pay dues to the center’s merchant association. You may have to pay for maintenance of common areas. Consider your rent, then, in terms of “total rent”. If, and when, this “total rent” is more than your present rent, your space in the center, of course, will have to draw enough sales to justify the added cost.

Generally, the owner furnishes the bare space. You do the “finishing out” at your own expense. In completing your store to suit your needs, you pay for light fixtures, counters, shelves, paintings, floor covering, etc. In addition, you may have to install your own heating and cooling units. (Therefore your lease should be long enough to pay out your “finishing out” expense.)

An innovation to “finishing out” is the “tenant allowance.” By this system, landlords provide a cost allowance towards completion of space. It is for store fronts, ceiling treatment, and wall covering. The allowance is a percentage of their cost and is spelled out in a dollar amount in the lease.

Some developers help tenants plan store fronts, exterior signs, and interior color schemes. They provide this service to insure store fronts that add to the center’s image rather than detracting from it. Where you locate your store can be one of your most important decisions. The problem is to find the right location for the right undertaking because a location can make or break a business.



A. Business Plans & Business Plan Consulting

1. Market Feasibility

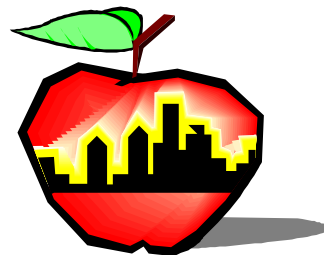
a. Site Location

What kind of space will I need?

Visiting competitors or similar firms in the same industry may give you a sense of your space requirements. In visiting those other businesses, you may want to note how effectively they make use of their space. For a retail firm, a cramped space may lend to the overall atmosphere of the business; however for a manufacturing facility, cramped spaces may be dangerous for the employees. Some considerations involving space requirements are listed below.

Manufacturing Firms

- ☐ What type of machinery will be used, and how much space will it need?
- ☐ Are there plenty of utility connections for the machinery being used?
- ☐ How much space will be needed for raw materials inventory?
- ☐ How much space will be needed for finished goods inventory?
- ☐ How much office space is needed?



Retail Firms

- ☐ How much office space is needed?
- ☐ How much space is needed for retail inventory?
- ☐ What is the industry norm for the percentage of floor space devoted to displaying merchandise?
- ☐ Is a public space expected by the customer (as in restrooms in convenience stores)?

Service Firms

- ☐ How much space is needed to store supplies?
- ☐ If machinery (computers, copies, hand tools, etc.) is used in the service, how much space is needed for it?

If you need additional help with site location questions, the resources listed below may be able to provide assistance.

Chambers of Commerce

If there is one, the local Chamber of Commerce may provide valuable information and contacts for the local economy. Additionally, they may know about zoning ordinances in the area which may affect your site location decision. To take advantage of their services, you may have to become a Chamber member (membership dues may cost \$100-\$500).

Please see [page 130](#) for a listing of area Chambers of Commerce.

Small Business Development Centers

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses. They also are contacts to obtain financial assistance through the Small Business Administration (SBA) in the form of loan programs. In most cases, the SBDC provides its services without charge.

Please see [page 129](#) for a listing of the Small Business Development Centers in our area.

Local Area Vocational Technical Schools

The business development specialists that work at local vo-tech schools are a valuable source of information and can either provide assistance with this topic or put you in contact with someone who can.

Please see [page 131](#) for a listing of the Local Area Vocational Technical Schools.

Oklahoma Department of Commerce (ODOC)

ODOC may provide site location assistance for **larger** firms. *Please see [page 36](#) for the relevant address.*

A. Business Plans & Business Plan Consulting

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1. Market Feasibility

b. Demographics

Where can I find information on population, income, educational attainment, earnings, employment, age, gender, race, etc.?

After identifying who your customers will be, demographic information for a geographic area may be important when you estimate the size of the potential market demand for your product/service. This may be especially important to retail and service businesses whose customers generally live in close proximity to the retail/service business. Some manufacturing firms may have customers around the world; however, even for these firms the demographic characteristics of the labor force may be important to them when choosing a site for their firm.

Depending upon the demographic characteristics you need to find, there are numerous potential sources to find the information you need. If you are having problems, the Small Business Development Center can help identify the demographic data you need; otherwise the resources listed below may provide additional assistance.

U.S. Census Bureau

More than just population data is reported by the U.S. Census Bureau. This government agency also reports income, poverty, housing, health, etc. statistics. To get a more complete idea of the information reported by the Census Bureau, visit their website and view the section "Topics From A to Z". One drawback with the online Census reports is that in many instances the data is reported only for the state and national levels - county and city data is not reported. Their website is:

<http://www.census.gov>

Oklahoma Department of Commerce

The ODOC website contains demographic information about population, income, poverty and wages for the state and counties. And other than demographic information, their website has community profiles, a manufacturers directory and a listing of Oklahoma industrial parks. Their website is:

<http://www.odoc.state.ok.us>

ORIGINS Database

ORIGINS (Oklahoma Resources Integrated General Information Network Systems) reports labor force, sales subject to sales tax and retail trade statistics for the state and each of the counties. This site, which is maintained by the University of Oklahoma, also has links to the Bureau of Economic Analysis and reports building permits, and construction value for the four major cities in Oklahoma (Oklahoma City, Tulsa, Lawton and Enid). Their website is:

<http://orgins.ou.edu/main.html>

Great Plains Regional Resource Data Manual

The Southwestern Oklahoma State University Business Development Center in conjunction with the School of Business has compiled information from nine different federal and state government agencies into one location for 13 counties in West-Central and Southwest Oklahoma. Statistics included in the resource manual include population, employment, income, earnings, taxable sales, educational attainment, births & deaths, crime, vehicle registrations and agricultural statistics. Visit our web-site at:

<http://www.swosu.edu/academic/bdc/>

Chambers of Commerce

If there is one, the local Chamber of Commerce may provide valuable information and contacts for the local economy. You may also try the State Chamber of Commerce to find demographic information. To take advantage of their services, you may have to become a Chamber member (membership dues may cost \$100-\$500).

Please see [page 130](#) for a listing of area Chambers of Commerce.

A. Business Plan Consulting

2. Creating Mutual Trust

Who can I talk to about my business?



For new businesses and for established businesses, many times the owner or manager may need assistance with a specific area of concern. There are many people/organizations in the community to refer to in order to obtain the help you need. Many times who you choose to talk with will depend upon with whom you feel most comfortable talking about your business. Other times, you may be referred to a particular person or organization in the community because they have the most expertise with your area of concern.

The following resources provide their services free of charge, and their purpose is to serve the community.

Small Business Development Centers

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses.

Please see [page 129](#) for a listing of the Small Business Development Centers in our area.

Oklahoma Alliance for Manufacturing Excellence

The Alliance is a non-profit organization designed to provide assistance to manufacturing companies in Oklahoma by establishing partnerships between manufacturers, business leaders, education and government officials. The Alliance can assist with technology, marketing, human resources, finances & inter-firm collaboration for area manufacturers.

Please see [page 129](#) for a listing of Alliance Broker/Agents in the area.

Local Area Vocational Technical Schools

The business development specialists that work at local vo-tech schools are a valuable source of information and can either provide assistance with this topic or put you in contact with someone who can.

Please see [page 131](#) for a listing of the Local Area Vocational Technical Schools.

Chambers of Commerce

If there is one, the local Chamber of Commerce may provide valuable information and contacts for the local economy. To take advantage of their services, you may have to become a Chamber member.

Please see [page 130](#) for a listing of area Chambers of Commerce.

Other potential sources to get help with your business are listed below, however since they are for-profit entities, the services they provide may be charged for. Before they actually provide the service, clarify the nature of your business arrangement and the fee that will be charged to provide the service.

Accountants

Please see [page 24](#) on the services an accountant provides, and [page 25](#) on how to choose an accountant if you don't already have one.

Lawyers

Please see [page 13](#) on both the services a lawyer provides and on how to choose a lawyer if you don't already have one.



3. Legal

*What legal aspects do I need to consider?**What services does a lawyer provide?*

In starting-up or operating a business, many aspects related to law may need to be addressed. Everything from contracts to property law may need the attention of a lawyer's services. Potential legal aspects that you may need to consider in starting up or managing your business may be (but are not limited to):

- | | | |
|---|---|---|
| <input type="checkbox"/> government regulations | <input type="checkbox"/> personal property | <input type="checkbox"/> consumer protection |
| <input type="checkbox"/> contracts | <input type="checkbox"/> bailments | <input type="checkbox"/> bankruptcy |
| <input type="checkbox"/> offers & acceptances | <input type="checkbox"/> sales contracts | <input type="checkbox"/> commercial paper |
| <input type="checkbox"/> breach of contract | <input type="checkbox"/> express warranties | <input type="checkbox"/> employment law |
| <input type="checkbox"/> accountant's liability | <input type="checkbox"/> implied warranties | <input type="checkbox"/> legal liability issues |
| <input type="checkbox"/> malpractice | <input type="checkbox"/> breach of sales contract | <input type="checkbox"/> forms of business organization |
| <input type="checkbox"/> worker's compensation issues | <input type="checkbox"/> letters of credit | <input type="checkbox"/> patents, trademarks, etc. |

How do I choose a lawyer?

Because of the substantial investment of both your time and money in your business, it may be important for you to use a lawyer's services to protect both your liability and to ensure that you are legally compliant. And ultimately, there are better ways to find a lawyer who is right for you than by thumbing through the yellow pages of the telephone book. Three potential methods of choosing a lawyer are listed below to help you.

Martindale-Hubbell Lawyer Locator

The Martindale-Hubbell law directory is a publication that can help find lawyers in your area that may specialize in a particular field. A large library may have access to this publication, or alternatively you could access their website on the Internet at:

www.martindale.com/locator/home.html

Oklahoma Bar Association Lawyer Referral

The Oklahoma Bar Association has over fourteen thousand members in the state of Oklahoma, and may be of assistance when locating a lawyer. Since the Oklahoma Bar Association intends to maintain a high ethical standard for those practicing law in the state, they may keep records as to whether any complaints (or lawsuits) have been filed against any of their lawyers. It should be mentioned that if a lawyer has few complaints against him/her, then this should not disqualify that person from providing your legal services since this may be the result of a disgruntled customer. You may contact the Oklahoma Bar Association at:

Oklahoma Bar Association
P.O. Box 53036
1901 North Lincoln
Oklahoma City, OK 73152

Telephone: (405) 416-7000
Fax: (405) 416-7001
Website: www.okbar.org

Community Referral

Potentially the best method of choosing a lawyer may be for you to ask other business people in the community whose lawyer's services they use. And when posing your questions to the members of your community, you would probably want to ask how satisfied they are with using that particular lawyer's services and about their experiences with that lawyer.

Before engaging the services of a lawyer, you will want to clarify how and when you will be billed for his/her services.

A. Business Plans & Business Consulting

3. Legal

Are there alternatives to expensive and time-consuming lawsuits?

There are often more effective methods of resolution of disputes than lawsuits. Alternate dispute resolution (ADR) involves a wide range of methods for managing and quickly resolving disputes at modest cost and with minimal adverse impact on business relationships. **Binding** arbitration is a common ADR method in which the disputing parties choose a neutral person or panel to hear their dispute and to render a final and binding decision or award. Another common form of ADR is mediation, in which disputing parties simply select a neutral third party to assist them in reaching a negotiated settlement. Other methods of ADR include confidential listening, mini-trials, private trials and medarb (which is essentially a combination of mediation and arbitration).

ADR resources may be obtained from:

The Center for Public Resources
366 Madison Avenue
New York, NY 100170-3122
telephone: (212) 949-6490

In addition, comprehensive ADR programs are provided by:

The American Arbitration Association
1440 Two Galleria Tower
13455 Noel Road, Dallas, TX 75240-6620
telephone: (214) 702-8222

Further, the Better Business Bureau provides low cost or free ADR services to assist in the resolution of disputes between a business and its customers. For information, contact your local Better Business Bureau. For information on local organizations providing ADR services, contact the Alternative Dispute Resolution Committee of the Oklahoma Bar Association.

Better Business Bureau

Better Business Bureau
17 South Dewey Avenue
Oklahoma City, OK 73102
telephone: (405) 239-6081

Oklahoma Bar Association

Oklahoma Bar Association
ADR Committee
P.O. Box 53036
1901 North Lincoln
Oklahoma City, OK 73152



Southwestern Oklahoma State University



School of Business - Business Development Center

3. Legal

a. Business Organizations

What are the types of business organizations and the advantages/disadvantages of each?

There are several types of business organizations and determining which is right for you will depend upon how you rate their respective advantages/disadvantages. The following pages briefly explain several possible business organization types and their respective advantages/disadvantages (the information for this section was obtained from the Oklahoma Department of Commerce). Lawyers can help you with the laws and paperwork of setting up your business' organization. *Resources for this section can be found on [page 13](#).*

Sole Proprietorship

Sole proprietorship is the quickest and easiest business structure to adopt. If you don't incorporate and don't have a partner, you are automatically a sole proprietor. Legally, you and your business are the same. As a sole proprietor your net profit is taxed at personal income tax rates and you are personally liable for any debts or losses you incur.

If you run a one-person business that has limited liability, you may not need to bother with the expense and time of incorporation or any other more complex form of organization. Sole proprietorship can also be a good choice for businesses in the start-up phase because it does not have a lot of legal requirements.

As a sole proprietor, you may still need to register your business. Business licensing differs from state to state. If, however, you are doing business as a sole proprietor under a trade name rather than your personal name ("City Architects," as opposed to "John Smith, Architect"), you will likely need to get a business certificate or register as a DBA (Doing Business As). This allows your customers, your suppliers, the government, and anyone else your business deals with to know who the real owner of the business is. Since a DBA can help you open a business bank account and reassure clients that you have lasting power, you may choose to register as a DBA even if the law doesn't require it.

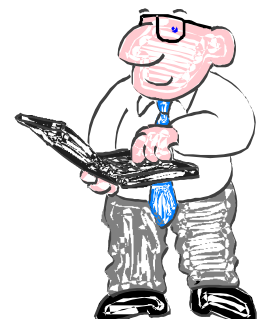
Since there are few legal requirements, sole proprietorships are easy to form. They are more affordable because, in most cases, no legal documents need to be filed. In many instances, all that is needed to begin operation is a sales tax permit.

Advantages

- ☐ It's the least expensive and least complicated business structure to form
- ☐ Good for a trial run while you see how your business evolves

Disadvantages

- ☐ Owner is personally liable for debts and losses
- ☐ Offers no other type of liability protection



A. Business Plans & Business Plan Consulting
 3. Legal
 a. Business Organizations

Corporations

While incorporation requires more paperwork and expense than sole proprietorship, it does give you one critical benefit - protection from liability. A corporation is a separate legal entity from the person (or people) that owns it. The corporation, not the owner, enters into business deals, owns property, borrows money, and engages in other business activities. Because the corporation is involved in these business deals, you and your personal assets will, in many cases, be protected from liability if something goes wrong.

For businesses with more than one owner, incorporating can often protect you from the actions and misdeeds of your co-owners. This is unlike a partnership, where each partner is personally liable of the business-related actions of all the partners.

There are other benefits in incorporating. You can gain access to benefit plans only available to corporations. It also creates a positive image for your company - when you are trying to raise capital, obtain credit card merchant status, win certain kinds of new customers, or do business in foreign countries, incorporation can be important for appearances' sake.

You should be aware that corporate liability protection is not absolute. If you are interested in incorporation because of the protection it promises, look at the following exceptions:

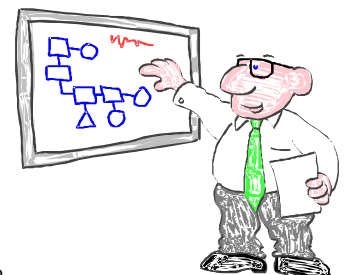
- (1) It cannot protect you from your own bad acts. Being a director of a corporation does not protect you from personal liability from the wrongs you personally commit. For example: You run a package delivery service and you fill in for a driver who has called in sick. If, in the process, you run into a busload of people, you are personally liable for the damage.
- (2) It cannot protect you from things you personally guarantee. Banks and some corporate creditors often require personal guarantees from people in a corporation. So if your business were to fail, you would be personally responsible for repaying these debts. In addition, you don't want to become personally liable inadvertently...so be certain your name, title and company name are on anything you sign.
- (3) It cannot protect you from owing governmental trust fund taxes (withholding taxes and sales taxes). When taxes are held in trust, all officers and anyone who has check-signing authority are jointly liable to the government for these taxes. That means that as a principal, you cannot hide behind the corporation and will be personally liable for these taxes if they are not paid.
- (4) It cannot protect you from some state laws. New York, for example, has a law which says that the ten largest shareholders of a corporation are personally responsible for unpaid employee wages. If a restaurant operates for three years and goes out of business, the owners and principals are personally responsible for any unpaid salaries.
- (5) It cannot protect people in certain professions. Professionals including doctors, lawyers, and accountants are personally liable in any lawsuit.

Advantages

- ☐ Owners' personal assets are protected from business debt and liability
- ☐ Corporations have unlimited life extending beyond the illness or death of the owners
- ☐ Tax free benefits such as insurance, travel, and retirement plan deductions
- ☐ Transfer of ownership facilitated by sale of stock
- ☐ Change of ownership need not affect management
- ☐ Easier to raise capital through sale of stocks and bonds

Disadvantages

- ☐ More expensive to form than sole proprietorships or partnerships (lawyer fees could run between \$500 & \$2,000)
- ☐ More legal formality
- ☐ More state and federal rules and regulations
- ☐ If profit is not significant, there may not be enough income to take advantage of the tax and other benefits of a corporation



S Corporation

S Corporation status gives you the liability protection of a corporation and allows you to pay taxes on the same basis as a sole proprietor or partnership (i.e. you pay tax at the personal rate and your profits are your salary). S Corporations limit the number of corporate shareholders to 75, stipulate that all shareholders be U.S. citizens, and require that shareholders be individuals rather than other corporations or estates. The only exception being tax-exempt, charitable organizations.

Many tax and legal experts recommend S Corporation status for smaller entities and start-ups. It can provide you with corporate liability protection, and potentially reduces your tax burden (since corporate income is taxed at one level instead of two). In addition, if your business experiences a loss in its first year, you can generally pass that loss through to your personal income tax return. There are other potential tax advantages as well, including the ability to deduct (as an investment interest expense) interest you incur to buy S Corporation stock.

On the downside, S Corporations are limited in terms of the amount of deductions for fringe benefits such as health insurance, group term life insurance, deferred compensation plans, etc. While a C Corporation can deduct these benefits for all owner-employees, an S Corporation cannot deduct them for an owner-employee who owns 2% or more of the corporate stock. For example, a C Corporation can deduct 100% of its owner-employees' health benefits, while at present, S Corporations can deduct only 30% (the same as a sole proprietorship). Deductibility will be raised, in stages, from 30% to an eventual 80% over ten years.

To become an S Corporation, all shareholders must file and sign IRS Form 2553. Shareholders pay income tax on their share of the corporation's income, regardless of whether they actually received the money or not. If the corporation suffered a loss, shareholders can claim their share of that loss.

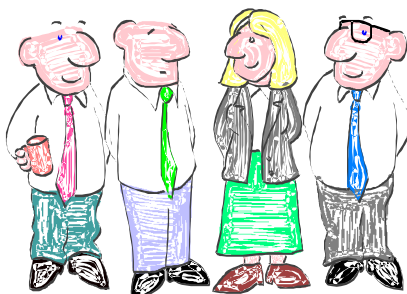
Most states follow the federal pattern of not imposing corporate tax on an S Corporation, but instead taxing the shareholders. Be aware, however, that some states tax an S Corporation the same as a C Corporation. You might want to contact the tax division of your state treasury department to find out how this is handled in your state. You can contact the Oklahoma Tax Commission, Corporate Income Tax Division, at (405) 521-3126. Website: www.oktax.state.ok.us
E-Mail: bustaxmaster@oktax.state.ok.us

Advantages

- ☐ Corporate liability protection for shareholders
- ☐ Profits are taxed at the personal rate
- ☐ Potential to write off losses against personal income tax

Disadvantages

- ☐ Requires more paperwork and is more expensive than partnership or sole proprietorship
- ☐ No benefit deduction for owner-employees with 2% or more of corporate stock



A. Business Plans & Business Plan Consulting
3. Legal
a. Business Organizations

General Partnership

If you have business partners, you have the option of forming a partnership instead of incorporating. Should you choose this route, experts highly recommend that you formalize this relationship by creating a written general partnership agreement that will protect all parties involved. It is possible to have a partnership without a formal agreement, in which case you will be governed by the Uniform Partnership Act, but this allows for little flexibility or protection in events such as one partner leaving. A written contract, on the other hand, will spell out exactly what each partner's rights and responsibilities are.

The chief benefit of a general partnership is that you have someone with whom to share the business burden. It will also probably cost less and require less paperwork to form a partnership than a corporation. In addition to the written partnership agreement, you may have to file a partnership certificate registering the company's name, and perhaps obtain a business license as well. These requirements vary from state to state and from locality to locality, so check with your county clerk's office to find out the specific requirements for your area.

If you do form a partnership, each year you have to file a partnership information return that tells the IRS and state officials how much the partnership earned or lost, and how those gains and losses are to be divided among the partners. The partnership itself does not pay income taxes. Instead, the partners report this information and pay taxes on their shares on their personal returns, similar to a sole proprietorship.

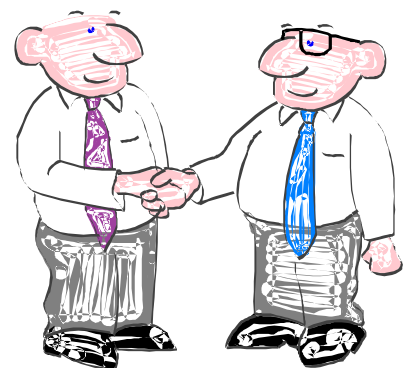
The downside of partnerships is that you are personally responsible for your partner's liabilities related to the business. One partner can take actions - such as signing a contract - that legally bind the partnership entity, even if all the partners were not consulted. Each partner is also personally liable for injuries caused by one partner on company business. In other words, if one partner causes an accident while making a delivery with the company van, all partnership assets, as well as each partner's personal assets, are at risk. Of course, a partnership can protect itself against such risks by carrying the proper insurance.

Advantages

- ☐ Provide a way to share the business burden
- ☐ Simpler paperwork and less cost than incorporation

Disadvantages

- ☐ All partners personally liable for the business actions of a single partner



3. Legal

a. Business Organizations

Limited Partnership

Limited partnerships are typically used for real estate investing or in situations where a business is looking to finance expansion. For most small businesses, forming a general partnership or an S corporation will meet their needs.

In circumstances where they are appropriate, limited partnerships provide many of the benefits of partnerships and corporations. They provide a way for small businesses to raise money without taking in new partners, forming a corporation, or issuing stock.

A limited partnership must have one or more general partners, who have the same responsibilities and liability restrictions as they would in a general partnership. In addition, there are one or more “limited” partners, typically investors not involved in the day-to-day activities of the company.

These limited partners are not personally liable for debts of the partnership, and they get the same tax advantages as a general partner. However, they do have significant restrictions. They can not, for instance, be involved in the management of the company (with few exceptions). If they are, they may become personally liable for the partnership’s debts. Creating a limited partnership can be as complex and costly as forming a corporation - so you may want to hire an attorney to help you.

Advantages

- ☐ Ability for partnerships to raise money without involving outside investors in day-to-day business decisions
- ☐ Limited partners get limited personal liability and greater tax advantages

Disadvantages

- ☐ Complex and costly filing procedures
- ☐ General partners still have personal liability for company's debts and actions

Professional Corporation

Groups of certain professionals can form corporations known as professional corporations or professional service corporations. The list of professionals covered by professional corporation status differs from state to state, it typically covers accountants, engineers, physicians and other health care professionals, lawyers, psychologists, social workers, and veterinarians. Typically, these professionals must be organized for the sole purpose of providing a professional service - i.e., a law corporation must be made up of licensed attorneys.

In certain states, this is the only incorporation option available for certain professional, whereas in others, they are given the choice of being either a professional corporation or an S or C corporation.

According to tax and legal experts, there is no longer a significant tax benefit to professional corporation status over sole proprietorship or partnership. The IRS treats most professional corporations as “personal service corporations,” taxing corporate income at the flat rate of 35%.

Professional corporations can shield owners from liability. While it can’t protect a professional from his/her own malpractice liability, it can protect against liability from negligence on an associate. Malpractice insurance is still the way to go for most professionals, however. Still, you might want to consider this corporate status as a back-up against rising rates or inadequate coverage.

Advantages

- ☐ Owners not liable for negligence of other owners

Disadvantages

- ☐ Higher cost and more paperwork than a sole proprietorship or partnership
- ☐ Ownership restricted to members of a certain profession

A. Business Plans & Business Plan Consulting
3. Legal
a. Business Organizations

Limited Liability Company

Yet another business structure option has been created as a hybrid of the corporation and the partnership - the limited liability company. A limited liability company (LLC) has the liability protection of a corporation but the tax status of a partnership. In other words, while you get liability safeguards similar to those of a corporate shareholder, you pay taxes at the personal rate on your share of the profits or use the loss to offset other income.

While an LLC has many of the same characteristics as an S corporation or a limited partnership, it is, in many cases, more flexible. For example, it is possible to use an LLC to:

- (1) bypass the restrictions on S corporation ownership,
- (2) allocate profits differently from ownership interests, or
- (3) get around the general partner's personal liability in a limited partnership.

Every state, other than Hawaii and Vermont, allows limited liability companies. Various states have different sets of restrictions, however, so it is advisable to check with your state department of taxation first to find out the applicable state laws and if your company would qualify to be an LLC.

Filing to form an LLC can be extremely complicated, and the paperwork needs to be completed meticulously, so you probably want to hire an attorney to help you. You need to follow the state rules that govern formation of an LLC in your state, and file the proper forms with the correct state bureau. You also will need to observe IRS guidelines in your LLC operating agreement (governing the relationships and responsibilities of the LLC owners) so that you qualify for taxation as a partnership rather than a corporation.

Another new structure, the limited liability partnership, provides benefits similar to those in an LLC to professional partnerships.

Advantages

- ☐ Liability protection similar to a corporation, but tax status of a partnership
- ☐ Potentially provides greater flexibility than an S corporation or a limited partnership

Disadvantages

- ☐ Extremely complicated filing procedure that requires strict adherence to state and federal guidelines
- ☐ Not yet available in all states



3. Legal

a. Business Organizations

Non-Profit Corporation

The primary benefit of being a non-profit (or not-for-profit) corporation is that you are exempt from paying income taxes. You must qualify for tax-exempt status under the Internal Revenue Code Section 501(c)(3). Should you attain this status, not only is your corporation exempt from paying taxes, but people, corporations, or other organizations that contribute to your corporation can take a tax deduction for those contributions.

There are other benefits, too. For example, if you do a lot of mailings, you can qualify for the lower “non-profit” postal rate. Plus, there is the positive image a non-profit connotes: it tells people that you’re in business not for the money but for a higher purpose.

Typically, tax-exempt status is reserved for corporations formed for religious, charitable, literary, scientific, or educational purposes. This could include: child care centers, museums, research institutes, dance or music groups, places of worship, schools, community groups, etc.

Of course, you don’t make money from a non-profit company; once you put assets in, they become property of that corporation and must be dedicated to specific non-profit purposes. And you can’t sell the business to get your money back. A non-profit company goes on; if it is sold, liquidated, or otherwise ends, the assets must be passed to another non-profit corporation.

There are other responsibilities and restrictions to running a non-profit business, too numerous to list here. If you are seriously considering forming a non-profit corporation, you might want to get in touch with legal and/or tax counsel that specializes in this area.

Advantages

- ☐ Tax-exempt status
- ☐ Contributions are tax deductible
- ☐ Helps project an altruistic image for company

Disadvantages

- ☐ Tax advantages limited to companies formed for religious, charitable, literary, scientific or educational purposes

Resources:Oklahoma Secretary of State

The Business Filing Division of the Oklahoma Secretary of State can provide assistance in registration procedures and in completing forms to create a business organization.

Oklahoma Secretary of State
2300 N. Lincoln Blvd., Ste. 101
Oklahoma City, OK 73105-4897

Telephone: (405) 522-4560
Fax: (405) 521-3771
Website: www.oklaosf.state.ok.us/~sos/

Oklahoma Tax Commission

The Oklahoma Tax Commission will have information and forms that you will need to create a business organization.

Oklahoma Tax Commission
Corporate Income Tax Division
2501 North Lincoln Boulevard
Oklahoma City, OK 73194

Telephone: (405) 521-3126
Website: www.oktax.state.ok.us
E-mail: bustaxmaster@oktax.state.ok.us

A. Business Plans & Business Plans Consulting
 3. Legal
 b. Patents/Trademarks/Copyrights

How do I obtain a patent? Copyright? Trademark?

Specialized attorneys can help you with obtaining a patent, trademark or copyright. Since the process is lengthy for obtaining a patent, you may want to consider getting help before you go it alone. The remaining parts of this section briefly explain copyrights, trademarks and patents and the government agencies that you can contact to get information.

Since the process for applying for a patent is so involved (it usually takes between 1 & 2 years to get a patent), you may want to contact a reputable patent attorney to ensure that all of the steps in the process are followed. To find a reputable patent attorney you should follow one of the steps mentioned in the “How do I choose a lawyer” section ([page 13](#)).

To protect yourself to the fullest, you should contact a patent attorney rather than respond to an ad asking for you to submit your idea (ostensibly to receive a patent). Usually these organization do not meet the expectations of the people who use their services and ultimately may not receive the patent protection that they were seeking. On the other hand, an attorney who has a reputation to uphold (in order to earn a living) will usually have higher ethical standards. Additionally their ability to continue practicing law depends upon them not misrepresenting themselves to you.

Copyright

Although registration is not necessary to claim copyright in an original literary, dramatic, musical or artistic work, registration does provide certain benefits in the event of infringement. The Copyright Office can provide details on how to register a copyright. To order copyright forms, call (202) 707-9100.

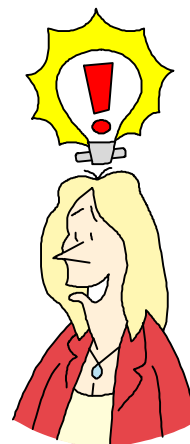
Publications

- Circular 1, Copyright Basics
- Circular 2, Publications on Copyright

Patent and Trademark

A trademark is a unique symbol, design, name, slogan or sound used in trade to distinguish the goods and services of one party from another. Registration is not necessary for trademark protections, but it does give the registrant priority and provides other benefits, including the right to use the “®” symbol with the mark. Trademarks are registered at the national level with Patent and Trademark Office. A publication, Basic Facts About Trademarks is available by calling the general information number (703) 557-4636.

Patents give owners the right to exclude others from manufacturing, using or selling the invention throughout the United States, and, if the invention is a process, the right to exclude others from using or selling throughout the United States or importing into the United States products made by that process. Patents are granted by the Patent and Trademark Office and general information concerning patents is available on their website.



Resources

U.S. Copyright Office

The U.S. Copyright Office can assist you with copyright information and forms to help you.

Copyright Office
 Library of Congress
 101 Independence Avenue, SE
 Washington, DC 20559-6000

Telephone: (202) 707-3000
 Website: lcweb.loc.gov/copyright

- A. Business Plans & Business Plans Consulting
3. Legal
b. Patents/Trademarks/Copyrights

U.S. Patent and Trademark Office

The U.S. Patent & Trademark Office can provide information and forms related to patents and trademarks.

U.S. Patent and Trademark Office
U.S. Department of Commerce
Washington, DC 20231

Telephone: (703) 557-4636
Website: www.uspto.gov

Invention Development Society

This organization could provide networking opportunities with experienced and novice inventors. They do not advise on the market feasibility of a potential patent, rather could provide information about the patent application process. The group meets six times per year.

Invention Development Society
8300 SW 8th Street
Oklahoma City, OK 73128

Telephone: (405) 787-0145

Oklahoma Inventors Congress

This organization promotes innovation, and may also be a source for networking opportunities.

Oklahoma Inventors Congress
3212 NW 35th
Oklahoma City, OK 73112

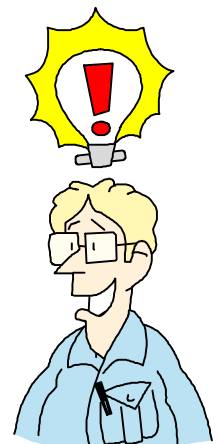
Telephone: (405) 947-5782

OSU Patents & Trademarks Library

The Patents & Trademark Library at Oklahoma State University is a depository library for the U.S. Patent & Trademark Office. This allows people to perform patent & trademark searches which is a necessary step in the process. They may provide help with searches, but do not advise or grant patents.

OSU Patents & Trademarks Library
206 CITD
Stillwater, OK 74078

Telephone: (405) 744-7086



A. Business Plans & Business Plan Consulting

4. Accounting

Why is record-keeping important?

How do I set up the right record-keeping system?

In addition to improving the likelihood of your business succeeding, a good record-keeping system will help you:

1. Monitor the progress of your business
2. Prepare your financial statements
3. Keep track of deductible expenses
4. Identify source of receipts
5. Prepare your tax returns
6. Support items reported on your tax returns



Monitoring the progress of your business is important in order to know whether your business is improving, which items are selling, or what changes need to be made if any problems arise.

Preparing accurate financial statements will help you in your dealings with bankers and creditors. If they know your business is accurately reflected by your financial statements they may feel more at ease lending your business money since you may be more likely to pay them back.

Keeping track of deductible expenses will help you when you prepare your tax statements. If you don't record expenses when they occur, you may forget deductible expenses when tax time rolls around.

Identifying sources of receipts is important in order to separate business from nonbusiness receipts and taxable from nontaxable income.

Preparing your tax returns will require you to refer back to the records you kept over the previous year.

Supporting items on tax returns is also a good reason to keep accurate records. You must keep your business records available for inspection by the IRS. If the IRS examines any of your tax returns, you may be asked to explain the items reported, and an accurate record keeping system will speed up the process.

What should I know about accounting & bookkeeping?

Information is vital for managers to have in order to operate a business effectively, and accounting information may be one of the most important sources of information for any business. Therefore, it should be a high priority for managers to have a solid foundation in accounting principals.

Having the information provided by accounting would help identify problems (like cost overruns or losses on products sold) and then might provide potential solutions to those problems (like more efficient use of resources or changing suppliers).

A businessperson or manager should at least have an understanding of how to keep records (bookkeeping) and possibly about financial statements (balance sheets & income statements) and if at all possible some basic managerial or cost accounting principles.

There are several ways to get this accounting knowledge. You could go to the library and learn on your own time, take a course at a vo-tech school or take courses at a university. If you plan to open a business and do not have accounting experience and plan to apply for a loan for the business, then the bank may only approve the loan if you will agree to take accounting courses at a vo-tech or university.

A. Business Plans & Business Plan Consulting

4. Accounting

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What services does an accountant provide?

If you don't have an accountant as an employee of your business, you may need help preparing financial statements or tax returns at some point in the year. A Certified Public Accountant (CPA) can assist with these and other business related aspects and it would help if you kept good records of your business transactions throughout the year. (Please see the Business Appendix, [pages 116-121](#), for a supplement on record keeping.)

Services that can be provided by an accountant include but are not limited to:

- ☐ Business Plan Consulting
- ☐ Compilations (Record Keeping)
- ☐ Financial State Preparation
- ☐ Auditing
- ☐ Projections (cash flow, income, etc.), and
- ☐ Tax Return Preparation

Additionally, the accountant may be able to help in the process of applying for business loans through a banking institution.

How do I choose an accountant?

Much like choosing a lawyer, the best method of choosing an accountant may be through talking to business people in your community about how they handle their accounting functions. Similarly, it should not only be the comparison of hourly rates that figures into your decision process. Other factors that should be included in the decision process might include how satisfied their customers seem to be, who people in the community recommend, etc.

Accounting Resources

Accountants

Accountants will be able to help you with many topics related to accounting. *Please see the above section on how to choose an accountant.*

Small Business Development Centers

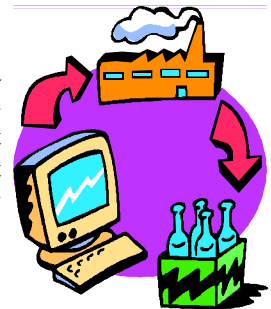
SBDCs can help identify the type of accounting help you may need and then direct you to the proper source.

Please see [page 129](#) for a listing of area Small Business Development Centers.

Local Area Vocational-Technical Schools

The Small Business Management Program at the Area Vo-Tech Schools offers the business person a step-by-step program for creating a quality small business using professional information. Classes are offered covering different aspects of the business and using outside specialists to present state-of-the-art information and help to the businesses. Additionally, the instructors or business development coordinators can help with business plans and may visit the business to ascertain progress and identify problems before they become severe.

Please see [page 131](#) for a listing of Local Area Vocational & Technical Schools.



A. Business Plans & Business Plan Consulting

5. Insurance

How do I manage my exposure to risk?

There is no way to eliminate risk in operating a business. There will always be the risk of consumer tastes changing, your good/service becoming obsolete, a cheaper alternative of producing your good/service, increased competition, higher labor costs, the business cycle, etc. These are risks that are inherent with owning/operating a business and cannot be avoided. However, risk may be reduced by talking to your insurance agent and taking steps to address those risks that can be managed. Doing this may bring the overall risk to an acceptable level and allow you to operate within the market.

The risk of your business losing money due to fire, natural disasters, automobile accidents, etc. may be managed and losses reduced through the purchase of insurance policies. Additionally, you should discuss means of reducing business risk with your insurance agent.

What do I need?

There is a broad range of insurance coverages available and it may be necessary for you to talk with your insurance agent to ensure that you are appropriately insured.

Several types of insurance may be required by law (worker's compensation, auto), others would be classified as employee benefits (health, dental insurance) and still others would reduce the risk associated with owning/operating a business (fire, errors & omissions). Depending on the type of business, surety bonds may be necessary, such as in the construction industry. In addition, businesses that provide goods or services to governmental or other public agencies generally must be bonded. Businesses with employees who will have access to cash should consider obtaining fidelity bonds to protect against loss due to dishonesty of employees. The following section lists required types of insurance, benefit type insurance and insurance intended to reduce business risk.

Required Insurance

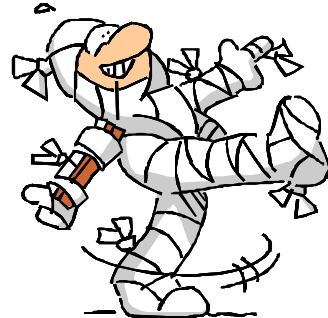
Worker's Compensation - Worker's compensation coverage is required by law (please see page 112 for additional information on worker's compensation insurance) for all employees of your business. This type of insurance will cover any bodily injury that an employee may suffer in connection with their employment. Medical expenses following a valid claim are paid to the employee (within the overall limit of the coverage) and a lump sum payment is made to the employee or his/her family in the event of death or permanent disability. Worker's compensation may not insure against illness or any accident arising outside the course of employment.

Auto Insurance - If your business uses vehicles, then you will be required by law to have some form of liability insurance covering the vehicle and the people who use it.

Liability Insurance - If you finance your business, you may be required by your lender to have liability insurance, which will protect you from some forms of monetary loss as a result of a customer or anyone else who may be injured while on your property or business premises. This type of insurance may be included with property & casualty insurance - be sure to ask.

Property & Casualty Insurance - Again if you finance your business, your lender may require you to purchase this type of insurance to protect their investment in your business. Property and casualty insurance will protect your building and its contents in the event that all or some of it were destroyed in a fire, tornado, etc. up to the insured limit. (Other disasters like floods may require that you purchase additional insurance.) This type of insurance may also include liability insurance.

Product Liability - If you manufacture goods, then you may be required to obtain product liability insurance. This insurance will protect you from some types of monetary loss if someone injures themselves while using your product.



Benefit Insurance

Insurance that is provided as a benefit may allow you to attract a more skilled labor force to your business, which might increase business productivity.

Health & Dental Insurance - Depending on the insurance provider, some health services are totally paid for by the insurance company, other health services may require the employee to pay a percentage of the costs, and still other health services will not be covered and require the employee to pay for the full cost of the health service.

Group Life Insurance - Group Insurance gives your employees valuable life insurance protection provided at a low group rate, and the employer is allowed a federal income tax deduction for any employer paid premiums.

Other Business Insurance

Insurance in this category is not mandatory in most cases, rather it is intended to reduce the risk to your business operations in certain circumstances. We will list some types of insurance in this category, but you should contact your insurance agent to make sure that there are other types that would be to your benefit. Additionally, not all insurance companies will provide all of the listed insurance types.

Accounts Receivable Coverage - Will protect you for the amount that you are owed by your customers in the event that your accounts receivables records are lost or destroyed.

Broadcasters' Liability Coverage - Will protect a broadcasting company for the cost of lawsuits arising from incorrect news stories, copyright, infringement, libel, slander, etc. The employees of the company will also be covered as long as they were performing their duties.

Business Interruption Coverage - In the event that your business or business property is damaged, the business interruption coverage will pay an amount equal to normal business income. Doing this will allow you to continue paying your utility, loan, payroll, etc. expenses while your business operations are suspended. You should contact your insurance agent for any limitations of the coverage.

Employment Practices Liability Coverage - This insurance will protect your business from claims made by employees of wrongful termination, discrimination, failure to employ or promote, sexual harassment, etc. It should be noted that if an act was committed or alleged to have been committed in the past and you presently seek this protection, your insurance company may not extend the insurance coverage into the past.

Errors & Omissions Coverage - This type of coverage is intended for professional practices (accounting, law, insurance, real estate & banking) to protect against the liability of errors and omissions resulting from the performance of those professions.

Key Employee (Man) Life Insurance - Businesses have many assets to protect against losses - buildings, equipment and automobiles on some examples. However, key employees, which may be the most important asset the business has, are often times overlooked as an asset. Key employees have several characteristics that set them apart from other employees including:

- ☐ Having specialized skills that are crucial to the business' success;
- ☐ Having a significant client base that might leave the business if the employee were to die.

Life Insurance may be considered for the key employee to cover the loss of income and/or increase in expenses resulting from the key employee's death. Proceeds can be used to assure creditors that their loans are safe or to cover the expenses of hiring & training a new employee.

Sometimes, insurance may be tailored for a specific type of business (for example, construction firms, liquor stores, etc.) and there are numerous other types of insurance - so it may be important for you to contact your insurance agent to ensure that your risk has been minimized.

A. Business Plans & Business Plan Consulting

5. Insurance

How much will it cost?

Insurance can be a major business expense, but there are ways to reduce it. Usually you can receive discounts if you buy all of your insurance from one company or agent, and as time progresses, an insurance company may give you discounts to reward you for your loyalty. Another easy method of reducing your insurance expense would be to increase the deductibles on your policies - this will protect you from major damages but you will have to live with paying minor damages out of your own pocket. Additionally, some insurance companies may reduce your rates if you make some minor investments, (security system, better locks, fire extinguisher, etc.) in your business.

Ultimately you will have to contact an insurance agent for cost estimates, but if you are willing to spend the time you might attempt to learn how much is spent on insurance by businesses in your industry.



Insurance Resources

Local Insurance Agents

Your local insurance agents would be able to provide specific information on much of the information discussed in this section.

Oklahoma State Insurance Fund

The purpose of OSIF is to provide workers' compensation insurance protection for employers, enabling their employees to receive financial and other benefits should they be injured on the job.

Oklahoma State Insurance Fund
410 North Walnut
P.O. Box 53505
Oklahoma City, OK 73104

Telephone: (405) 232-7663
Telephone: (800) 347-3863
Website: www.onenet.net/~osif/

Occupational Safety and Health Administration (OSHA)

OSHA is a federal regulatory agency that works to protect the health and well being of the American worker.

OSHA
200 Constitution Avenue, NW
Washington, DC 20210

Telephone: (202) 219-8151
Website: www.osha.gov

Oklahoma State Workers' Compensation Court

This agency adjudicates issues regarding work related injuries.

Oklahoma State Workers' Compensation Court
1915 North Stiles
Oklahoma City, OK 73105

Telephone: (405) 522-8600
Telephone: (800) 522-8210

Oklahoma Insurance Commission

This state agency provides worker's compensation insurance (which can also be obtained from a private carrier).

Oklahoma Insurance Department
3814 N. Sante Fe
Oklahoma City, OK 73152

Telephone: (405) 521-2828
Website: www.oid.state.ok.us

What do I have to do to get a loan?

The loan application process can take several weeks or even months from the time that you apply for the loan to the time that you are approved and actually receive the funds. So if you are in business now and seeking money for either expansion or to meet credit obligations during a non peak season, then you should anticipate your future business' need and apply for the loan before the money is needed. If you apply when you need the money, you may run into cash flow problems before you receive the funds (if you are approved).

There are several ways to speed up the loan process. One would be to check your credit history and another would be to ensure that you have a business plan to hand to a potential creditor when the loan application is made.

By checking your credit history, you are ensuring that you won't be surprised by anything that is on your credit report when you apply for a loan. Sometimes the credit bureaus make mistakes and you will want to resolve any discrepancies beforehand. Additionally, if you have some slow payments on your credit report, you may be able to write to your creditor and ask that those slow payments be taken off your credit report - this does not mean that your creditor will take off those slow payments.

A list of the credit bureaus appears on [page 107](#).

The other way to speed up the loan process would be to prepare a business plan beforehand and give to a potential creditor when you apply for a loan. A business plan that has been well thought-out and looks professional will go a long way towards impressing potential creditors.

Please see the first section of this resource directory ([pages 101 to 104](#)) about preparing a business plan.

If you get turned down for a loan, don't take it personally - ask what you could do to improve your chances of being approved for a loan and then work on it before reapplying.



How much money do I need?

If you intend to apply for a loan, you will obviously have to know how much money you will need. The Business Appendix ([pages 108 to 109](#)) provides two worksheets that can help you estimate both start-up (which can also be used for expansion) and monthly expenses associated with your business. If you need help with this section, you can call the Small Business Development Center or a Business Development Specialist in an area Vo-Tech for assistance.

How much money/equity do I have available?

Generally, if you cannot contribute money or equity to your business, a bank will not lend you money. A major reason for this involves incentive, if you have a major stake in your business, then you will have incentive to see it do well. And the bank wants every indication that you will be able to repay the money you borrowed.

Depending upon your credit history, your business and your industry, you will have to contribute anywhere between 10% and 50% of the amount needed for your business.



What other sources of funds are available?

All businesses require a certain level of capital to fund operations and growth and there are many sources of funds available to businesses to consider. Capital may be in the form of equity investment or debt financing. What is adequate depends on the size, industry and particular circumstances of the company. The following section contains descriptions of some of the more common types and sources of business financing.

For more information about the programs, you can either contact the Business Development Division of the Oklahoma Department of Commerce at 405/815-5146, *or use the resources at the end of this section on page 36.* A Guide to Doing Business in Oklahoma (published by ODOC) served as the template for the information in this section.

Individual Investors

Most entrepreneurs usually obtain their early-stage financing, beyond what they provide personally, from individual investors. This is a source that every fledgling company needing financing should consider.

These individuals fall into two general groups. The first group is family and friends who are likely to be the main source of seed capital through either equity or debt. The second group is made up of individual investors who seek to place a certain percentage of their capital in private, relatively young companies with the objective of realizing investment returns substantially greater than those available in the public markets.

Capital can also be raised from investors through a public or private offering of securities of the company. However, the public securities markets are generally for larger or mature companies or businesses with high growth potential.



Commercial Banks

Commercial banks have traditionally been the largest source of secured short-term financing. As a result, the majority of loans made by commercial banks include short-term demand notes, lines of credit and term loans. The two most fundamental financial considerations made by commercial bankers when they review loan applications are cash flow and financial leverage (or total debt in relation to total equity).

Bankers view the cash flow of a business as the primary source for repayment of loans. Therefore, the business should demonstrate adequate cash generation ability from its normal operations to service its total debt payment. In addition, bankers prefer that companies not be highly leveraged because there is a greater portion of business risk taken by creditors in relation to ownership interest. For this reason bankers tend to look less favorably on businesses with a higher leverage than the average of similar businesses in their industry.

Corporations

Major corporations may have an interest in funding products or services that are similar to their organization through a corporate joint venture. To secure necessary start-up financing from a larger company, a corporation in a joint venture will invest funds either through loans or equity and will seek a superior return from the investment. Additionally, the corporate joint venture partner will often offer some type of know-how to complement their investment.

Insurance Companies

Small business loans by life insurance companies are often made for the acquisition or construction of real estate. Insurance companies also refinance properties. Generally the loans are for not less than \$1 million and are secured by real estate mortgage; however, there are some insurance companies that will make smaller loans.

Venture Capital

Venture capital is a major source of equity capital for smaller and developing businesses. Venture capital investors typically prefer rapid-growth businesses with the potential of a public offering in three to five years.

True venture capital firms are set up to provide second round financing for businesses who already have an existing strong management team and a developed product or process. The venture capital organization invests in the existing company in various ways, which in most cases involves a portion of debt and a portion of equity. They strive to make a return on investment of 30 to 40 percent per year.

Over ten private venture capital firms make their home in Oklahoma. These companies tend to have very specific investment objectives, ranging from start-up capital for high technology medical firms to expansion capital for established manufacturers and publishing or communications companies.

As well, three venture capital clubs in Oklahoma provide a forum where entrepreneurs can publicly present their ventures to an audience of potential investors. This networking activity provides the environment in which deals may be made. In addition, Oklahoma has one venture capital exchange sponsored by the University of Tulsa. The exchange, through a confidential listing process, matches businesses with investors.

Economic Development Administration

This federal loan guarantee program, administered through the Economic Development Administration (EDA), is available nationwide to provide financial assistance to companies that are expanding and creating jobs or restructuring and retaining jobs in economically distressed areas. The EDA works with the borrower's lender to guarantee a portion of the loan request. The maximum guarantee available is \$10 million.

The EDA Business Loan Guarantee Program primarily focuses on businesses who need expansion capital and, due to the economically depressed areas in which area they are located, cannot find other sources of capital. Fixed asset loan guarantees, as well as working capital guarantees, are eligible.



Bureau of Indian Affairs (BIA)

This fund was established by the Indian Financing Act of 1974 to guarantee loans made by private lenders to Indian tribes, Alaska Native groups, Indian-owned corporations, partnerships, cooperative associations and individual members of tribes for up to 90 percent of the unpaid principal and interest due. In addition, payment of an interest subsidy based on need is also authorized on those loans guaranteed. Funding for the program is authorized annually by the U.S. Office of Management and Budget and therefore, varies from year to year. There are no loan limits for tribes or organizations. However, \$350,000 is the limitation on guaranteed loans to individuals. In addition, the loan must benefit the economy of an Indian reservation.

USDA Rural Development

The USDA Rural Development (formerly Farmers Home Administration) Business and Industrial Loan Program offers to guarantee to private lenders those loans which help improve, develop and expand business and industry in rural Oklahoma. Guaranteed loans of up to 90 percent of principal and interest are made in cooperation with a local lender who is responsible for the loan's service and administration. As is the case with the Small Business Administration, the guaranteed portion does not count against the bank's legal lending limit and can be sold into the secondary market.

The USDA Rural Development allows loan proceeds to be used for fixed asset financing as well as working capital. The loans are limited to \$10 million and terms are set to match the useful life of the asset being financed.

General Obligation Limited Tax Bonds

Many Oklahoma counties and cities have approved the issuance of General Obligation Limited Tax Bonds (GOLTBs) for industrial development. The amount of bonds these units of government are limited to is the amount that could be retired by a special tax levy of not more than five mills on the assessed dollar valuation of all taxable real and personal property in that county or city. The proceeds for GOLTBs are generally used to acquire or build a facility for manufacturing and industrial projects. Lease or other income from the facility is used to amortize the bonds.



Industrial Revenue Bonds (IRBs)

Since the 1960s, Industrial Revenue Bonds (IRBs), or Industrial Development Bonds as they are sometimes called, have accounted for the majority of industrial financing in the state. Unlike General Obligation Limited Tax Bonds which are backed by the full faith and credit of a county or city, IRBs are backed solely by the strength and credit of the industrial borrower and project financed. The bonds are repaid from the revenues generated by the project financed. Under Oklahoma Statute, they may be issued only through public trusts.

Local Revolving Loan Funds

A local revolving loan fund is administered by area city or county governments and is designed to provide low-interest loans to assist businesses in the region. A revolving loan fund is funded through government recaptures for new loans. Application for potential local revolving loan funds can generally be made through a community's industrial authority or trust.

Commercial Finance Companies

Commercial finance companies offer a variety of financial services for progressive growth-oriented companies that have outstripped their working capital and no longer meet traditional bank credit criteria or that experienced a downturn and are moving into recovery.

Since existing accounts receivable, inventory and equipment are primarily used as collateral for commercial finance companies, the use of these lenders best applies to companies with several years of operating experience. They are typically not a valid source of financing for initial capital formation. However, once established, they are an excellent vehicle for meeting the cash needs of companies with rapid growth where there is little cash and low net worth in relation to sales, accounts receivable and inventories.

Leasing Companies

To obtain operating assets, leasing provides a financing alternative for direct purchases and conventional borrowing. However, the cost of funds may be higher.

A lease is a contract which conveys the right to use property for a period of time at a specific rental amount. The structure of a lease determines how it will be treated for accounting and tax purposes. Lessees should consult with an accountant regarding the impact of a lease on financial statements and taxes prior to making a decision to lease. Because the tax treatment under the various types of leases differs, the structure of the lease plays an important role in the effective cost to the lessee. Sources available to small businesses for obtaining leases include commercial leasing companies, commercial finance companies, equipment manufacturers and some commercial banks.

Pension Funds

Financing received from pension funds may range from a secured loan, much like traditional commercial bank loan, to a subordinated debenture with an accompanying ownership position in the company. Investments in companies are usually for a minimum of \$1 million. Pension funds are typically interested in emerging growth and established companies, as well as buy-outs. Start-up and early-stage companies are generally not appealing to pension fund managers.



Utility Companies

Utilities such as electric and gas companies and cooperatives have offered indirect financial assistance to businesses in the form of utility installation costs, temporary utility rates, advertising, training and seminars. Some utilities offer technical assistance grants for energy audits.

Rural utility companies have also participated in financing economic development projects in their service areas through the purchase of General Obligation Limited Tax Bonds. Direct loans may be available for *credit worthy* borrowers. These direct loans may lend money for equipment, real estate, etc for your business. *See page 138 for a partial list of area utilities.*

Oklahoma Programs

The state has several financing/loan programs administered by different state government agencies.

Export Finance Program (EFP)

The Export Finance Program (EFP), administered through the Oklahoma Department of Commerce, is designed to assist Oklahoma's small and medium-sized infrequent exporters expand their overseas markets.

Working capital required to purchase the raw materials and inventory for an overseas order can be accessed by both the Export-Import Bank Working Capital Guarantee Program and the Small Business Administration Export Revolving Line of Credit.

Accounts receivable financing, which allows an exporter to offer extended open account terms to a foreign buyer, can be obtained through the use of an Umbrella Insurance Policy that the State of Oklahoma has obtained from the Export-Import Bank of the United States.

Oklahoma Small Business Linked Deposit Program (LDP)

Through the State Treasurer's Linked Deposit Program (LDP), funds are made available to lending institutions at a rate below the current market. They in turn lend to a qualified borrower and pass the savings on by reducing the interest rate on the loan. The result is an improved cash flow for the business, stronger performing loans for the lender and stimulation of the economy to benefit the entire state. The program allows the Treasurer's office to use the people's money to help improve Oklahoma's economy through the creation of a partnership between the public and private financial sectors.

Loan amount may not exceed \$1 million for an eligible small business and \$6 million for an eligible industrial park.

Oklahoma Capital Access Program (OCAP)

The Oklahoma Capital Access Program (OCAP), administered by the Oklahoma Capital Investment Board, is designed to provide banks with the additional comfort that is often needed to make commercial loans to small businesses. A flexible and non-bureaucratic program, OCAP is an easy-to-use tool which can help banks profitably expand and better serve small businesses, all in a manner consistent with safety and soundness.

Oklahoma Center for the Advancement of Science and Technology (OCAST)

The Oklahoma Center for the Advancement of Science and Technology (OCAST) is an independent state agency. Its mission is to encourage and financially stimulate innovation in existing and developing Oklahoma businesses. The agency administers a number of programs which focus state appropriated and non-state matching funds on developing new and expanded business and employment opportunities throughout Oklahoma. The OCAST programs offer awards which do not require repayment.

Oklahoma Capital Investment Board (OCIB)

The Oklahoma Capital Investment Board (OCIB) invests in venture capital firms who will in turn make venture capital investments in Oklahoma businesses. The venture firms make their investments based on normal venture capital criteria and seek returns commensurate with the risk. Funds ranging from early stage venture capital to subordinated debt may be invested. OCIB also administers the OCAP loan program.

Oklahoma Development Finance Authority (ODFA)

The Oklahoma Development Finance Authority (ODFA) Pooled Business Finance Program is an economic development tool for Oklahoma businesses. Through a source of state-backed credit enhancement, the ODFA can assist mature companies in obtaining a AA bond rate for fixed asset financing.

The program's primary focus is on existing stable businesses with strong fixed asset-based collateral. Eligible activities for financing include acquisitions and expansions. The program is prohibited from financing companies whose primary nature is wholesaling or retailing. This program as well as the OI FA program is administered by the Oklahoma Finance Authority.

Oklahoma Industrial Finance Authority (OIFA)

The Oklahoma Industrial Finance Authority (OIFA) provides permanent financing to companies involved in manufacturing, agriculture and product processing through the issuance of general obligation bonds. Its primary purpose is to assist industrial development in the state by increasing employment. Financing for the acquisition or expansion of permanent fixed assets such as land, building, machinery and equipment is available.

If a first mortgage position, OIFA may loan up to 66 and two-thirds percent of the allowable project cost, or a maximum of \$1.25 million, whichever is less. In a second lien position they may loan up to 33 and one-third percent of the allowable project cost, or a maximum of \$750,000, whichever is less. Loan maturities may range from seven to 15 years. This program as well as the ODFA program is administered by the Oklahoma Finance Authority.

Self Employment Entrepreneurial Development System (SEEDS)

SEEDS is designed to assist individuals who possess the ability and drive necessary to operate their own business, but may not be able to secure traditional financing for their start-up. The SEEDS loan program works in conjunction with the Oklahoma Department of Commerce, and local Community Action Agencies oversee the program. The Community Action Agency in our area is **Opportunities, Inc.**, contact Opportunities, Inc. (page 131) for more information about this program. Opportunities, Inc. provides technical assistance as well, and could be a valuable resource for your business.



Small Business Administration

The SBA will either guarantee funds lent by a bank or will directly provide loan money for businesses. There are several SBA loan programs, three of which are listed here.

U.S. SBA 7(A) Guarantee Loan Program

The federal government, through the Small Business Administration (SBA), provides the 7(A) Guarantee Loan Program to facilitate conventional financing of fixed assets and working capital. The program is authorized to assist small business financing by guaranteeing portions of loans made by private lenders.

The SBA may guarantee no more than \$750,000 to any one company, including all related and affiliated companies. The program can guarantee up to 90 percent of the total bank loan on loans of less than \$155,000 and up to 85 percent on loans above \$155,000; thereby limiting the risk to the bank and encouraging financial institutions to make loans which might not otherwise be made. Loan maturities may extend to seven years for working capital and inventory, to 15 years for machinery and equipment and to 25 years for commercial construction and real estate acquisition.

The SBA also offers a full range of specialized financing including:

- ☐ International Trade Loan Guarantees to finance U.S. based facilities or equipment for producing goods or services for export;
- ☐ Export Revolving Line of Credit to help firms penetrate foreign markets;
- ☐ Small Loan Guarantees to help businesses needing capital of \$50,000 or less;
- ☐ Small General Contractor Loan Guarantees for small construction businesses;
- ☐ Seasonal Line of Credit Guarantees for firms facing seasonal business increases;
- ☐ Energy Loan Guarantees for firms that make, install, sell or service energy equipment and technology and
- ☐ Pollution Control Loan Guarantees for firms involved in pollution control and reduction.

The Small Business Administration also provides small businesses with long-term loans and venture capital by licensing, regulating and investing in privately owned and managed Small Business Investment Companies across the country. In addition, the SBA expands access to surety bonds through guarantees on bonding for small and emerging contractors, who otherwise cannot secure bid, payment or performance bonds.

U.S. SBA 504 Loan Program

The federal government, through the Small Business Administration (SBA), provides permanent financing for companies with the 504 Loan Program. Certified Development Companies (CDCs), authorized by the SBA, administer the program.

The typical project structure consists of a 50 percent financing loan from a private sector lender, a 40 percent debenture from the CDC, with a 100 percent SBA guarantee, and a ten percent equity injection. This 50-40-10 structure is flexible and can be molded to suit the borrower's needs, as long as the CDC portion does not exceed 40 percent and the equity share is not less than ten percent. Financing for the purchase or construction of fixed assets is available, and \$750,000 is the maximum amount which may be contributed by the CDC.

U.S. SBA Direct Loans

Direct loans are limited to Vietnam and disabled veterans, handicapped individuals and non-profit foundations which hire the handicapped. All are subject to available funding and limited to \$150,000. Interest rates on direct loans may be lower than conventional financing because they are set by a statutory formula based on the cost of funds to the federal government.



Financing Resources

Business Development – Oklahoma Department of Commerce

The Business Development Division of the Oklahoma Department of Commerce can provide information on any of the sources of funding provided in this section. They may be able to put you into contact with the appropriate organization, provide information about how to proceed, and whether the sources of funding that you are considering is right for your needs. The Business Development Division is also the contact for the Export Finance Program (EFP).



Oklahoma Department of Commerce
Business Development
900 N. Stiles, P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5146 or (405) 815-6552
Fax: (405) 815-5142
Website: www.odoc.state.ok.us
E-Mail: bddinfo@odoc.state.ok.us

Small Business Development Center

The SBDC may be able to provide assistance with how much money is needed for your needs, what you will have to do to get a loan, and how much money you will need to contribute to your business. Additionally, the SBDC is a valuable source of information on SBA loan programs and may have many of the forms that you need to apply for the SBA loans.

Please see [page 129](#) for a listing of Small Business Development Centers in the area.

Economic Development Administration

The Economic Development Administration is a part of the U.S. Department of Commerce and provides loans/grants for infrastructure development, local capacity building and business development to help communities alleviate conditions of substantial and persistent unemployment/underemployment in economically distressed areas and regions.

Economic Development Administration
Department of Commerce
14th & Constitution Ave., Room 7800B
Washington, D.C. 20230
Telephone: (202) 482-5081
Fax: (202) 273-4781
Website: www.doc.gov/eda

Southwest Region
Economic Development Administration
903 San Jacinto Blvd.
Suite 121
Austin, TX 78701-2450
Telephone: (512) 916-5595
Fax: (512) 916-5613

Bureau of Indian Affairs

An agency within the Department of the Interior, the Bureau of Indian Affairs provides assistance to Native Americans. You should contact the office below to learn the qualifications of the loan program that the Bureau of Indian Affairs administers.

Department of the Interior
Bureau of Indian Affairs
Office of Public Affairs
1849 C Street, NW
Washington, D.C. 20240-0001

Telephone: (202) 208-3711
Fax: (202) 501-1516
Website: www.doi.gov/bureau-indian-affairs.html

USDA Rural Development

The USDA Rural Development Business & Industry Guaranteed Loan Program helps create jobs and stimulates rural economies by providing financial backing for rural businesses. Assistance under this loan program is available to virtually any legally organized entity - including cooperatives, corporations, partnerships, Indian tribes, municipalities, counties, etc.



USDA Rural Development
100 USDA, Suite 108
Stillwater, OK 74074

Telephone: (405) 742-1000
Fax: (405) 742-1005
Website: www.rurdev.usda.gov

Oklahoma State Treasurer's Office

The Oklahoma State Treasurer's Office administers the Linked Deposit Program in which family farmers and small businesses are eligible for low-interest loans.

Oklahoma State Treasurer
2300 North Lincoln Blvd.
Suite 217
Oklahoma City, OK 75105-4895

Telephone: (405) 522-4232
Fax: (405) 521-4994
E-Mail: treas@mhs.oklaosf.state.ok.us
Website: www.state.ok.us/~sto/

Oklahoma Center for the Advancement of Science & Technology

This state economic development agency (1) supports basic & applied research, (2) facilitates technology transfer, (3) encourages manufacturing modernization and (4) stimulates seed capital investment.

OCAST
4545 North Lincoln Boulevard
Suite 116
Oklahoma City, OK 73105

Telephone: (405) 524-1357
Fax: (405) 521-6501
E-Mail: ocast@ionet.net
Website: www.odoc.state.ok.us/ocastweb.htm

Oklahoma Capital Investment Board

The Oklahoma Capital Investment Board administers a Venture Investment Program and the Oklahoma Capital Access Program. They are a separate state organization from the Oklahoma Department of Commerce, and their intention is to diversify and stabilize the state economy through the administration of their investment programs.

Oklahoma Capital Investment Board
301 NW 63rd Street, Suite 520
Oklahoma City, OK 73116

Telephone: (405) 848-9456
E-Mail: devon_sauzek@odoc.state.ok.us

Oklahoma Finance Authority

The Oklahoma Development and Industrial Finance Authorities are under the jurisdiction of the Oklahoma Finance Authority. Since these programs are administered by one agency, it makes it more convenient to the people who would like to use them.

Oklahoma Finance Authority
301 NW 63rd Street, Suite 520
Oklahoma City, OK 73116

Telephone: (405) 842-1145
E-Mail: ofa@ionet.net

What are the state & federal regulations with which I must comply?

All businesses are subject to state & federal regulations ranging from environmental issues to transportation and trucking. The following section is taken from A Guide to Doing Business in Oklahoma published by the Oklahoma Department of Commerce. Lawyers may know about many of the state & federal regulations with which you need to comply, so please see the “Choosing a Lawyer” section in this Resource Directory (page 13) for information on choosing a lawyer.

Environmental Regulation

In recent years there has been rapid growth in federal and state laws regulating the environment. Stiff penalties may be imposed for violations of environmental laws. In addition, costs associated with the cleanup of contaminated soil and ground water may be staggering. Therefore, businesses must focus attention on environmental matters in terms of their ongoing businesses and in connection with the purchase of a business or property. The following discussion is intended to provide a brief introduction to Oklahoma and federal environmental laws and to provide sources of additional information with respect to such laws. For more detailed and specific information about environmental laws, businesses should refer to appropriate environmental statutes and regulations and consult with competent and knowledgeable environmental attorneys and technical consultants.



The federal agency with primary responsibility for environmental programs is the Environmental Protection Agency. In Oklahoma environmental programs are divided among several state agencies which work with the federal government. Both Oklahoma environmental laws and the state agencies which administer them have undergone recent change. A list of the major environmental programs and the particular Oklahoma agency that currently administers each such program is published in the Oklahoma Environmental Law Handbook of the Environmental Law Section of the Oklahoma Bar Association. For copies of this publication, contact the Oklahoma Bar Association.

Solid and Hazardous Waste Regulation and Remediation

To help prevent the need for costly property cleanups, the Federal Resource Conservation and Recovery Act regulates the nation's hazardous waste from the point of generation of the waste through its subsequent transportation, storage, treatment and disposal. In addition, the Environmental Protection Agency has adopted complex regulations to control hazardous waste.

The Oklahoma Hazardous Waste Disposal Act also establishes a system for the control of hazardous waste from the point of generation through its subsequent transportation, storage, treatment and disposal. In addition, the Oklahoma Solid Waste Management Act regulates the handling and disposal of solid wastes primarily through a permit system. The Oklahoma DEQ is responsible for administering both of these Acts. The nature and extent of the cleanup of contaminated soil and ground water depend in large part on which regulations apply to the waste or substance in question. In general upon discovering the existence of a contamination problem, a business should decide whether it is required to notify state or federal agencies of the existence of the problem.

An investigation is usually necessary to determine the nature and extent of any remediation required and to design and implement the remedy. Finally, the cleanup must be conducted in accordance with applicable environmental regulations. For more information, contact the Department of Environmental Quality.

Air Pollution Control

An overlapping system of federal and Oklahoma laws is designed to limit the emissions of airborne pollutants from industrial facilities. Stiff penalties may be imposed under federal and state air pollution control programs. The Federal Clean Air Act results in EPA and state regulation of a wide variety of facilities and emissions. It is anticipated that a host of new requirements and regulations will be imposed on businesses operating in Oklahoma and throughout the United States during the next few years as a result of the 1990 overhaul of the Federal Clean Air Act which is administered by the EPA. The Oklahoma Clean Air Act, substantially amended in 1992, is administered by the DEQ. For more information as to the Federal Clean Air Act, contact the EPA. The DEQ has a bulletin containing air pollution control rules and other information about the Oklahoma Clean Air Act.

Asbestos

Asbestos is regulated by a variety of federal and state laws including the Federal Clean Air Act. Additional regulations in Oklahoma require notice to governmental agencies prior to undertaking asbestos-related building demolition and renovation activities. The Oklahoma regulations also establish safe work practices for these activities and govern the management and disposal of asbestos-containing materials. In addition, Oklahoma laws regulating asbestos require licensing and certification of businesses engaged in asbestos-related removal, containment or encapsulation work.

Because the greatest health risk imposed by asbestos-containing materials is the inhalation of asbestos fibers, the Oklahoma Department of Health and the Oklahoma Department of Labor have adopted rules and standards governing air monitoring and hazardous air emissions. For more information, contact the Department of Environmental Quality.

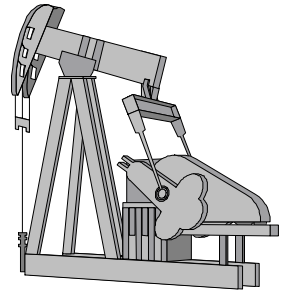
Agricultural Environmental Regulation

Federal and Oklahoma environmental regulations impact a number of agricultural activities. The Oklahoma Conservation Commission implements conservation efforts, and together with the newly-established Oklahoma Secretary of the Environment, is responsible for certain pollution programs (known as non-point source pollution programs) in Oklahoma.

In addition, the following state agencies govern agricultural activities impacting on environmental matters: pesticide regulation (Oklahoma Department of Agriculture), fertilizer regulation (Oklahoma Department of Agriculture), regulation of feed lots (Oklahoma Department of Agriculture) and dairy waste management (Oklahoma State Department of Health). The Department of Environmental Quality and the Oklahoma Water Resources Board are responsible for administering and permitting under the Oklahoma Groundwater Law. Additional information regarding Oklahoma agricultural environmental issues is available in the Oklahoma Environmental Law Handbook.

Oil and Gas Operations

As with agricultural activities, oil and gas activities raise a number of environmental issues. Although the Oklahoma Corporation Commission has exclusive jurisdiction to regulate oil and gas operations in Oklahoma, a number of other state agencies may also have environmental jurisdiction, depending on the nature of the oil and gas activity. Among the oil and gas activities regulated by the Oklahoma Corporation Commission are: plugging of wells; disposition of deleterious substances; disposal pits; commercial soil farming; surface discharge of fluids; discharge to surface waters; commercial and non-commercial disposal wells and injection wells.



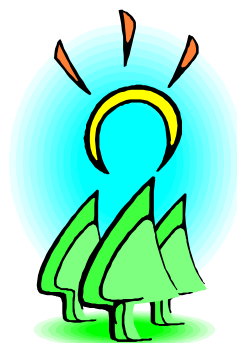
In addition, various other environmental laws and regulations govern oil and gas activities in Oklahoma, including: the Oklahoma Hazardous Waste Disposal Act; the Oklahoma Clean Air Act; and the Oklahoma Solid Waste Management Act. Because there is substantial overlap in the authority granted to the various state agencies, certain state agencies have entered into memoranda of understanding addressing jurisdiction of various oil and gas activities. For more information, contact the Oklahoma Corporation Commission.

Water Pollution Control

There is also substantial overlap in the regulation of water. Several federal and state laws are intended to prevent or limit the discharge of pollutants into surface waters. Among these are the Federal Clean Water Act, which is administered by the EPA, and the Oklahoma Pollution Remedies Act, to be administered by the Oklahoma Secretary of the Environment. In general, these laws establish technology-based effluent (flowing water) standards and surface water quality standards. Discharges to groundwater are regulated by the Oklahoma Water Resources Board Water Quality Program to ensure that state mandated groundwater quality standards are maintained. A description of Oklahoma's water quality programs and regulations and a list of the particular Oklahoma agency that administers each such program is published in the Oklahoma Environmental Law Handbook.

Underground and Aboveground Storage Tanks

A number of federal and Oklahoma laws impose requirements on the owners and operators of underground and aboveground storage tanks used to contain petroleum, flammable substances, hazardous substances or hazardous waste. These requirements govern notification of a tank's existence, tank installation and operation, prevention and reporting of releases, spills and leaks, cleanup of associated contamination and financial responsibility requirements for owners and operators. The Federal Resource Conservation and Recovery Act and Environmental Protection Agency regulations regulate underground tanks that store a "regulated substance" (i.e., hazardous substances and certain petroleum products). In addition, the federal Clean Water Act also regulates the underground and aboveground bulk storage of oil under certain circumstances.



The Oklahoma Underground Storage Tank Regulation Act regulates underground storage tanks (USTs). This Act is administered by the Oklahoma Corporation Commission (OCC) which has adopted rules that generally parallel the federal UST regulations. The underground storage tank rules relate to technical requirements as to design, construction, installation, operation and maintenance of underground storage tanks in Oklahoma and financial responsibility requirements for tank owners. The financial responsibility requirements general require tank owners to indemnify third parties for any tank leaks or releases. In addition, if a release from an underground storage tank impacts groundwater, regulation of releases from underground storage tanks may be within the jurisdiction of either the Oklahoma Water Resources Board or the OCC.

Franchising, Distribution and Business Opportunity Laws

Franchising is a method of distributing and marketing goods and services. The offer and sale of franchises is regulated at the federal level by the Federal Trade Commission's Trade Regulation Rule on Franchising (FTC Rule). Although Oklahoma does not have any franchise laws of general applicability, many states have franchise laws regulating the offer and sale of franchises and laws affecting the relationship between the franchisor (the buyer of the franchise). The basic purpose of franchise law is to protect the franchisee. The FTC Rule requires a franchisor to provide to prospective purchasers of franchises extensive disclosure of information about the franchisor and the franchise program. Under certain circumstances, a franchise may be considered to be a "business opportunity" under the Oklahoma Business Opportunity Sales Act described below, or a security for purposes of the securities law.

The distribution of goods and services may be regulated in Oklahoma by the Oklahoma Business Opportunity Sales Act. This Act requires persons offering or selling "business opportunities" to provide each prospective buyer with a disclosure document with the Oklahoma Department of Securities prior to the offer or sale. A "business opportunity" is defined as an agreement in which the seller provides products, equipment, supplies or services enabling the buyer to start a business, and the seller makes certain representations to the buyer, such as a representation that the seller will assist the buyer in finding locations for the operations of the business (i.e., vending machines or display racks). Franchisors who deliver disclosure documents to prospective purchasers in accordance with the requirements of the FTC Rule are exempt from the registration and disclosure provisions of the Oklahoma Business Opportunity Sales Act. For further information, contact the Oklahoma Department of Securities.

Preservation of Private Business Records

Businesses are required to maintain many types of business records, such as tax information, records of sales, and certain employment records under Oklahoma's Preservation of Private Business Records Act. Records that a business is required to maintain under Oklahoma law generally need be kept for a period of only three years, after which time such records may be destroyed. The Act is designed to create a uniform time period for the require maintenance of business records. However, the Act does not apply to the minute books of corporations or records relating to transactions involving weapons, poisons or other dangerous articles or substances. Business managers should use their own judgement in determining what records should be maintained in the absence of a specific legal requirement. The Act does not apply to records specifically required under Oklahoma law to be maintained for more than three years.

Americans with Disabilities Act: Public Accommodation Provisions

Under the Americans with Disabilities Act (ADA), it is unlawful to discriminate against any person in the use of any place of public accommodation because of that person's disability. A business is considered to be a place of "public accommodation" if it offers goods or services to the public. "Discrimination" is defined as denying the individual the opportunity to participate in or receive the services and goods offered by the company on the same basis as the general public, except where a different service or benefit must be offered in order to accommodate the disability of such individual. Required accommodations may include building modifications, reserved handicapped parking, changes in bathroom facilities and other alterations needed to provide access to handicapped persons.

Examples of practices which are unlawful under the Americans with Disabilities Act include: denying handicapped persons the right to participate in the use of a facility; failing to remove structural barriers in existing structures where such modifications are readily achievable; and failing to provide service to handicapped persons in the most integrated setting possible. The U.S. Justice Department is in charge of enforcing the public accommodations provisions of the ADA. Penalties may include fines, injunctions or compensatory damages.

Business Licenses and Permits

Most businesses require some form of license or permit to operate in Oklahoma. The licenses or permits may be required by federal, state, county or city requirements. There are a multitude of activities that may require licenses and a business may have to obtain several different licenses and permits from various governmental agencies.

State licenses and permits are required for many occupations. The State Occupational Informational Coordinating Committee publishes a guide entitled "Licensed Occupations of Oklahoma," which provides information on over 100 occupations in Oklahoma that require licensure. Job descriptions, educational requirements, license restrictions, occupational outlook, fee requirements and other related information are also included in this guide.

Trade and Investment Regulation

Securities Regulation – Registration and Exemptions

The offer and the sale of securities is regulated at the federal level primarily by the Securities Act of 1933 and in Oklahoma by the Oklahoma Securities Act and the rules and regulations enacted under each. The term "securities" includes many types of interests or investments in a business enterprise. Securities are not limited to common or preferred stock and may include limited partnership interests, debentures, options or other rights and a variety of investment contracts. Lack of awareness that an interest being offered or sold is actually a regulated security is not a defense to the application of federal and Oklahoma securities laws and civil liability or criminal penalties may result.

Oklahoma securities laws apply both to offers and sales of securities originating in Oklahoma and to offers and sales which originate outside the state and are directed into Oklahoma. Under federal and Oklahoma law it is illegal to offer or sell a security unless the security is registered or the security or the transaction in which the security is offered or sold qualifies for an exemption from registration. A security or transaction may qualify for an exemption from registration under federal law but not under Oklahoma law or vice-versa. Such exemptions do not exempt sellers or offerors of securities from the anti-fraud provisions of federal and Oklahoma securities laws.

The most commonly used exemptions under federal and Oklahoma law relate to certain types of limited offerings and offerings not made to the general public that are often referred to as private placements. Numerous restrictions on the size of the offering, the manner in which it is conducted and the persons to whom the security may be offered and sold may apply. Securities regulations is a complicated area of the law in which slight variations from procedures required to qualify for exemptions or failure to make certain disclosures may have far reaching consequences. Any person or entity considering the solicitation of investments in a business enterprise should consult legal counsel prior to contacting potential investors. For further information, contact: Office of Small Business Policy in the SEC or Oklahoma Department of Securities.

Small Business Offerings

As part of an initiative to facilitate the formation of capital by small businesses, the SEC has relaxed the requirements of two federal small offerings exemptions under the Securities Act of 1933 known as Regulation A and Rule 504 under Regulation D and has simplified the registration and reporting requirements of qualified small business issuers desiring to become reporting companies.

Rule 504 is the most accessible of these exemptions and permits private issuers to sell up to \$1 million of securities in a 12-month period. There are no limits on the number of investors that may be solicited under Rule 504 and purchasers will receive freely transferable securities. Rule 504 does not require the use of a specific disclosure documents, but anti-fraud prohibitions apply. Rule 504 is not available to so called "blank check" companies that have no specific business plan except to acquire or locate a presently unknown business or opportunity.

The Oklahoma Securities Act contains an exemption from registration for sales of securities made in compliance with Regulation D, including Rule 504 of Regulation D, provided certain conditions are met, including the timely filing of an initial and a final notice of sale, payment of a fee and compliance with certain limitations and restrictions. However, in order to qualify for this exemption, offerings must comply with the more stringent provisions of the former version of Rule 504, rather than the relaxed provisions of the recently amended version. For further information, contact a knowledgeable securities lawyer or the Oklahoma Department of Securities.

Employee Equity Incentive Plans

Compensation plans in which employees are awarded or are offered the opportunity to acquire an equity interest in the employer are a frequently used means to attract and retain employees and to align the employees' long term interest with those of the employer. Such plans may take a variety of forms including stock bonus, stock options, stock purchase and stock ownership plans. Securities issued under such plans are subject to federal and Oklahoma securities laws.

Under both federal and Oklahoma laws, securities offered or sold pursuant to employee benefit plans must be registered or the security or the transaction must qualify for an exemption. In addition to exemptions of general application, the Oklahoma Securities Act contains an exemption from the Oklahoma registration requirements for securities issued pursuant to employee benefit plans, provided that, in the case of plans which are not qualified under Section 401 of the Internal Revenue Code and which provide for contributions by employees, a notice containing certain specified information is filed with the Oklahoma Securities Commission at least 10 full business days prior to any offering under the plan in the state. Rule 701 under the Securities Act of 1933 provides a transactional exemption for sales by a nonpublic issuer of securities pursuant to a written employee benefit plan or contract, subject to certain limitations on the dollar amount and the quantity of securities that may be issued as well as other procedural requirements.

Transportation and Trucking Regulation

Transportation activities are an important part of many business. Transportation and trucking operations are regulated by the Interstate Commerce Commission at the federal level and by the Oklahoma Corporation Commission at the state level. In general, proper authority and permits are required for transportation of goods. In addition, there are special federal and state regulations governing transportation of hazardous materials. Because it is centrally located, Oklahoma serves as an excellent locale for transportation-sensitive industries.

Oklahoma has made a strong commitment to these companies with its Trucking Industry Self-Funding Research & Development Program (TISRAD). TISRAD provides research information regarding the trucking industry and provides both the common and private carrier key data to optimize transportation costs. For further information, contact TISRAD at 800-765-6564 or 405-843-9588. For information as to federal regulation of transportation and trucking activities, contact the Interstate Commerce Commission, and for information as to state regulation of transportation and trucking operations, contact the Oklahoma Corporation Commission.



Real Estate Matters

Oklahoma, like other states, has its own peculiarities relating to the purchase, ownership and sale of real estate. In Oklahoma, real property is transferred by use of a deed and is pledged by use of a mortgage. Oklahoma imposes a tax on the transfer of title to real estate and generally requires that documentary tax stamps be placed on deeds. The transfer tax rate is \$1.50 per \$1,000 of consideration paid and, unless otherwise provided, the seller is responsible for the payment of the tax. In addition, Oklahoma imposes a mortgage registration tax on the mortgage of Oklahoma real estate. The mortgage registration tax rate is based on the amount of the obligation secured by the mortgage and must be paid by the lender.

Under Oklahoma law, non-resident aliens or foreign corporations not qualified to do business in Oklahoma are generally not permitted to acquire and own real estate except under certain limited circumstances. In addition, Oklahoma law imposes restrictions on ownership of real estate by corporations or other entities and ownership of land used in the business of farming or ranching by corporations and other entities. These restrictions do not apply to corporations to the extent their operations involve research and/or feeding operations of livestock or poultry, production and raising of livestock or poultry for sale or use as breeding stock, poultry and/or swine operations or forestry operations.

Under Oklahoma law, the owner of the land owns water standing on the land, or flowing over or under its surface (but not forming a definite stream). The use of ground water is governed by the Oklahoma Ground Water Law. Water running in a definite stream may be used by the owner of the land on the banks of the stream, but the owner may not prevent the natural flow of the stream except within certain limited circumstances. For more information as to ownership of or rights to the use of water, contact the Oklahoma Water Resources Board.

In Oklahoma, mineral interests, such as rights to oil and gas, are often owned separately from the land itself. The owner of the mineral interests has the right to use and occupy the surface of the land for the exploration, development and production of the oil and gas under that land. A royalty interest is the right to a fractional share of production of the minerals paid to the mineral owner as compensation for an oil and gas lease. The Oklahoma Corporation Commission regulates the exploration, development and production of oil and gas in Oklahoma.

Anti-trust Regulation

Federal and state anti-trust laws and regulations are designed to prevent and punish “unreasonable restraints” on free trade, practices tending to create a monopoly and unfair competition. Generally, transactions that involve international commerce or commerce in more than one state are governed by federal laws. Also, Oklahoma’s anti-trust laws may apply in addition to federal laws. In general, under Oklahoma law, contracts which unreasonably restrain trade or business and arrangements which tend to create a monopoly or limit or fix prices are illegal and unenforceable. Anti-trust is regarded as a particularly complex area of the law. Agreements with competitors, distributors, dealers, suppliers and vendors should be carefully reviewed in light of federal and state anti-trust laws. Stiff penalties, including damages tripled in amount, may be imposed for violations of federal and state anti-trust laws. Questions regarding anti-trust laws should be directed to competent and knowledgeable anti-trust attorneys.

Business Contracts

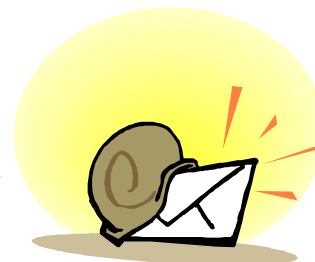
There are a number of legal issues which arise when a business enters into a commercial contract. For example, certain contracts must be in writing to be enforceable (i.e., contracts which cannot be performed within one year, contracts for the sale of real estate and certain others). In addition, contracts which violate public policy, such as contracts unreasonably restraining trade or contracts which are deemed to be oppressive and unfair, are unenforceable.

Many federal and state laws are involved in contracting with the government or public agencies. For example, certain contracts with public agencies are subject to competitive bidding and bonding requirements. A business which is considering entering into a contract with the government or public agency should request from such office or agency copies of all public contracting requirements. In addition, a guide to selling supplies, equipment and services to the State of Oklahoma, *How to Sell to the State of Oklahoma*, is available from the Central Purchasing Division of the Oklahoma Department of Central Services. For additional information on contracting with governmental agencies you can contact an area Bid Assistance Center.

Regulation Resources

Environmental Protection Agency

The EPA is an independent federal government agency created in 1970 “to protect human health and safeguard the environment”. Any questions or concerns about federal environmental regulations may be directed to the EPA.



Environment Protection Agency
401 M. Street SW
Washington, D.C. 20460

Telephone: (202) 260-2090
Website: www.epa.gov

EPA Region 6 (includes Oklahoma)
Fountain Place, 12th Floor - Suite 1200
Dallas, TX 75202-2733

Telephone: (214) 665-2200
Fax: (214) 665-7113
Website: www.epa.gov/region06

Oklahoma Department of Environmental Quality

The Oklahoma DEQ enforces state environmental regulations and ensures compliance to some federal environmental regulations as well. ODEQ also issues permits related to the environment.

Oklahoma DEQ
707 N. Robinson, P.O. Box 1677
Oklahoma City, Oklahoma 73101-1677

Telephone: (405) 702-7100
Fax: (405) 702-7101
Website: www.deq.state.ok.us

Oklahoma Department of Agriculture

The Oklahoma Department of Agriculture is involved with the environmental policies of water quality. Among the department's main responsibilities are the licensing and regulation of concentrated animal feeding operations.

Oklahoma Department of Agriculture
2800 N. Lincoln Blvd.
Oklahoma City, OK 73105

Telephone: (405) 521-3864
Fax: (405) 522-0909
E-mail: okagri@icon.net
Website: www.state.ok.us/~okag

Oklahoma Corporation Commission

Among the companies regulated by the OCC are gas, electric and water utilities, cotton gins and telephone providers. Additionally, the OCC also regulates underground storage tanks.

Oklahoma Corporation Commission
Jim Thorpe Office Building, 2101 N. Lincoln Blvd.
Oklahoma City, OK 73105

Telephone: (405) 521-2211
Fax: (405) 521-6045
Website: www.occ.state.ok.us

Oklahoma Bar Association

The Oklahoma Bar Association may be able to provide assistance with environmental regulations by placing you in contact with an attorney that can ensure that your business is compliant with all of the regulations. The OBA can also provide assistance with any of the other business regulations in this section.

Oklahoma Bar Association
1901 N. Lincoln Blvd., P.O. Box 53036
Oklahoma City, OK 73152-3036

Telephone: (405) 524-2365
Fax: (405) 524-1115
Website: www.okbar.org

Oklahoma Water Resources Board

The Water Resources Board routinely collects water samples from around the state to monitor water quality standards and to detect trends over time.

Oklahoma Water Resources Board
3800 N. Classen Blvd.
Oklahoma City, OK 73118

Telephone: (405) 530-8800
Fax: (405) 530-8900
Website: www.state.ok.us/~owrb/index.html

Lawton Branch Office
601 C Avenue, Suite 101
Lawton, OK 73502

Telephone: (580) 248-2924

U.S. Securities and Exchange Commission

The SEC is an independent, nonpartisan, quasi-judicial regulatory agency with responsibility for administering the federal securities laws. The purpose of these laws is to protect investors in securities markets that operate fairly and to ensure that investors have access to disclosure of all material information concerning publicly traded securities. The SEC also regulates firms engaged in the purchase or sale of securities, investment advisors, and investment companies.

U.S. SEC
450 Fifth Street, NW
Washington, D.C. 20549

Telephone: (202) 942-8088
Website: www.sec.gov

Oklahoma Department of Securities

The mission of the Oklahoma Securities Commission is investor protection through the administration and enforcement of the Oklahoma Securities Act, an act prohibiting fraud in securities transactions and requiring the registration of broker-dealers, agents, investment advisers and investment adviser representatives and the registration of securities.

Oklahoma Department of Securities
1st National Center, Suite 860
120 N. Robinson
Oklahoma City, OK 73102

Telephone: (405) 280-7700
Fax: (405) 280-7742
Website: www.securities.state.ok.us/

U.S. Small Business Administration

The SBA may be able to either give you information about regulations that could affect your business, or direct you to resources that know about the regulations.

U.S. Small Business Administration
200 NW 5th, Suite 670
Oklahoma City, OK 73102

Telephone: (405) 231-5085
Website: www.sba.gov

Interstate Commerce Commission

The ICC regulates the transportation industry nationally.

Interstate Commerce Commission
12th St. & Constitution, NW
Washington, D.C. 20423

Telephone: (202) 927-5350



Oklahoma Department of Transportation

ODOT regulates the transportation industry for the state of Oklahoma.

Oklahoma Department of Transportation
200 NE 21st
Oklahoma City, OK 73105

Telephone: (405) 521-2554
Fax: (405) 521-2524
Website: www.okladot.state.ok.us

Oklahoma Bid Assistance Centers

Local area vocational-technical schools have bid assistance centers and may be able to provide help with government regulations.

Please see [page 131](#) for a list of area vo-tech schools.



What kind of licenses are needed for my business?

There are potentially numerous federal, state and local licenses that may be needed for your business in order for it to operate. In many instances, a business (or business owner) does not know that the business needs a license until a fine is received for non-compliance. Additionally, some businesses may be required to have not only government licenses, but also professional licenses as well (i.e. accountants, lawyers, architects, etc.). One of the best ways to learn about the licenses required for your business would be to contact your trade association. Trade associations have knowledge about many aspects of their respective businesses, and may know most of the licenses required for your business. Also, contact your local city government to learn of any local requirements.

Where do I apply for licenses?
How much do they cost?

Depending upon the nature of your business, you may be required to seek several different licences from each level of government. Your first step is to determine which licenses you will need, and then contact the proper agency and fill out all of the required paperwork. Alone, licenses may not cost too much, but together they may add up to a significant sum. It is important therefore to plan for these expenses. Additionally, start-up costs are tax deductible for new businesses, and licences are required for operation, so their expenses will be tax deductible.



Licensing Resources

Oklahoma Department of Commerce

ODOC doesn't issue any permits or licenses, but they do provide assistance to businesses that need to license in the state of Oklahoma. If you are unable to find the correct agency that issues the license that you are looking for, ODOC may be able to refer you to the proper source.

Oklahoma Department of Commerce
 Business Development
 900 N. Stiles, P.O. Box 26980
 Oklahoma City, OK 73126-0980

Telephone: (405) 815-6552
 Fax: (405) 815-5142
 Website: www.odoc.state.ok.us

Trade Associations

Most trade associations also do not issue permits or licences, but they too may be able to refer you to the proper licensing agency. To find whether there is a trade association for your business, use the encyclopedia listed below and then contact the proper trade association with the address/contact information listed in it.

The Encyclopedia of Associations - lists trade associations, which often have trade magazines that publish information on the industry. These publications include information on suppliers, the latest methods, and regulations.

Internal Revenue Service

The IRS will be the source for you to obtain an Employer Identification Number (also known as a Federal Employer Identification Number) which is required for you to do business.

Internal Revenue Service
 Entity Control
 Austin, TX 73301

Telephone: (512) 460-7843
 Fax: (512) 460-8000
 Website: www.irs.gov

Oklahoma Tax Commission

Contact the Oklahoma Tax Commission to register your business in the state of Oklahoma, obtain a sales tax permit, apply for some alcoholic beverages, tobacco, or firework licenses. To register a business, request a business registration packet.

Oklahoma Tax Commission
2501 N. Lincoln Blvd.
Oklahoma, OK 73105

Telephone: (405) 521-4321
Website: www.oktax.state.ok.us

Licences: 3.2% Beer
Tobacco
Cigarette
Vending/Coin-Op
Fireworks

Office of the Secretary of State

The Secretary of State is the agency to contact to incorporate, register a partnership or file a Trade Name Report protection.

Office of the Secretary of State
Business Filing Department
2300 N. Lincoln Blvd, Room 101
Oklahoma City OK 73105-4897

Telephone (405) 522-4560
Fax (405) 521-3771
Website: www.oklaosf.state.ok.us/~sos/

Assistance: Business Registration
Charitable Org Registration
Notary Public

County Clerk

To register a sole proprietorship, contact the county clerk in the county where the business will be located. Please see page 135 for a list of county clerks in the area.

Insurance Department

The Oklahoma Insurance Department licenses real estate agents, appraisers and adjusters. They also have information about worker's compensation issues and are the state agency that can offer worker's compensation to employers. Worker's compensation insurance can also be obtained from private companies.

Oklahoma Insurance Department
3814 N. Sante Fe
Oklahoma City, OK 73152

Telephone: (405) 521-2828
Website: www.oid.state.ok.us

Licenses: Real Estate Agents
Real Estate Adjusters
Real Estate Appraisers

Assistance: Worker's Compensation

Oklahoma Employment Security Commission

Register your business for unemployment insurance with the Oklahoma Employment Security Commission.

Oklahoma Employment Security Commission
Will Rogers Building, PO Box 52003
Oklahoma City, OK 73152

Telephone: (405) 557-0200
Website: www.oesc.state.ok.us

Assistance: Unemployment Insurance



Accountancy Board

Accountancy Board of Oklahoma
 4545 N. Lincoln, Suite 165
 Oklahoma City, Oklahoma 73105-3413
 Telephone: (405) 521-2397
 Fax: (405) 521-3118

Licenses: Accountancy Board Application
 Accountancy Board Permit

Department of Agriculture

Department of Agriculture
 2800 N. Lincoln Blvd.
 Oklahoma City, Oklahoma 73105
 Telephone: (405) 521-3864 or (800)580-2474
 Fax: (405) 522-4585
 E-mail: dmandrel@odagis.oklaosf.state.ok.us
 Website: www.state.ok.us/~okag/

Licenses: Pesticide Applicator License
 Nursery & Floral Dealer Certificate
 Animal Industry Inspector License
 Agricultural Plant Industry License

Alcohol Beverage Laws Enforcement

Alcoholic Beverage Laws Enforcement Commission
 4545 N. Lincoln Blvd. Suite 270
 Oklahoma City, Oklahoma 73105
 Telephone: (405) 521-3484
 Fax: (405) 521-6578
 Website: www.able.state.ok.us

Licenses:	Brewer License	Employee License
	Distiller License	Industrial License
	Winemaker License	Carrier License
	Rectifier License	Private Carrier Lic.
	Retail License	Storage License
	Agents License	Bottle Club License
	Non Residential Seller License	
	Mixed Beverage License	
	Manufacturer's Agent License	
	Class B Wholesaler License	
	Bonded Warehouse License	

Architects & Landscape Architects,
Board of Governors of Licensed

Architects and Landscape Architects,
 Board of Governors Licensed
 11212 N. May, Suite 110
 Oklahoma City, Oklahoma 73120
 Telephone: (405) 751-6512
 Fax: (405) 755-6391

Licenses: Architect License

State Auditor & Inspector

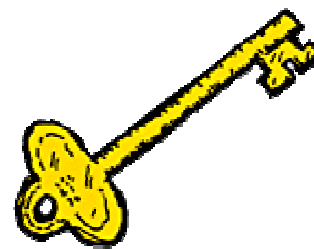
Office of the State Auditor & Inspector
 Room 100, State Capitol Building
 2300 North Lincoln
 Oklahoma City, Oklahoma 73105
 Telephone: (405) 521-3495
 Website: www.state.ok.us/~auditor/

Licenses: Abstractor License

Department of Central Services

Department of Central Services
 Alternative Fuels
 2401 N. Lincoln, Suite 112
 Oklahoma City, Oklahoma 73152-3422
 Telephone: (405) 521-4687
 Fax: (405) 522-2230
 Website: www.dcs.state.ok.us

Licenses: Alternative Fuel Technician Certification

Chiropractic Examiners, State Board

State Board of Chiropractic Examiners
 310 N. E. 28th Street, Suite 205
 Oklahoma City, Oklahoma 73105
 Telephone: (405) 528-5505
 Fax: (405) 528-5447

Licenses: Chiropractic License

Commission on Consumer Credit

Department of Consumer Credit
 4545 N. Lincoln, Suite 104
 Oklahoma City, Oklahoma 73105
 Telephone: (405) 522-4660 or (800) 448-4904
 Fax: (405) 521-6740
 E-mail: cbarrett@oklaosf.state.ok.us
 Website: www.state.ok.us/~okdcc

Licenses: Consumer Credit License
 Pawnbroker License
 Mortgage Broker License
 Health Spa Credit License
 Rent-to-Own Dealer's License
 Precious Metal and Gem Dealers License
 Supervised Lenders License

State Board of Cosmetology

State Board of Cosmetology
 2200 Classen Blvd., Suite 1530
 Oklahoma City, Oklahoma 73106
 Telephone: (405) 521-2441
 Fax: (405) 528-8310
 Website: www.state.ok.us/~cosmo/agncyinf.html

Licenses: General Cosmetologist License
 Manicurist License
 Esthetician/Facialist License
 Instructor License
 Apprentice License
 Demonstrator License

State Dental Board

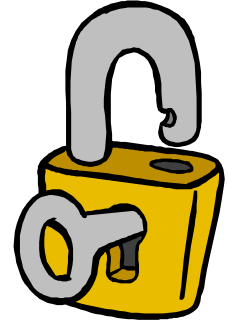
Board of Dentistry
 6501 N. Broadway, Suite 220
 Oklahoma City, Oklahoma 73116-8246
 Telephone: (405) 848-1364
 Fax: (405) 848-3279

Licenses: Dental Registration, Examination & Fee

State Board of Embalmers & Funeral Home Directors

State Board of Embalmers & Funeral Home Directors
4545 N. Lincoln, Suite 175
Oklahoma City, Oklahoma 73105
Telephone: (405) 525-0158
Fax: (405) 557-1844

Licenses: Embalmers and Funeral Director License



Department of Health

Department of Health
1000 NE 10th Street
Oklahoma City, Oklahoma 73117
Telephone: (405) 271-6868
Website: www.health.state.ok.us

Licenses: Plumbing Examination, License & Fee
Hotel Restaurant License
Barber License
Electrical License
City Inspectors License
Alarm Industry License
Mechanical Contractor License
Licensed professional Counselor License

Department of Labor

Department of Labor
4001 N. Lincoln
Oklahoma City, Oklahoma 73105
Telephone: (405) 528-1500 or (888) 269-5353
Fax: (405) 528-5751
Website: www.state.ok.us/~okdol

Licenses: Private Employment Agency License
Asbestos Abatement Contractor License
Welders, Weld Test Facilities and Weld Inspectors License

Law Enforcement Education & Training Council

Law Enforcement Education & Training Council
P.O. Box 11476
Oklahoma City, Oklahoma 73136-0476
Telephone: (405) 425-2750
Fax: (405) 425-2773
E-mail: nfloyd@mail.dps.state.ok.us
Website: www.dps.state.ok.us/cleet/cleet/htm

Licenses: Polygraph Examiner License
Private Investigator & Security Guard License

Board of Medical Licensure & Supervision

Ok. State Board of Medical Licensure & Supervision
P.O. Box 18256
Oklahoma City, Oklahoma 73154-0256
Website: www.osbmls.state.ok.us/ddform.html

Licenses: Medical Doctor
Physicians Asst.
Physical Therapist
Athletic Trainer
Electrologist
Occupational Therapist Assistant
Physical Therapist Assistant
Respiratory Care Practitioner
Apprentice Athletic Trainer
Licensed Dietician
Provisional Dietician
Occupational Therapist

Nursing Board of Oklahoma

2915 N. Classen, Suite 524
Oklahoma City, Oklahoma 73106-5437
Telephone: (405) 525-2076
Fax: (405) 521-6089

Licenses: Nurse Registration, License & Fee

Board of Examiners for Nursing Home Administrators

Board of Examiners for Nursing Home Administrators
3033 N. Walnut, Suite 100E
Oklahoma City, Oklahoma 73105
Telephone: (405) 521-0991

Licenses: Nursing Home Administrator License

Pharmacy Board

Pharmacy Board
4545 Lincoln Blvd. Suite 112
Oklahoma City, Oklahoma 73105-3488
Telephone: (405) 521-3815
Fax Number: (405) 521-3758
Web Site: www.state.ok.us/~pharmacy/forms.htm
E-mail: [pharmacy @oklaosf.state.ok.us](mailto:pharmacy@oklaosf.state.ok.us)

Licenses: Pharmacist License
Pharmacy Technician License
Pharmacy Intern License

State Board of Podiatric Medical Examiners

State Board of Podiatric Medical Examiners
5104 N. Francis, Suite C
P.O. Box 18256
Oklahoma City, Oklahoma 73154-0256
Telephone: (405) 848-2189
Fax: (405) 848-8240

Licenses: Chiroprody License

Psychologist Examiners Board

Psychologist Examiners Board
1000 NE 10th Street, Room 504
Oklahoma City, Oklahoma 73117-1299
Telephone: (405) 271-6118
Fax: (405) 271-6137

Licenses: Psychologist License



Real Estate Commission

Real Estate commission of Oklahoma
4040 N. Lincoln, Suite 100
Oklahoma City, Oklahoma 73105-5283
Telephone: (405) 521-3387
Fax: (405) 424-1534

Licenses: Real Estate Commission License
Sales Associate License
Broker License

Department of Securities

Department of Securities
120 N. Robinson
First National Center, Suite 860
Oklahoma City, Oklahoma 73102
Telephone: (405) 280-7715
Fax: (405) 280-7742

Licenses: Investment Adviser Representative
Registered Principal
Registers Securities Agent

Oklahoma State Board of Licensed Social Workers

Oklahoma State Board of Licensed Social Workers
3535 NW 58th
Oklahoma City, Oklahoma 73112
Telephone: (405) 946-7230
Fax: (405) 942-1070
Website: www.state.ok.us/~osblsw/

Licenses: Social Worker License

Speech Pathology & Audiology Board

Speech, Pathology & Audiology Board
1140 NW 63rd Street, Suite 305
Oklahoma City, Oklahoma 73116
Telephone: (405) 840-2774
Fax: (405) 840-2774

Licenses: Speech Pathology & Audiology License

Used Motor Vehicle & Parts Commission

Used Motor Vehicle and Parts Commission
300 N. Meridian, Suite 280N
Oklahoma City, Oklahoma 73104
Telephone: (405) 949-2626
Fax: (405) 949-9996

Licenses: Used Motor Vehicle Salesman License
Used Motor Vehicle Dealer License
Automotive Dismantler & Recycler License

Source: The source for this information was the Oklahoma Department of Commerce, Business Development Division.

What type of taxes are there?

Like other states, Oklahoma state and local governments levy a variety of business taxes, the most significant of which are discussed below.

Corporate Income Taxes

The State of Oklahoma levies an income tax of six percent upon the Oklahoma taxable income of every corporation (as defined in the Internal Revenue Code) doing business within Oklahoma or deriving income from sources within Oklahoma. The Oklahoma Income Tax Act is based on the Internal Revenue Code and the Oklahoma taxable income of a corporation is determined by adjusting its federal taxable income in accordance with the Oklahoma Income Tax Act. For further information, contact: Taxpayer Assistance & Registrations Division, OTC.



Franchise Taxes

The State of Oklahoma levies a franchise tax, subject to certain limited exceptions, on all domestic and foreign associations, business trusts, corporations and joint stock companies doing business in Oklahoma. The term "franchise tax" may be somewhat misleading since it applies to all businesses subject to this tax, not just businesses involved in franchising. The current tax rate is \$1.25 for each \$1,000.00 of capital used, invested or employed in Oklahoma. For further information, contact: Taxpayer Assistance & Registrations Division, Oklahoma Tax Commission.

Property Taxes

All real and personal property in Oklahoma is subject to ad valorem taxation, unless an exemption is available. Property is taxed at an amount not to exceed 35 percent of its fair cash value with the millage rates determined by the counties, municipalities and school districts in which the property is located. For further information on ad valorem taxation of property (other than the property of railroads and public service companies) contact the office of the County Treasurer of the county in which the property is located or the Ad Valorem Tax Division of the Oklahoma Tax Commission.

Sales and Use Taxes

The State of Oklahoma levies a sales tax of 4.5 percent of the gross receipts of all sales of tangible personal property and certain sales of services, unless an exemption is available, and a use tax of 4.5 percent of the purchase price of all tangible personal property stored, used or consumed in Oklahoma (even if purchased in another state) unless an exemption is available. In addition, Oklahoma counties and municipalities have the authority to levy sales taxes and Oklahoma municipalities have the authority to levy use taxes, both of which are coordinated with the sales and use taxes levied by the State of Oklahoma.

Most individuals and organizations selling, leasing or renting taxable items in Oklahoma must apply to the Sales Tax Division of the Oklahoma Tax Commission for a sales tax permit. Certain items are exempt from Oklahoma sales tax if all requirements for the exemption are satisfied. For example, agricultural products, farm machinery and certain other items used in the business of farming and ranching, merchandise purchased for resale or rental to others and machinery and equipment used directly in the process of manufacturing in Oklahoma may be exempt if applicable requirements are satisfied. However, machinery and equipment not used directly in the manufacturing process, such as office equipment or equipment used in research and development, do not qualify for this exemption. For further information, contact: Taxpayer Assistance & Registrations Division, Oklahoma Tax Commission.

Severance Taxes

Oklahoma levies, subject to certain limited exceptions, severance taxes on the production of certain natural resources; the most important of which are the severance taxes levied on the production of oil and gas. Severance taxes are levied based on the gross value of the natural resources at varying rates depending on the type of natural resource. For additional information, contact: Taxpayer Assistance & Registrations Division, Oklahoma Tax Commission.

Other Miscellaneous Taxes

Oklahoma levies other miscellaneous taxes, including taxes with respect to aircraft, alcoholic beverages, deeds, insurance companies, mortgages, motor fuels, motor vehicles, public utilities and tobacco. See "Human Resources Management" for a description of unemployment, FICA and other taxes related to employees of the business. For additional information on taxes with respect to deeds and mortgages, contact the county clerk of the county in which the property is located. For additional information on these miscellaneous taxes, contact the Oklahoma Tax Commission.

Because business taxes can be very complicated and depend on the particular business involved, questions regarding interpretation of federal, state and local laws and availability of exemptions should be directed to competent and knowledgeable tax attorneys or accountants.

How do I comply with tax laws?

Given the complexity of the national and state tax codes, it could be a major undertaking to ensure that your business is compliant with all of the tax laws.

You may want to begin by contacting the Internal Revenue Service or the Oklahoma Tax Commission - tell them what type of business you are in and ask about taxes that are applicable to your business. However, these government agencies may not know about all of the relevant taxes and may still penalize you or your business for not paying the proper taxes on time. So you may want to contact a competent tax attorney or an accountant - these professionals may know more of the nuances of the tax codes.

For resources that can help you with taxes, please refer to [page 58](#).



How can I learn more about federal tax law changes?

If you have access to the Internet, you can learn about tax law changes by accessing the Frequently Asked Questions site of the IRS and then locating this question. The Internet site is:

www.irs.ustreas.gov/prod/tax_edu/faq/

Alternatively, you could contact the IRS and ask for IRS Tax Topic 302 (Highlights of Tax Changes) if it is in print. Many accountants would also know about tax law changes. This publication and others can also be found on the Internet:

www.irs.ustreas.gov/prod/forms_pubs/index.htm

How long do I need to keep certain business records?

The IRS states that "records such as receipts, canceled checks, and other documents that prove an item of income or a deduction appearing on your return should be kept until the statute of limitations expires for that return. Usually this is three years from the date the return was filed, or two years from the date the tax was paid, whichever is later." Additionally there is no limitation for fraudulent returns, and some records should be kept indefinitely - such as property records. For more information, you can call 1-800-TAX-FORM and ask for IRS Publication 552 (Recordkeeping for Individuals). This publication can also be found from the above website on the Internet.

The IRS also states that "if you are an employer, you must keep all your employment tax records for at least four years after the tax is due or paid, whichever is later." Different rules may apply to business expenses for travel, entertainment, or gifts. For additional information, you can call the above number and ask for IRS Tax Topic 305 (Recordkeeping) or IRS Publication 463 (Travel, Entertainment, Gift and Car Expenses). These publications can also be accessed from the Internet from the above website.

What kind of penalties and interest will I be charged for paying and filing my taxes late?

Interest, which would be compounded daily, would be charged on any unpaid tax from the due date of the return until the date of payment. This interest rate would be the federal short-term rate plus three percent - which is determined every three months.

Additionally the IRS states that “if you filed but did not pay on time, you’ll generally have to pay a late payment penalty of $\frac{1}{2}$ of one percent of the tax owed for each month, or part of a month, that the tax remains unpaid after the due date, up to 25 percent. The $\frac{1}{2}$ of one percent rate increases to one percent if the tax remains unpaid after several bills have been sent to you and the IRS issues a notice of intent to levy.”

Furthermore the IRS says that “if you owed tax and didn’t file on time, the penalty is even higher. The combined late-filing and late-payment penalty is five percent of the tax owed for each month, or part of a month, that your return was late, up to 25 percent. And if your return was more than 60 days late, the minimum penalty is the smaller of \$100 or 100% of the tax you owed.”



How do I apply for an employer identification number (EIN)?

To obtain an EIN, you must complete form SS-4. After you complete this form, you can mail, fax or phone the results of the EIN to the IRS. The instructions on Form SS-4 provide both an IRS service center address and a phone number to report the results of the completed form. For further information, you should refer to IRS Topic 755 (EIN - How to Apply), or IRS Publication 1635 (Understanding Your EIN).

How do I file W-2 forms?

Employers should furnish their employees their W-2 forms by January 31. The IRS also notes that “it is also your responsibility as an employer to file W-2 forms with the Social Security Administration (SSA) for your employees, showing wages paid and taxes withheld for the year.” You must send Copy A to the SSA with Form W-3 by February 28 to the appropriate address listed in the W-2 instructions. (The W-3 form shows the total of all W-2s sent.)

For more information, see the publication IRS Topic 752 (Form W-2 - Where, When and How to File), or IRS Publication 15 (Circular E - Employer’s Tax Guide) and IRS Publication 393 (Federal Employment Tax Forms). Each of the previously mentioned publications and guides can be downloaded from the Internet at the website:

www.irs.ustreas.gov/prod/forms_pubs/index.htm



Tax Resources

Internal Revenue Service

A part of the U.S. Treasury Department, the IRS is the federal agency in charge of the federal income tax. Questions related to the federal income tax may be directed to this agency.

IRS
U.S. Treasury
1111 Constitution Avenue, NW - Room 2422
Washington, D.C. 20224

Telephone: (800) 829-1040
Website: www.irs.ustreas.gov/

If you need any of the forms or publications discussed in this section, you can download them from the Internet - the appropriate site is:

www.irs.ustreas.gov/prod/forms_pubs/index.htm

IRS (Oklahoma Office)
55 North Robinson
Oklahoma City, OK 73102

Telephone: (405) 297-4017

Oklahoma Tax Commission

The Oklahoma Tax Commission would be able to provide information about state taxes, and may further be able to help with forms that you need to fill out and registrations for your business. For one of the specific divisions mentioned above, insert that division's name in the address if you intend to write to them.

Oklahoma Tax Commission
Connors Building, Capitol Complex
2501 North Lincoln Blvd.
Oklahoma City, OK 73194

Telephone: (405) 521-4321
Ad Valorem: (405) 521-3178
Taxpayer Asst. & Reg.: (405) 521-3279
E-Mail: helpmaster@oktax.state.ok.us
Website: www.oktax.state.ok.us

Oklahoma Tax Commission
1602 NW Lawton Avenue, Suite B
Lawton, OK 73507

Telephone: (580) 248-8440

County Treasurers

County Treasures should know about county sales taxes and about any miscellaneous taxes that the county may levy. *Please see [page 137](#) for a listing of County Treasurers.*

Lawyers

Lawyers may be able to provide tax law interpretation assistance as well as tax preparation assistance. *Please see the "Choosing a Lawyer" section on [page 13](#) for assistance.*

Accountants

Accountants would be able to provide tax preparation assistance and may know about how to go about paying the types of taxes that should be paid by your business. *Please see the "Choosing an Accountant" section on [page 24](#) for assistance.*



What management skills do I need?

Good management skills begin with developing & maintaining a detailed & realistic business plan. By doing this, you begin the process of strategic planning and goal-setting for your business - which are valuable management tools towards constructing a roadmap of where your business has been and where you expect it to go.

A business plan that is kept current is much more valuable to your management skills than one that has been developed for the sole purpose of getting financing. The reason for this is that a current business plan allows you to:

- (1) reassess the direction of your business,
- (2) learn more about your business, and
- (3) improve your management style to benefit your business.



*Help with business plans can be found on pages **101 to 104** in this resource directory.*

Other than the importance of business plans, Robert Katz identified three qualities that contribute to an effective management style². And the relative importance of each will vary depending upon the nature of your business. They are:

- (1) **Technical Skills** - pertains to what is done within the business and to working with things. These skills also relate to an individual's ability to work with technology and to perform organizational tasks.
- (2) **Human Skills** - pertains to how something is done within a business and to working with people. These skills also relate to an individual's ability to work with other people towards the organization's goals.
- (3) **Conceptual Skills** - pertains to why something is done within the business and to working with ideas. These skills also relate to the individual's ability to understand the complexities of the business as it affects and is affected by its environment.

Katz also suggests that conceptual skills become increasingly important for people higher up in the business. A part of this is attributable to the strategic planning responsibilities (missions, business plans, evaluations, etc.) of those people. *More information on strategic management can be found on **page 60**.*

The three skills listed above are general in nature, and could serve as an outline of skills/roles that may need to be filled by the business owner and/or manager. The following list is a possible framework that was constructed with input from a textbook.³

Technical

Problem Solver - handles the technical areas of equipment failure, technology problems etc.

Instructor - teaches employees how and when equipment is used.

Human

Motivator - motivates employees to perform quality work.

Negotiator - represents the business to creditors, customers, suppliers, etc.

Mediator/Liaison - intervenes in disputes, or maintains a network of contacts outside the business.

Conceptual

Planner - performs the strategic management functions and daily planning activities for the business.

Resource Allocator - allocates the business' resources to different projects/uses.

Entrepreneur - searches the business & its environment for opportunities to improve the business.

² R.L. Katz, "Skills of an Effective Administrator", *Harvard Business Review*, January-February 1955, pages 33-42.

³ Hunger & Wheelen, *Strategic Management - Fifth Edition*, 1996, pages 33-35.

What skills do I have?

It should be fairly easy to determine whether you have technical skills related to your business. Years of experience working within your industry or education beyond high school may highlight technical capabilities. Additionally, a hobby that is done well and is related to the business could be another possibility of evidence. Without the technical knowledge/skills related to a business, it probably would not be advisable to enter that business.

Human and conceptual skills are more difficult to determine. Since human skills relate to how well you get along with people, you could ask friends, family and co-workers to give you an honest appraisal of your human relations skills. There may also be some tests that you could take (Myers-Briggs test is one example) that could indicate what skills you have or where your interests lie. The psychology department of some universities may give these tests - there may be a fee associated with the test though.

It should be noted that many people get into business to spend more time doing what they love - which usually involves their technical expertise. But after they start a business, some find that they aren't spending as much time with their technical area of expertise and too much with other aspects of the business. This is usually a necessity and related to conceptual skills - the point being that you should not ignore developing conceptual skills, and shouldn't expect to spend your time related to your technical expertise.

What is strategic management?

Managing a business is more than just allocating resources, negotiating, maintaining business relationships, etc. - it also involves strategic planning. And without a strategic plan, you may be "shooting from the hip" with regards to providing direction for your business.

Many of the aspects of strategic planning can be accomplished through the construction and maintenance of a business plan. A supplement, but not an alternative, to the business plan could be the use of a "strategic audit". The strategic audit provides an assessment of a business' strategic situation by using the eight-step framework below.⁴ *Help with some aspects of this question can be obtained by referring to the 'Business Plan' section of this resource directory.*

- (1) **Evaluation of a business' current performance results** - This is accomplished by analyzing (a) trends in financial figures like return on investment, profitability, etc., and (b) the current mission, objectives, strategies and policies of the business.
- (2) **Examination and evaluation of a business' managers** - Not only their performance, but their performance within the constraints of the business environment, business policies, mission statement, etc.
- (3) **A scan of the external environment** - This scan is performed by looking for opportunities and threats to the business in the external environment. *Help with this can be found on page 7.*
- (4) **A scan of the internal business environment** - This scan is performed by looking for strengths and weaknesses within the business itself. *Help with this can be found on page 6.*
- (5) **Analysis of the strategic (SWOT) factors** - The intent of this analysis is to (a) pinpoint problem areas, and (b) review and revise the business mission and objectives as necessary. *Help with this can be found on pages 6-7.*
- (6) **Generation, evaluation, and selection of the best alternative strategy** - Given the analysis performed in the previous step, alternative strategies should be developed to (a) take advantage of opportunities and counter threats in the external environment, and (b) build upon internal strengths and address weaknesses.
- (7) **Implementation** - The best alternative strategy should be implemented through the use of programs, budgets, procedures, changes in policies, etc.
- (8) **Evaluation** - After implementation, the new strategy should be evaluated via feedback systems and the control of activities to ensure the minimum of deviation from plans.

⁴Hunger & Wheelen, Strategic Management - Fifth Edition, 1996, pages 40-42.

Where can I get help with managing my business?

Many times a business only seeks assistance when it is in dire straits - which is usually when cash flow problems start, and this is definitely too late to save the business. In many of these instances, if the business owner or manager had sought help three to six months earlier, the business could have been saved. Therefore you should probably use the resources listed below frequently.

Small Business Development Centers (SBDC)

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses.

Please see [page 129](#) for a listing of Small Business Development Centers in the area.

Local Area Vocational & Technical Schools (Small Business Management Programs)

The Small Business Management Program at the Area Vo-Tech Schools offers the business person a step-by-step program for creating a quality small business using professional information. Classes are offered covering different aspects of the business and using outside specialists to present state-of-the-art information and help to the businesses. Additionally, the instructors or business development coordinators can help with business plans and may visit the business to ascertain progress and identify problems before they become severe.

Please see [page 131](#) for a listing of Local Area Vocational & Technical Schools.

Universities and Junior Colleges

These institutions of higher learning offer classes that could help with business management. Other than Management courses, Economics, Accounting and Finance classes provide knowledge that will help you understand your business and its environment. The tools and knowledge that are taught in these classes are only two aspects of what should be learned - the ability to apply the knowledge/tools and the ability to analyze should also be learned. These last two aspects are usually implicitly taught but not always learned.

Please see [page 131](#) for a listing of area universities and junior colleges.

Service Corps of Retired Executives (SCORE)

SCORE chapters are locally chartered volunteer organizations that provide expert problem-solving assistance to small businesses. SCORE tries to match counselor experience with client needs. You can also get help from SCORE by e-mailing them your questions - use their website for the address.

Lawton SCORE - Chapter 0304
4500 West Lee Blvd., Bldg. 100, Suite 107
Lawton, OK 73505

Telephone: (580) 353-8727
Fax: (580) 250-5677
Website: www.score.org

Oklahoma City SCORE - Chapter 0212
c/o SBA, Oklahoma Tower Bldg.,
210 Park Avenue, #1300
Oklahoma City, OK 73102

Telephone: (405) 231-5163
Fax: (405) 231-4876
Website: www.score.org

What skills does my business need?

For some employers, matching the needs of the business with the skills offered by potential employees is difficult. Finding an employee that has the required skills for the position means that less time and money has to be spent on training that employee. Conversely, if the employee does not have the necessary skills, then the employer will have to spend that time and money to train the employee.

And in some cases it is possible that the employer does not know which skills are most important for the position. In this case, to keep from having to spend excessive amounts of time and money training employees, the employer should seek advice from some of the resources listed on [page 63](#). These resources may be able to help identify skills that should be sought in potential employees.

*What skills are available in the labor force?*

After determining the skills needs of the business, you may need to ascertain whether the area's labor force possesses the appropriate skills. All too often this has to be estimated or guessed at by employers, but the Oklahoma Department of Commerce along with several regional organizations is in the process of conducting a Labor Availability Survey.



This Labor Availability Survey will give a better picture of the skills possessed by the labor force in a given area. Additionally, the Business Development Center at Southwestern Oklahoma State University plans to perform an Employer Survey for thirteen counties in Southwest and West Central Oklahoma. This Employer Survey will attempt to portray those skills that are most important to area employers and how much time and money they have to spend training their labor force.

For information on the Labor Availability Survey and/or the Employer Survey, contact the Business Development Center at Southwestern Oklahoma State University.

How can I get qualified employees?

Once it has been determined that the area labor force possesses the needed skills, the next problem would be to attract them to your business.

For common positions or skills, minimal effort could be spent in the search - it may only take listing the opening in area newspapers and having to offer minimum wages. But the more specialized the work or more skilled the employee must be, then the more difficult it will be both to advertise the opening to the proper audience and to attract them to your business. Since these are two different problems, they will be addressed separately.

There are several methods of getting the word out about your position. Other than listing positions in the newspaper, some possibilities include:

- ! **Workforce Development Centers** - These agencies, which are a part of the Oklahoma Employment Security Commission, help match an employer's specific needs with the most qualified candidates.
- ! **Job Fairs** - Job fairs may be held at universities and colleges in the area. The benefit of attending these would be to have access to a large number of new college graduates.
- ! **Word of Mouth** - Use your network to help advertise the position, and ask everyone within the network whether they know any qualified individuals.

After getting the word out for the harder to fill positions, you may have to offer higher pay and/or benefits to actually attract them to your business.

F. Labor Force

Is the needed training/education available for myself and my employees?

What do I need to do to keep my business competitive?

Finally, if the area labor force does not possess the required skills for the position or you are unable to attract those people to your business, then you may have to either train/educate them yourself or provide training/education for them. Several organizations in the area can help train/educate your employees.

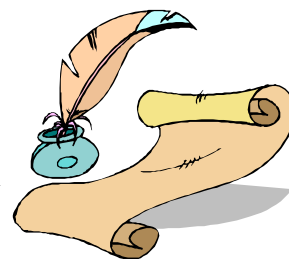
Universities and junior colleges offer a wide variety of courses that could be used in employee training. Everything from business to computer classes could be incorporated into your training program. Local area vocational & technical schools are also a valuable source to help train your employees. These facilities can customize a training program to meet your needs if there are enough employees to train. Additionally, improving the skills and knowledge of yourself and your employees will keep you, your employees and your business competitive - which is an added incentive to providing training/education for yourself and your employees.

Labor Force Resources

Small Business Development Centers

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses, and can help with identifying important skills for the business.

Please see [page 129](#) for a listing of Small Business Development Centers in the area.



Local Area Vocational & Technical Schools (Small Business Management Programs)

The Vo-Tech Schools may be able to provide assistance with identifying important skills that should be sought by the business. Business Development specialists would be the individuals to contact about this type of assistance. Additionally, area Vo-Tech schools may be able to customize training programs for your employees.

Please see [page 131](#) for a listing of Local Area Vocational & Technical Schools.

Universities and Junior Colleges

These institutions of higher learning offer a wide variety of classes that could be included in a training program for your employees and/or yourself. These institutions also offer chances for potential employers to meet with recent and soon-to-be graduates by participating in job fairs or by contacting the “Student Placement/Development” department.

Please see [page 131](#) for a listing of area universities and junior colleges.

Oklahoma Employment Security Commission

The OESC through regional Workforce Oklahoma Centers can help regional employers find employees with the skills they need.

Please see [page 133](#) for a listing of area Workforce Oklahoma Centers.

Business Development Center

The BDC at Southwestern Oklahoma State University can help you obtain information about the region’s labor force from the Labor Availability Survey and the Employer Survey.

Please see the [front page](#) for our address.

What does marketing involve?

Evans & Berman define marketing as anticipating demand (for goods/services) managing that demand and ultimately satisfying that demand.⁵

The authors go on to explain that anticipating demand requires a business to regularly research consumer preferences in order to develop and introduce new goods/services. Managing demand includes stimulation of demand through advertising and facilitating transactions by:

1. having convenient locations,
2. accepting credit cards, and
3. employing knowledgeable people.

And satisfying demand requires the business to fulfill the expectations of their consumers - which includes after sale service.

In order to effectively market and promote your business, good and/or service, you must have a strategic plan (business plan). Without it, you are flying blind and shouldn't expect to reach your market potential, but with a business plan, you can use it with demographics to target a market, forecast your sales, etc. Therefore your business plan is the foundation upon which you can begin anticipating demand.

The information that you get from anticipating your demand can help you with everything from advertising effectively, distribution planning, pricing strategies and public relations. All of the previous topics would be included as managing and satisfying demand.

Help with demographic information can be found on [page 11](#).

Help with advertising can be found on [pages 65](#).

Help with distribution planning can be found on [page 69](#).

Help with pricing strategies can be found on [page 105](#).

Help with public relations can be found on [page 69](#).

*How can I increase sales or expand my market?**Where can I get help with marketing my business, products and/or services?*

Unless you have to turn new business away, increasing sales should be an important objective for your business. Increasing sales or expanding your market includes everything from introducing new products/services to embarking upon an orchestrated marketing campaign to raise consumer awareness of your business.

Some of the resources listed on [page 70](#) can help with ideas and strategies of increasing sales. These resources may be able to offer an analysis of current demand (sales) and forecast future demand (sales) for you business, and with this knowledge, ideas can be put forth to increase your sales. In order to implement these ideas, these resources may also be a valuable source for strategies.



⁵ Evans & Berman, Marketing - Sixth Edition, 1994, page 12.

*How do I advertise effectively?*⁶

Advertising costs money. The information contained in this section may ensure that you are reaching your target market and therefore spending your money wisely. The different subsections included in this question may help you put together an effective advertising campaign; they are:

- Goals
- Advertising Budget
- Target Market Identification
- Information & Presentation to include in ads
- Benefits to Customer
- Getting the Message Out
- Advantages and Disadvantages of Different Medium
- When to Advertise
- Advertising Effectiveness

**Goals**

As with many other topics related to business, your business plan is the launching point for you to construct an effective advertising campaign. Within your business plan you should have written down specific and realistic goals for your business. If you don't have a business plan or your business plan does not have current goals, then just write down some specific and realistic goals that can be attained by your business for now, and update or construct a business plan later. The goals should be measurable (include numbers) and should include a time element. Some examples may be:

My business will increase sales by 10% in one year.

My Harmon county business will attempt to draw 30 people from Jackson county in the next quarter.

Of course to know if you reach those goals, you will need to keep good records if you are not already. Obviously, it is not logical to begin picking numbers out of the air to set your goals - some analysis may be necessary. The following outline will be helpful, and write down the responses to the questions on a separate sheet.

Before writing down or updating your goals, historical sales numbers (last year's, last month's, etc.) may provide a good starting point for the next month, quarter, year, etc. If you don't have this information for your business or you are just starting out, you will need to begin keeping this information to better reach your target market. In this case, trade associations (*please see page 2 for help with this topic*) may be a valuable source of sales figures for different-sized firms within your industry. *Additionally, some of the resources listed on page 69 may help you estimate future sales.*

When analyzing your historical sales, some questions that you should ask yourself may include:

What was my business' total sales?

How many products (or different services) did my business sell?

What products (or services) constituted the greatest dollar amount of sales?

How many transactions did my business have? (Transactions is the total number of sales.)

What was my business' average sale? (Total sales divided by number of transactions.)

Now that you have analyzed your historical sales figures (or trade association figures), you can begin to focus on clear goals for your business. The following questions may help:

How much of each product/service do you plan to sell? By when?

What do you expect your total sales to be for the next month? Quarter? Year?

Can my business increase the total transactions in the next time period?

Can my business increase the average sale per transaction?

⁶ Paul Cook, Midwestern State University Small Business Development Center, *How do I Advertise?*.

Advertising Budget

After you set goals for your business, you will need to budget an advertising campaign. Most people won't just walk in the door without knowing what you sell - an advertising campaign will inform them.

The general rule of thumb for setting an advertising budget is to allocate between 3% and 5% of your total expected sales in the coming time period. This may prove a good benchmark, but how much you actually spend on your advertising campaign will depend upon how much your competition spends on their advertising. To get an idea of how much they spend, you may have to ask a media sales representative what it would cost to do a similar ad campaign.

You don't want to go broke spending money on advertising, but spending too little is not effective either. Some questions that may help in setting an advertising budget are:

- What is your business' advertising budget? For what time period?
- What percentage of your total sales does this represent?
- How much do you estimate your competition spends on advertising?
- How much do you estimate your competition's total sales to be?
- From estimates, what percentage of your competition's total sales is spent on advertising?

Target Market

After you set your advertising budget, you will need to know who your target customers will be. You don't want to waste time and money advertising to people who will never buy your product/service, so identifying your target market is important. Remember, everyone will **not** be your customer.

Please see page 3 for questions about identifying your target market/customer.

Information & Presentation

After you have identified your target market, you will have to decide what you want your customers and potential customers to know about your business, your product and/or your service. The means to accomplish this is through advertisement/promotion.

From Paul Cook and the Small Business Development Center at Midwestern State University, promotion can do three things - Remind, Inform, and Persuade. It can remind existing customers that you are still in business. It can inform existing and potential customers that you have changed locations, added new products/services, changed hours, etc. Lastly, promotion can also persuade potential customers that your business is the best place to take their business. Advertisements can do all three at once, but you will need to determine whether any one goal is more important than the others.

In order to drive home the points that you want your customers to know about your business, you will need to remain consistent with your advertising. The reason for this is that you are teaching customers about your business, and possibly the best way for them to learn is for you to remain persistent and repetitive. Additionally, you should never assume that your customers know where your business is located and what its hours of operation are - so include this information as something that they should know about your business.



Questions that may help structure your thought process may include:

- How will your ads look different than all the other ads out there? (Advertisements can have their own personality with different logos, colors, fonts, borders, pictures, etc.)
- How will your ads sound different so that they are automatically recognized as yours? (Music, sound effects, and the announcer's voice all have an impact.)
- What will your ads say about how and when you can be found? (Phone, address, hours of operation, etc.)

Benefits to Customer

Most importantly, you need to persuade people to do business with you. They probably won't bring you their business out of the kindness of their heart - they have to want something. Therefore, as Paul Cook mentions, you have to answer in your ad the question that every customer asks: "What is in it for me?"

To do this, you have to look for benefits that your customers seek and then offer these benefits as something that is unique to your business. If these benefits are not unique to your business, what is to keep them from buying from your competitor? Benefits are the qualities of the product/service that make it useful, and features are parts of the product (color, size, shape etc.). Many businesses advertise features but not the benefits of those features - again consumers want benefits and features without benefits are useless.

Questions that may help identify benefits include:

- What are the features of your product/service?
- Why are these features important to your customer?
- What benefit(s) do your customers get from these features?

Getting the Message Out

Now that you know what to include in the advertisement and who your target market will be, you now have the task of actually reaching your target market and making an impression upon them. Reaching your target market is a matter of finding out what they watch, read, see, hear and/or where they live.

Advertising media (TV, radio, print, direct mail, yellow pages and billboards) all keep track of who is watching, listening or reading them. Therefore, what you need to do is to take your description of your target customer to the different advertisers and ask them: "How many of MY target customers can you reach with my message?" It does not matter if they are the largest TV station, cover ten counties with their newspaper, etc. The only thing that you should be interested in is reaching your customers. As Paul Cook notes, "Why pay to advertise to people who'll never be your customers?"

In marketing, "reach" is the percentage of the total market reached by the different advertising medium (TV, radio, print, etc.). Consequently if you have 5,000 potential customers, and your media outlet reaches 250 of them, then its reach is 5% ($250/5,000$).

The SBDC at Midwestern State University also notes that you will want to try to repeat your message as frequently as possible because people ignore most of it. People may only notice 1 in 3 or 4 advertisements and since your customers will need to be exposed to your ad between 3 and 9 times before they will "learn" it, you will have to get your message in front of your customers frequently before you notice an increase in sales.

Questions that you may want to ask different advertisers include:

- How many of my target customers can you reach?
- How often can you deliver my message?
- How much is it going to cost my business?



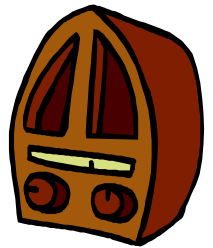
Advantages & Disadvantages of Different Advertising Media

A part of effectively getting your message out to your target market is using the appropriate advertising media. Advantages and disadvantages of different media are presented in this section.

	Advantages	Disadvantages
Newspaper	Short lead times, pass-alongs, specific geographic market, ads surrounded by content	General audience, heavy ad competition, limited color
Broadcast TV	Broad reach, persuasive, impact, ads surrounded by programs	High start-up costs, general audience, long lead time, short messages
Cable TV	Same as broadcast TV, selective by channels	Same as broadcast TV, limited viewers
Radio	Low costs, selective market, immediacy	No visual impact, consumer distraction
Billboards	Large size, frequency, permanence of message	General audience, inflexible, limited content
Phone books	Low costs, permanence of message, market coverage	Clutter of advertisements, long lead time
Flyers	Low cost, market coverage, little waste, flexible	High throwaway rate, wrong addresses, low credibility
Direct Mail	Precise audience, flexible, personal approach	High throwaway rate, wrong addresses, low credibility

When to Advertise

If you have a significant advertising budget, then you should advertise as often as is possible. If your business has a smaller advertising budget, then you will have to advertise only when it will be of most benefit to you. Paul Cook lists several strategies that could work, and mentions that they are most effective over a twelve month period.



Leading the season - You cannot force people to buy winter jackets in the summer, but after the first dip below freezing in October or November, people should be more receptive. Place your ads at the beginning of the season so that when people are beginning to think about buying, they will know that you are there.

Being an event sponsor - Your name gets mentioned in the event promotions, and if it has an audience of your target market customers, your message will reach them frequently - plus you may foster goodwill with the event participants.

Blitzing - Save money until the start of your biggest season, then spend all of your advertising budget. Make it so your customers can't miss you.

Flighting - Run your ads heavily for a period of time (day/week) then stop for two and then run them heavy again. If the interval between the two is not too long, your customers will think you've been running them the whole time. Having clearly recognizable ads is very important for this strategy.

Weaving - Run your ads during the morning news show on Monday, then on noon on Tuesday, then on the evening news show on Wednesday. If your target audience is watching all the news programs, the impression is that you are on all the time.

Advertising Effectiveness

How will you know if any of your advertising is increasing sales? You can ask every person that comes in or calls your business “Where did you here about us?” Alternatively, you can track your total sales over months and even up to a year to see if your advertising is being effective. And lastly, you can count the number of people coming in or calling your business, and then compare these numbers with previous month’s or year’s numbers.

Advertising rarely has the effect of people lining up to enter your place of business the day after you run an advertisement. Most people won’t know you’re out there until they’ve been exposed to your advertisement between three to nine times. Therefore you must be patient before you start seeing results.

One last word of warning. More than a few great ads have brought new customers to a business only to have them leave without making a purchase. They don’t buy because the business didn’t live up to their expectations based upon the ads. (Surly sales staff drove them away, or you didn’t stock enough of the product.) Be ready to live up to the expectations your ads create, and you will be a success.



What is distribution planning, and why is it important?

As defined by Evans & Berman, distribution planning is the systematic decision making regarding the physical movement of goods and services from producer to consumer, as well as the related transfer of ownership (or rental) of them.⁷ Many times the transfer takes place through an intermediary.

One of the most critical decisions that a business can make may be the choice of a distribution channel. Your business’ marketing plan will differ dramatically if you choose to sell directly or through intermediaries. If you sell through an intermediary, you can take advantage of that firm’s marketing resources but lose some control over your product. If you sell directly, you will have to spend more resources on marketing but will have greater control over you product. So your decision on distribution will depend both upon how much resources your business has and whether you want to maintain control of your product.

How is public relations a part of marketing, and how can I use it to my advantage?

Public relations, like advertising, is a form of promotion for your business. New products, new managers, financial performance, etc. are all examples of events that can be used for positive public relations. Since public relations is driven by publicity, there is also a flip side - events like the Exxon Valdez oil spill are also publicity, only negative. The handling of the aftermath was public relations, and the company didn’t handle that well either. So publicity cannot be bought and cannot be timed, you can only be prepared.

If it is positive, public relations can foster good feelings for the company, has a diverse audience, high credibility, and costs little if anything to the business. But since publicity cannot be controlled, management of it (which is public relations) is complex. You should refer to a marketing textbook or one of the resources on the next page if you plan to use it for your business.

⁷ Evans & Berman, Marketing - Sixth Edition, 1994, page 480.

Marketing Resources

Small Business Development Centers

Small Business Development Centers assist small businesses in many aspects of starting up and operating businesses, and can help with many aspects related to marketing - including advertising.

Please see [page 129](#) for a listing of Small Business Development Centers in the area.

Local Area Vocational & Technical Schools (Small Business Management Programs)

The Vo-Tech Schools may be able to provide assistance with marketing your business. Business Development specialists would be the individuals to contact about this type of assistance.

Please see [page 131](#) for a listing of Local Area Vocational & Technical Schools.

U.S. Postal Service Business Centers

Postal Business Centers (PBC) are designed to provide information and assistance on using USPS services to small and medium businesses. Mail can be a cost effective method for businesses to communicate with customers and gain new ones, especially when businesses take advantage of postal discounts offered to mailers who prepare their mail according to the USPS standards for automation-compatible mail.

For information on the nearest PBC, contact your local U.S. Post Office

Direct Marketing Association (DMA)

DMA is a large organization involved in all aspects of direct marketing. The organization publishes many books on direct marketing techniques, including direct mail, telemarketing, designing a direct marketing campaign, and marketing goods/services overseas. DMA can provide a small business with names of members in a certain area that provide services to the direct marketing industry. These include list brokers, service bureaus, advertising agencies and printers.

Direct Marketing Association
1120 Avenue of the Americas
New York, NY 10036-6700

Telephone: (212) 768-7277
Fax: (202) 302-6714
Website: www.the-dma.org



What do I need to do to stay in business?

Even if you feel that you don't need any help with your business, you may want to visit the Small Business Development Center or a Business Development Specialist at a local area vo-tech school. Many business managers/owners wait until their business is experiencing financial problems before they go visit these organizations, and if this happens it is usually too late to save the business even with professional help. But had the business owner visited 3 to 6 months earlier, these professionals may have identified areas of concern and kept the business out of financial difficulties.



The people that work at the SBDC and the local vo-techs are valuable resources and may even help a business in ways that the business owner/manager never even considered. Given the proper information, these professionals may be able to perform a SWOT (strengths, weaknesses, opportunities & threats) analysis of the business and then offer suggestions about increasing sales, reducing costs, etc. For example, they may know of ways that you can expand your market to sell more goods/services, or know of new goods/services that you could add to your existing market.

The main point here is that you should take advantage of the services provided by these and other organizations especially since they are usually free.

Continuing & Expanding Resources

Local Area Vocational & Technical Schools (Small Business Management Programs)

The Vo-Tech Schools may be able to provide assistance with marketing your business. Business Development specialists would be the individuals to contact about this type of assistance.

Please see [page 131](#) for a listing of Local Area Vocational & Technical Schools.

Small Business Development Centers

Small Business Development Centers assist small businesses in many aspects of operating businesses, and can provide ideas for to increase market size, increase.

Please see [page 129](#) for a listing of Small Business Development Centers in the area.



What federal incentives are there?

Many federal incentives are potentially available to business. A good starting point to identify specific programs may be the website:

www.edinfo.state.tx.us

Follow the instructions to find federal incentives.

Most likely if you are searching for grants to open or expand a business - you will not find them. They are not available. The government will not pay for someone to open or expand their business. Federal incentives include technology transfer assistance, export assistance, and low interest rate loans.

Financial Assistance

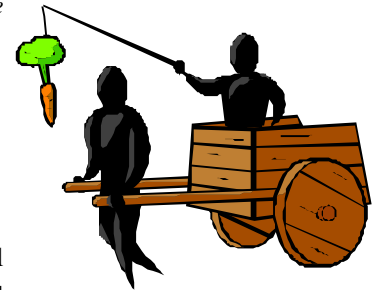
If you are looking for financial assistance to start or expand your business, low interest rate loans will be your best bet. These loans are usually guaranteed by the government in the event of default, so your local bank will be able to offer you a lower interest rate on a loan than you would have otherwise been able to obtain. *Please see pages 29-37 for more information and resources on this topic.*

Technology Transfer Assistance

Please see pages 77 for information on this topic.

Export Assistance

Assistance with exporting products is also a business incentive provided by the federal government. These government programs can provide specialized assistance and give you information on licensing requirements. Please see the resource listed below.



Federal Incentive ResourcesSmall Business Development Center

The SBDC may be able to provide assistance with how much money is needed for your needs, what you will have to do to get a loan, and how much money you will need to contribute to your business. Additionally, the SBDC is a valuable source of information on SBA loan programs and may have many of the forms that you need to apply for the SBA loans.

Please see page 129 for a listing of Small Business Development Centers in the area.

United States & Foreign Commercial Service (US & FCS)

The US & FCS is a division within the United States Department of Commerce and provide “one-stop shops” for information on export marketing. Trade specialists within the federal agency can:

1. Identify the best foreign markets for specific products,
2. Develop an effective market entry strategy,
3. Facilitate the implementation of these strategies by advising on pricing and distribution channels, and
4. Assist with referrals to appropriate trade finance programs in other federal organizations.

US Department of Commerce
US & FCS
Austin Export Assistance Center
1700 North Congress, Suite 220G
Austin, TX 78711

Telephone: (512) 916-5939
Fax: (512) 916-5940
Website: www.ita.doc.gov/uscs

I. Incentives

What state incentives are there?

There are numerous state incentives provided to qualifying businesses in Oklahoma. The Oklahoma Department of Commerce administers some of the programs, and has an informative publication called “Oklahoma Business Incentives and Tax Information Guide”. A listing and brief explanation of many of the state incentives are provided below, but for more information call ODOC or refer to the above guide at ODOC’s website:

www.odoc.state.ok.us/odoc/bitli.nsf

The state also has incentives for financing your business - mostly through low-interest rate loans. Please see [pages 29 to 37](#) for more information on this topic.

Incentive Payments Programs (Quality Jobs Program)

Included in these programs are the Oklahoma Quality Jobs Programs and the Small Employer Quality Jobs Incentive Act. Basically, these programs will pay up to 5% of new taxable payroll provided that the business provides health insurance to new employees and meets other qualifications specified by the Oklahoma Department of Commerce. ODOC also determines the business’ eligibility for the program.

Ad Valorem Tax Exemptions

The Oklahoma Tax Commission will exempt ad valorem taxes for specific types of businesses for land, buildings, improvements, machinery, fixtures & equipment used exclusively in the primary activity or process of the qualified company. The businesses must generally be new and/or expanding businesses operating within a specific set of Standard Industrial Classification (SIC) codes and must reapply every year for the exemption. Contact the Ad Valorem division of the Oklahoma Tax Commission for more information.

Additionally, these taxes may be exempt on pollution control equipment that has been certified by the Oklahoma Department of Environmental Quality.

Sales Tax Exemptions

These exemptions are available to some manufacturers, computer services & data processing firms, aircraft maintenance facilities, and telecommunications firms provided that they meet the requirements set by the Oklahoma Tax Commission.

Sales & Use Tax Refunds

The Oklahoma Tax Commission will refund sales & use taxes under certain conditions. If the business operates within the SIC codes 7372-7374 (Computer Services and Data Processing) or 8731-8734 (Research & Development) and purchases new computers, telecommunications equipment, etc., the Oklahoma Tax Commission may refund sales & use taxes.

This type of refund is also available to certain new or expanding manufacturing facilities for taxes paid on construction materials. The business must meet certain qualifications so it would be helpful to refer to ODOC’s website or contact the Oklahoma Tax Commission.

Employee Training

Several employee training programs are available to qualified businesses - some may be at no cost to the business. The Oklahoma Department of Vocational & Technical Education administers the Training for Industry Program, and the Oklahoma Employment Security Commission has information on Job Training Partnerships.

Enterprise Zones

Enterprise Zones can be designated in either disadvantaged counties, cities or portions of cities. These zones provide extra incentives for business that can range from low interest loans to exemption from local taxes. Contact ODOC for more information on programs and counties/cities that qualify as enterprise zones.

Income Tax Credits or Exclusions

Oklahoma offers a variety of income tax credits/exclusions - there are fifteen of them listed and explained in the “Oklahoma Business Incentives and Tax Information Guide”. The various credits/exclusions will be listed here, but for a detailed explanation, refer to the guide or contact either ODOC or OTC.

1. The Investment/New Jobs Income Tax Credit
2. Technology Transfer Income Tax Exemption
3. New Products Development Income Tax Exemption
4. Agricultural Commodity Processing Income Tax Exclusion
5. Income Tax Credit for Investment in Oklahoma Producer-Owned Ag Processing
6. Income Tax Credit for Computer/Data Processing/R&D Jobs
7. Insurance Premium Tax Credit
8. Small Business Capital Formation Tax credit
9. Qualified Venture Capital Company Tax Credit
10. Recycling, Reuse & Source Reduction Incentive Act
11. SBA Guarantee Fee Tax Credit
12. Income Tax Exemption for Interest Paid on Bonds Issued by or on Behalf of Public Agencies
13. Tax Incentives on Former Indian Reservation Lands
14. The Work Opportunity Tax Credit Program
15. The Welfare-to-Work Tax Credit

Transportation and Distribution

State incentives related to transportation and distribution include industrial access roads, foreign trade zones, and truck registration benefits. Please see the previously mentioned guide for a detailed explanation of the qualifications of the programs.

State Incentive Resources

Oklahoma Department of Commerce

The Business Development Division of the Oklahoma Department of Commerce can provide information on any of the incentives mentioned in this section. They may be able to put you into contact with the appropriate organization, provide information about how to proceed, and whether your business qualifies for certain business incentives.

Oklahoma Department of Commerce
Business Development
900 N. Stiles, P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5146 or (405) 815-6552
Fax: (405) 815-5142
Website: www.odoc.state.ok.us
E-Mail: bddinfo@odoc.state.ok.us



Oklahoma Tax Commission

The Oklahoma Tax Commission would be able to provide information about some business incentives and may further be able to help with forms that you need to fill out to apply for them. For one of the specific divisions mentioned above, insert that division's name in the address if you intend to write to them.

Oklahoma Tax Commission
Connors Building, Capitol Complex
2501 North Lincoln Blvd.
Oklahoma City, OK 73194

Telephone: (405) 521-4321
Ad Valorem: (405) 521-3178
Taxpayer Asst. & Reg.: (405) 521-3279
E-Mail: helpmaster@oktax.state.ok.us
Website: www.oktax.state.ok.us

Oklahoma Tax Commission
1602 NW Lawton Avenue, Suite B
Lawton, OK 73507

Telephone: (580) 248-8440



What is technology transfer?

Government, universities and private companies with their many scientific and research & development laboratories develop new technologies all the time to solve the myriad of problems that they face. The organization that develops the new technology may then obtain a patent on it. For example, NASA may develop and patent a technology related to the space program, but that technology may also have commercial applications - and they are not concerned about applying the technology commercially.

Technology transfer is the transfer of technology from the government agency, university or industry to a private company so that the technology can be used commercially. Usually the transfer takes the form of licensing the technology rather than the outright sale of the patent. And obviously the purpose of the technology transfer is so that the company can fulfill a market need and try to make a profit in doing so.

How can I take advantage of technology transfer?

Usually in order to take advantage of technology transfer, your business does not deal directly with the organization that owns the patent, rather you will probably interact with one of the technology centers around the nation. You may be able to contact one of these technology centers to get the help you need if your business would like to license a technology.

Additionally these tech centers can also perform market feasibility studies to help determine whether a new technology your business may be developing would have potential for market success. However, their services are not usually free - they would probably charge for the cost of doing the study. But if your business learns that the technology has very little chance of market success, your business would save the greater cost of further developing the technology and actually obtaining a patent - money and resources which would have been wasted.

Technology Transfer Resources

Oklahoma Technology Commercialization Center



The Oklahoma Technology Center works with Oklahoma companies, inventors, researchers and entrepreneurs to turn technological innovations into business opportunities. They perform work related to technology development, technology transfer, market assessments, intellectual property scans, etc.

Oklahoma Technology Commercialization Center
204 N. Robinson, Suite 1300
Oklahoma City, OK 73102

Telephone: (405) 235-2305
Telephone: (800) 337-6822
Fax: (405) 235-2252
Website: www.otcc.org

National Technology Transfer Center

This organization also has knowledge and experience with technology transfer and commercialization. Among the government agencies that it works with are NASA and the Department of Energy.

National Technology Transfer Center
316 Washington Avenue
Wheeling, WV 26003

Telephone: (800) 678-6882
Fax: (304) 243-4388
Website: www.nttc.edu

Internet Resources

Search Engine Phrase: Technology Transfer

Why is strategic planning important for a community?

Strategic planning, similar to business planning, provides direction and sets goals for the community. At its very nature, the strategic plan is a vision for the future. And since it involves the community, the strategic plan cannot just involve a select group of city officials, rather input from the community should be sought. The more people that become involved with the strategic plan and share the same vision, the more likely that the goals of the strategic plan will be achieved in time.

Having many people involved in the process is also a potential drawback. Business plans are developed by one person or a small group of people to provide direction for the business, and are therefore more easily developed. The more people that become involved in the community strategic plan, the more difficult it may be to reach a compromise for the many different views and ideas that these people will have. The compromise may have to resolve two competing views:

- Maintaining a small town atmosphere vs.
- Attracting quality jobs to keep and draw people to the area.

However, by involving more people, the community will more likely pursue the same goals set in the strategic plan over several years - even when new city/community officials are elected.

Without a strategic plan known by all and worked towards by all, the city/community is floundering and cannot expect to put forth a concerted economic development effort.

What does strategic planning involve?

After knowing the importance of providing a strategic plan for your community, you will need to know what is involved with strategic planning. A possible structure to a community strategic plan that we developed has been provided in the Community Appendix on [pages 123](#). The process is not set in stone, so you can make changes as needed.

Strategic Planning Resources

Oklahoma Department of Commerce

The Community and Economic Development Division within ODOC may be able to provide information and/or help with community strategic planning. They will also have information on a myriad of programs to help your community including Community Economic Development Grants.

Oklahoma Department of Commerce
900 N Stiles/P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5356
Telephone: (800) 879-6552
Website: www.odoc.state.ok.us/



A. Strategic Planning

1. Zoning, Subdivision, Housing & Building Codes

Do our codes promote economic development?

If regulations/codes are too strict or complex, businesses may locate elsewhere rather than deal with the restrictive business climate.

If possible, determine the economic health of other cities/communities of similar size by looking at their employment, population, income and sales trends. Afterwards, select those cities/communities that have had the best performance and then compare their codes with your own community's codes. If the trends have been increasing, then it may indicate that regulations are more business friendly in those other communities when compared with yours. However, it should be kept in mind that factors other than business friendly regulations may be influencing those trends.

Call city/community officials in these other towns and ask what factors they think have contributed to the community's economic health. Alternatively, if you know of a community that significantly changed its codes in the past, look at its economic health three to five years afterwards to see if it has improved.

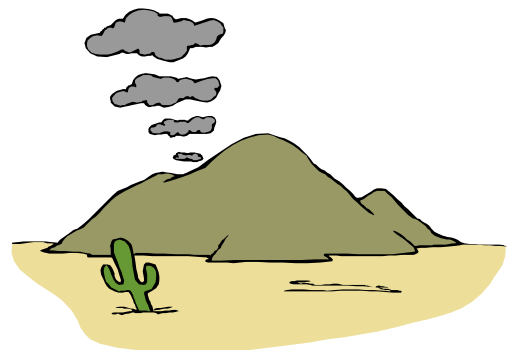
Resources

Oklahoma Department of Commerce

The Community Economic Development Division of ODOC may have more detailed information upon whether certain codes/regulations adversely affect business development within communities.

Oklahoma Department of Commerce
900 N Stiles/P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5356
Telephone: (800) 879-6552
Website: www.odoc.state.ok.us/



A. Strategic Planning
2. Certified Cities

What is a Certified City?

What are the benefits of becoming a Certified City?

The Certified City program is administered by the Oklahoma Department of Commerce and is intended to encourage communities to “maximize its own best assets and to address areas of potential concern.” Improvements in human resources, economic development, government organization, community services and/or community facilities may be needed to become a Certified City.

ODOC mentions that “the most important benefit derived from participation in the Oklahoma Certified Cities program is the ability a community has to target their own strengths and weaknesses and act on those in an effective manner.” They go on to state that the program “enhances overall community readiness” which is a key factor in the community’s economic development efforts.

How do we become a Certified City?

The Oklahoma Certified Cities Program is divided into five sections: Human Resources, Economic Development, Government Organization, Community Services, and Community Facilities. These sections are broken into several sub-categories. In order to become an “Oklahoma Certified City”, a community must be approved in at least three sub-categories in each section. The sub-categories to be completed are left to the discretion of each participating community.

To retain certification, a community must submit a progress report every two years, at which time one additional sub-category shall be completed. After the community has become certified in all categories, the community shall submit a progress report to the Oklahoma Department of Commerce once every five years in order to maintain certification.

Assistance will be provided by the Oklahoma Department of Commerce throughout the certification process. This includes everything from organizational tips to technical assistance.

Standards for becoming an Oklahoma Certified City

Section 1: Human Resources

- 1.1 Citizen Participation
- 1.2 Organization Renewal
- 1.3 Job Development
- 1.4 Mental Health
- 1.5 Cultural Enrichment
- *1.6 Human Needs/Resources Analysis
- *1.7 Leadership Development

Section 2: Economic Development

- *2.1 Overall Economic Development Plan
- 2.2 Industrial Development Process
- 2.3 Industrial Site Development
- 2.4 Commercial Development
- 2.5 Tourism Development
- 2.6 Business District Improvement
- *2.7 Established Business
- 2.8 Agriculture/Agribusiness

Section 3: Government Organization

- *3.1 Community Planning Process
- *3.2 Budget/Fiscal Control System
- 3.3 City Personnel System
- 3.4 Intergovernmental Communication
- 3.5 Governmental Communication
- 3.6 Civil Defense

Section 4: Community Service

- *4.1 Law Enforcement
- *4.2 Fire Protection
- *4.3 Solid Waste Management
- 4.4 Recreation and Leisure
- *4.5 Education
- 4.6 Health Care
- 4.7 Energy Management
- 4.8 Community Beautification

Section 5: Community Facilities

- 5.1 Parks and Open Spaces
- *5.2 Water Supply
- *5.3 Sewage System
- 5.4 Transportation
- 5.5 Housing
- 5.6 Library Services

Documentation of three subsections in each section is required for initial Certified Cities certification. (*) denotes 2 of the 3 categories required for initial certification.

A. Strategic Planning

2. Certified Cities

Organization

Establish a local non-profit organization aimed at the objectives of the program, if one does not already exist. An existing Chamber of Commerce can satisfy this requirement. However, the exact form of the organization depends entirely on the local setting. To insure success a community program should:

- emphasize overall community involvement
- obtain support of local elected officials
- recognize successful efforts by community groups and organizations
- establish an ongoing program
- evaluate completed projects according to program standards

Resolution

Adopt and publish a resolution which accepts the program standards. Since the attainment of community goals requires the commitment of local government, the resolution must be endorsed by local government.

Self Assessment

After the organization is in place and a resolution adopted, the community must then begin to compare itself to the standards outlined in the program. Documentation of this self-assessment is critical. Assistance will be provided to the community throughout this phase in areas such as working with the committees and the assembly and presentation of the documentation.

A “mock” team consisting of community development experts within Oklahoma will visit after the completion of gathering documentation. It will allow the Certified Cities representatives to look at the current status of the community’s documentation and tour.

Certification Team Visit

When the community believes it has met the goals established in its plan, according to the overall program standards, the local organization should request, in writing, an on-site visit by an evaluation team. The evaluation team will consist of qualified community development and economic development professionals from outside the state of Oklahoma.

The visit will include a brief tour of the town, as well as a meeting with local leaders. Everyone who is interested should be invited. It is important that the chairpersons of each committee are present at this meeting to give a brief report of the committee’s activities and answer any questions that the certification team might have. When the team finds the community has met the commitment to program standards, the community will be recommended for certification.



Time frame for program completion

The participating community should have completed at least the organization and analysis phases of the program within one year. Within two years, the community should have completed the certification process. If a community cannot complete the program within the timetables, a written request asking for an extension must be submitted to the Oklahoma Department of Commerce stating the reason the timetable cannot be met. A community must re-certify every two years in order to keep the "Oklahoma Certified City" status.

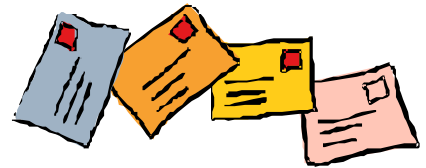
After a community has totally completed the documentation required in the Certified Cities program, the documentation materials will need to be reviewed every 5 years. It is recommended that each task force involved in the Certified Cities process not only set a timetable for the completion of their activities, but adhere to this timetable as closely as possible. Whether the timetable is met will depend largely upon such factors as the number of persons involved, their level of experience, degree of commitment, leadership qualities, size of community, frequency of meetings, and the extent to which cooperation of outside sources may be required.

Standards to be Accomplished

The Certified Cities program is broken into three categories based on population. These categories are: communities with a population of under 10,000; communities with a population of 10,000 to 30,000; and communities with a population of over 30,000. The standards required for certification vary according to a community's population.

When going through the process of community analysis, and comparing its community with the Certified Cities program, each task force should take note of the "standard to be accomplished" for its specific population category. In the Certified Cities workbook, the standards required for a community are marked with an asterisk.

Resources

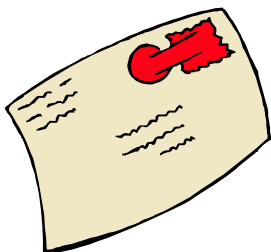


Oklahoma Department of Commerce

There is a fee to participate in the program and since ODOC administers the program, they have all of the information that your community will need to proceed.

Oklahoma Department of Commerce
900 N Stiles/P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5267
Fax: (405) 815-5183
Website: www.odoc.state.ok.us/



A. Strategic Planning
3. Main Street Program

What is the Oklahoma Main Street Program?

The Oklahoma Main Street program is a business revitalization program which is administered by the Oklahoma Department of Commerce. The program provides training, resources and technical assistance to active Main Street communities.

Whereas many people believe new business recruitment is the most important objective of economic development, the Main Street program is intended to strengthen existing businesses. And if potential businesses see the commitment towards existing businesses, this may be a better tool for business recruitment. Additionally, a thriving downtown provides investment and jobs for your community.

The Oklahoma Main Street program is an incremental program that builds upon the community's leadership and commitment to care for and manage the area for many years. Initially a three year demonstration period begins the local effort to maintain and enhance the district. And ODOC states that "the groundwork laid by the local leadership demonstrates that the district is active and vital, attracting more and more investment into the area."

How does our community participate in the Main Street Program?

If your community decides to participate in the Main Street program, contact ODOC for specific information about how to proceed.

Basically, a locally selected full-time program manager will interact with ODOC and community volunteers to implement the program. This individual (and possibly staff) will receive training from ODOC, and will in turn use that training to begin the community's revitalization efforts. ODOC states that "the manager answers to the local sponsoring organization (usually a chamber of commerce) responsible for implementing the program and is involved in the day-to-day evolution of the district, while members of the organization and members of other groups provide active assistance to get the job done."

The Main Street program is a comprehensive strategy to business revitalization that emphasizes the overall image of the business district. ODOC maintains that improving the business district's image is necessary for the program to be successful, and there are four major elements contributing to the district's image in the Oklahoma Main Street Program. From ODOC's website, the explanations of the four elements are below.

Organization

Downtown revitalization requires organizations to coordinate various resources and efforts. Successful Main Street communities depend upon a strong organizational structure to lead a proven process of economic revitalization. Main Street is a volunteer-driven program that relies on a commitment from merchants, bankers, property owners, city leaders and other interested citizens and civic leaders.

The Oklahoma Main Street Program (OMSP) outlines the functional roles for Boards of Directors, Committee Members and Program Managers. Then OMSP trains the local organizations to plan, implement and measure downtown activities, opportunities for change and economic development successes.

OMSP services include membership and fund raising training, visioning, work plan workshops, statewide computer network, resource library, quarterly newsletter, resource team visits, technical visits and program assessment. Involved with this element are:

- Program Manager Supervision
- Fiscal Operations & Administration
- Program Management
- Communications and membership
- Volunteer & Leadership Development
- Fund-raising

Promotion

Our downtowns suffer due to poor building maintenance, businesses that closed or moved, unfavorable public amenities and poor parking management. The perception is downtown no longer has anything to offer. Oklahoma Main Street communities learn how to identify downtown as the center of commerce, social gatherings and public and private services.

Local businesses know the dollar value of events that attract large crowds. Well-planned promotions meet specific goals. Main Street towns promote retail sales and other special events to reacquaint people with the benefits and attractions their downtowns offer.

This process improves marketing promotion committee training, marketing resources, promotion workshops and idea sharing networks. Involved with this element are:

- Image
- Retail
- Special Events

Design

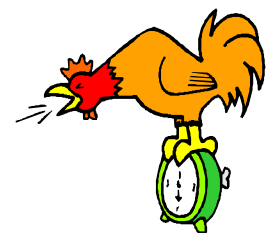
The first thing a customer notices about a shopping district is the appearance. A run-down appearance makes a negative impression and suggests community apathy. As businesses moved to locations away from downtown, buildings generated less income for their property owners. Some owners responded by modernizing their buildings; others deferred maintenance, waiting for new tenants.

Each community's downtown is unique. Downtown is more than a place to shop. It represents the place where many of us grew up and made lasting friends and memories. Preserving the historic architecture recaptures the town's physical and emotional image.

Window displays, commercial and public signage and merchandising techniques all contribute to the downtown's physical appearance. Public and private investments add to downtown's appearance through landscaping, sidewalk and parking improvements and other amenities.

OMSP services include design committee training, facade renderings and consultations from the OMSP architect, Oklahoma Design Guidelines publication, referral lists of contractors and design professionals and preservation/restoration products list. Involved with this element are:

- Design Education & Technical Assistance
- Financial Assistance
- Regulations & Enforcement
- Visual Improvements
 - Signs
 - Window Displays
 - Storefronts
 - Public Spaces



A. Strategic Planning
3. Main Street Program

Economic Restructuring

Main Street communities identify economic goals and create a step-by-step method to strengthen the economic base of the downtown. Market analysis finds new directions and opportunities for existing companies and start-up businesses.

For many towns, business recruitment is a first priority. “Main Street” experience shows that a greater importance be placed on strengthening existing enterprises. A bustling downtown is the best magnet for new business growth. There is no finish line in this race. Economic Restructuring is an on-going process. The journey to discover the best mix of retail, wholesale, service and light manufacturing businesses for your downtown is a great ride.

Economic Restructuring services include committee training; individual, confidential business consulting; local workshops on customer service; asset management, business planning, market development and more; pro forma analysis training and step-by-step market analysis guides. Involved with this element are:

- Knowing your Market
- Business Mix
- Business Education
- Adoptive Reuse

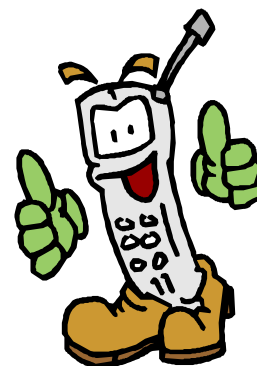
Resources

Oklahoma Department of Commerce

The Oklahoma Main Street Program is administered by the Main Street Team at the Oklahoma Department of Commerce. Any information that your community needs to proceed should be sought from this group.

Oklahoma Department of Commerce
900 N Stiles/P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5104
Fax: (405) 815-5234
Website: www.odoc.state.ok.us/



A. Strategic Planning
4. Capital Improvement Plan

85

What is a Capital Improvement Plan?

A capital improvement plan is a plan for future capital improvements in the community. A capital improvement may be improvements to land, structures (including design, permitting and construction) initial furnishings and selected equipment (including ambulances, fire apparatus & library collections). Capital improvements have an expected life of at least three years.

The community's capital improvement plan is intended to identify public facilities that will be required to accommodate the community's population during the coming years. The capital improvement plan consists of:

- A schedule of required projects,
- A schedule of revenues to fund the required projects, and
- Capacities of current public facilities.

Community assets that might be considered in the capital improvement plan are listed below.

- Public Buildings
- Roads
- Parks
- Airports
- Schools
- Libraries
- Solid Waste Systems
- Drainage Systems
- Utilities
- Golf Courses

Examples of capital improvements may be improving storm-water drainage in parks, repairing roads, renovating public buildings, expanding capacities at water treatment plants, etc.

After all the potential capital improvements have been identified in the plan, they need to be ranked in order of importance and sources of funding need to be sought. For related information, please see the civic infrastructure development section on pages 88-94.

Resources

Oklahoma Department of Commerce

The Community Affairs & Development Division at the Oklahoma Department of Commerce may be able to provide information and assistance related to capital improvement planning for your community.

Oklahoma Department of Commerce
900 N Stiles/P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5363
Fax: (405) 815-5344
Website: www.odoc.state.ok.us/



B. Leadership Development

Why is leadership important?

Every community needs direction. The strategic plan will provide direction, but without leadership from community leaders, very little will be accomplished towards achieving the goals set forth in the strategic plan.

A community may depend upon the leadership skills of one or few community leaders, which is OK. But if anything were to happen to those leaders, who within the community would take their place? Usually there is no one else in the community with the skills or knowledge to take over, which is detrimental to the community. Conversely, with several people in leadership roles working together within the community, not only can more community projects be accomplished, but also will there be better transition periods over time.

So not only is leadership important for achieving the community's goals, but having many people willing and able to take on community leadership roles may improve the community's economic well-being.

How can we develop leadership?

Leadership programs are a good way to develop leadership in the community. These programs not only help develop characteristics that get people involved in the community, but also teach participants about the community. Topics ranging from community services to zoning & regulations to the legal aspects facing the community may be presented to the participants. And with this knowledge, it is easier for people to participate in community affairs.

How can we get more people involved in leadership development programs?

Many leadership programs last several months and even up to a year to foster leadership characteristics in the participants. So setting aside the time to participate (usually 1-2 days a month) is a major consideration for each of the potential participants. Another potential deterrent towards people getting involved with leadership programs is that there is usually a cost associated with the programs. However, in many cases an individual's employer may pay the entire program's cost. The reason for this is that not only the individual but also the employer will benefit from the program.

Whereas the previous paragraph listed reasons that may serve as impediments for individuals to become involved in leadership programs, there may also be an obstacle for communities to sponsor leadership development programs. This might be that only a few people from the community want to be involved in a leadership program or even in the community. However, the low number of people does not justify the community creating its own program. In this case, getting people involved may mean to involve them in a regional leadership program which is partly intended to allow small communities to send a few people to the leadership development program. The benefits of this are that small communities don't have to set up their own program, resources are shared and participants get broad exposure to the issues that affect the region.

What type of leadership development programs are there?

Several possibilities exist for communities to develop leadership. Communities could create and manage their own program or may be able to take advantage of other programs. If your community wants to establish its own leadership program, you could contact one of the other area communities that has a program and request to use their leadership development format/plan. If, on the other hand, your community wants to take advantage of other programs, several are listed below.

Private Leadership Programs - Some private companies, usually utilities, design leadership development programs/seminars specifically for small communities. Contact area utilities (telephone, electric and natural gas) to learn whether they have one.

Regional Leadership Development Programs - A regional leadership development program is available for people in the area to develop leadership skills. The Midwestern Oklahoma Development Authority sponsors this program.

Leadership Oklahoma - This state leadership program is designed to get more people involved in state and local issues.

What topics are presented in leadership development programs?

As previously mentioned, many leadership development programs meet one to two times per month and can last up to a year. And usually, a different topic is presented at each of these meetings by a different professional explaining the relevance and importance of the topic as it relates to community development. For example, if the topic is 'Government', then someone within city, state and/or federal government will present it and relate its importance.

Leadership Weatherford offers a good example of the various topics that could be covered in a leadership program. Topics covered in that program are listed below, and the topics can be modified to fit your community's needs.

- Leadership Development
- Economic Development
- Government
- Education
- Leadership Skills
- Entrepreneurship
- Health Care & Service
- Legal System
- Cultural Activities, Recreation & Wellness



Resources

Midwestern Oklahoma Development Authority (MODA)

MODA has begun a multi-county leadership program for West Central Oklahoma; contact MODA for applications.

MODA
P.O. Box 509
Burns Flat, OK 73624

Telephone: (580) 562-3111
Fax: (580) 562-3113

Leadership Oklahoma

Leadership Oklahoma is the state leadership development program. The program is held every year and applications to participate in the program are usually due around April.

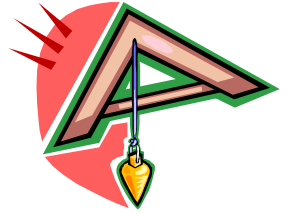
Leadership Oklahoma
428 West California
Oklahoma City, OK 73102

Telephone: (405) 232-0001
Fax: (405) 232-0019
E-Mail: lok@ionet.net

C. Civic Infrastructure Development

What sites are suitable for development?

There are several options available to communities to promote economic development. Each option offers different advantages and programs for the community.



Industrial Parks

Industrial Parks are locations within a city/county that have been set aside for the purpose of attracting business and promoting economic development. These sites may or may not be developed and/or have been zoned specifically for commercial use. Undeveloped industrial parks may be called Greenfield sites. Industrial parks may also be certified whereby the city/community goes through an Oklahoma Department of Commerce certification process in which the site has met certain minimum qualifications (utilities). Refer to the end of the “Civic Infrastructure Development” section (pages 92-93) for ODOC’s address and contact information.

Brownfield Sites

Brownfield sites are sites where there had been industrial and/or commercial activity before but are now vacant and may be environmentally contaminated. There are programs to redevelop and clean up these sites so that they can be used again for industrial and/or commercial activities. Some programs to redevelop and clean up these sites are listed below.

Brownfields Redevelopment Initiative (BRI)

BRI provides funds and loan guarantees to clean up and redevelop environmentally contaminated industrial and commercial sites, commonly known as “brownfields.” BRI provides important “start-up” funds to attract private financing for brownfield cleanup and redevelopment. The Brownfields Redevelopment Initiative brings together four different types of existing HUD assistance that communities can use to clean up and revitalize potentially contaminated sites: annual formula grants allocated to states and larger local jurisdictions through CDBG, lower interest loan guarantee authority available through the Section 108 Loan Guarantee program, accompanying competitive grants through the Economic Development Initiative program, and additional competitive grants provided through the Lead-Based Paint Hazard Control program.

CDBG funds are annually awarded to state and local governments. Local governments that are not entitled to an annual grant may apply for CDBG funding from their state. Local governments (or states applying on their behalf) may also receive Section 108 loan guarantees, EDI funds, and Lead Based Paint Hazard Control grants to clean up and revitalize sites.

Brownfields Economic Redevelopment Initiative

EPA’s Brownfields Initiative identifies and addresses barriers to cleanup and redevelopment. It recommends swift, aggressive measures for change within the context of the existing Superfund law. Four broad and overlapping activities serve as the cornerstones of EPA’s Brownfields Initiative:

- 1) Brownfields Assessment Demonstration Pilots,
- 2) Clarification of Liability Issues,
- 3) Partnerships and Outreach, and
- 4) Workforce Development.

EPA’s Brownfields Initiative strategies include funding pilot programs and other research efforts, clarifying liability issues, entering into partnerships, conducting outreach activities, developing job training programs, and addressing environmental justice concerns.



EPA's Brownfields Assessment Demonstration Pilots

The Brownfields Assessment Pilots (each funded up to \$200,000 over two years) test cleanup and redevelopment planning models, direct special efforts toward moving regulatory barriers without sacrificing protectiveness, and facilitate coordinated environmental cleanup and redevelopment efforts at the federal, state, tribal, and local levels. These funds are to be used to bring together community groups, investors, lenders, developers, and other affected parties to address the issue of cleaning up sites contaminated with hazardous substances and preparing them for appropriate, productive use. The pilots serve as vehicles to explore a series of models for states and localities struggling with such efforts.



Brownfields Tax Incentive

On August 5, 1997, President Clinton signed the Taxpayer Relief Act (HR 2014/PL 105-34), which included a new tax incentive to spur the cleanup and redevelopment of brownfields in distressed urban and rural areas. Under the new Brownfields Tax Incentive, environmental cleanup costs for properties in targeted areas are fully deductible in the year in which they are incurred, rather than having to be capitalized. The \$1.5 billion incentive is expected to leverage \$6.0 billion in private investment and return an estimated 14,000 brownfields to productive use.

The tax incentive is applicable to properties that meet specified land use, geographic, and contamination requirements. To satisfy the land use requirement, the property must be held by the taxpayer incurring the eligible expenses for use in a trade or business or for the production of income, or the property must be properly included in the taxpayer's inventory. To satisfy the contamination requirement, hazardous substances must be present or potentially present on the property.

Under Section 198(c)(2)(A) of the Taxpayer Relief Act of 1997 (the Brownfields Tax Incentive), a taxpayer may be able to deduct qualified remediation expenses incurred to clean up a property if the property is within any one of four targeted areas. To be eligible for the Brownfields Tax Incentive, properties must be:

- (1) within a 1990 census tract with a poverty rate of 20 percent or more; or
- (2) within a 1990 census tract with a population of less than 2,000, if:
 - (A) more than 75 percent of the tract is zoned for commercial or industrial use, and
 - (B) the tract is next to another census tract(s) with a poverty rate of 20 percent or more; or
- (3) within any federally-designated Empowerment Zone (EZ) or Enterprise Community (EC); or
- (4) within an EPA Brownfields Pilot project area announced before February 1, 1997.

Brownfields Job Training and Development Demonstration Pilots

EPA has initiated the Brownfields Job Training and Development Demonstration Pilots in an effort to help residents take advantage of new jobs created by the assessment and cleanup of brownfields. In addition, EPA works to ensure that disadvantaged residents do not bear a disproportionate burden of the effects of environmental contamination. Revitalization of communities that are distressed as a result of uncertain liabilities related to environmental contamination typically results in improved job opportunities. This should not cause the displacement of local disadvantaged residents due to a lack of training needed to fill those job opportunities. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse.

Eligible entities include colleges, universities, non-profit training centers, community job training organizations, states, cities, towns, counties, U.S. territories, and federally recognized Indian Tribes are eligible to apply for the funds.



Enterprise Zones

Enterprise zones provide extra incentives for businesses located in disadvantaged counties, cities, or portions of cities. These incentives usually take the form of low-interest loans, tax credits, venture capital loan programs, etc. The purpose of the enterprise zone would be to encourage economic/business development within the area in order to raise household income levels.



From the Oklahoma Business Incentive & Tax Guide published by the Oklahoma Department of Commerce, they state that ODOC “designates zones within cities and publishes a list of eligible counties and cities in accordance with federal lists. To designate a portion within city limits or contiguous to them, an area must be designated as an economically distressed area by resolution by the City Council. Areas qualify by having a median household income of less than 80% of the median household income of this state in accordance with Census Data. Household income may be determined by Census or by survey. A map of the area with legal description must accompany applications.”

Additionally, ODOC mentions that “county enterprise zones are designated in accordance with information sent to the Department of Commerce from the Oklahoma Employment Security Commission, the US Department of Labor, and the Census Bureau.” And as with the city enterprise zones, county enterprise zones may change annually.

Incubators

Business incubators house small businesses and start-up businesses and may provide them with affordable office space, equipment, services and planning assistance.

Business incubators help entrepreneurs start their own businesses. To encourage business start-ups, an incubator may provide beginning businesses with all or many of the following advantages: low cost rental space, shared office services, and equipment; management and business help; business counseling and planning; access to capital; and a creative entrepreneurial environment. Additionally, business incubators provide a supportive environment that encourages business growth and stability by helping new firms survive the initial start-up stage. Without an incubator, many start-up firms would not have access to or could not afford many of the services provided by an incubator.

A business incubator can become a long-term economic development tool for a community. They help to create jobs, diversify the economy, expand the tax base, rehabilitate and reuse existing buildings, enhance the community’s image as a center for innovation and entrepreneurship, and encourage the development and transfer of new technology.

While the purpose of an incubator is to provide a nurturing environment for business start-ups, incubators must also prepare these businesses to locate outside of the incubator. To do this, many incubators require and help tenants develop business plans and budgets. Generally, incubators have a graduation policy that requires tenants to move from the incubator after a certain period of time. *See pages 126-128 for common steps in setting up an incubator.*



What roles does community infrastructure play in economic development?

Having suitable infrastructure with plenty of capacity promotes economic development. Any of your community's infrastructure that is dilapidated or worn out not only serves as a nuisance for existing businesses and the community-at-large, but also hinders economic development. Reasons for their importance in economic development are mentioned below, and sometimes it may take only one weak infrastructure link for a community to have difficulty with economic development.

Water & Sewage - Water treatment plants make water that is safe to drink (potable). Population growth would be severely constrained if a community's water treatment plant does not have sufficient capacity. And if population growth is constrained, existing businesses within the community would find it harder to expand and there would certainly be less ability to attract new businesses to your community. Waste water treatment (sewage) plants are similar to water treatment plants in that having sufficient capacity makes expansion easier.

Transportation - The community's transportation system is also very important. Businesses (and farmers) need to get their products to market, other businesses need to receive products to stock their shelves, and customers need to get to market. All of this needs to be done in a timely, cost efficient manner. Without an effective transportation network providing smooth easy access to area businesses, economic development probably wouldn't happen. The more access to transportation networks (highways, railways, and airways) the better chance a community has for economic development.

Telecommunications - With the advent of the Internet and electronic commerce, having a strong telecommunications network is a strong bonus for many communities.

Solid and Hazardous Waste - Communities need to have an efficient, safe and reliable system of waste disposal for economic development to occur and to maintain a decent standard of living. And as with other infrastructure systems, there must be sufficient capacity.

Utilities - Every business needs power to operate and without hookups in place for electricity and gas, many businesses would be hesitant to locate to an area.

How can our community improve/develop its infrastructure?

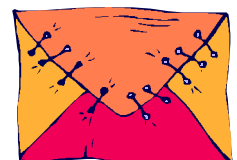
Your community may want to learn whether any funds are available to develop its infrastructure after knowing the importance it plays in economic development. A partial list of resources/programs is presented below.

Oklahoma Aeronautics Commission

The Oklahoma Aeronautics Commission is a part of the Oklahoma Department of Transportation and has project grants for airport improvements. The funds can be used to construct/repair runways and taxiways, airport lighting, navigational and weather systems, and safety systems. However, the funds cannot be used to construct or repair hangars or passenger terminals. For further information contact the address below.

Oklahoma Aeronautics Commission
Oklahoma Department of Transportation
200 NE 21st Street
Oklahoma City, OK 73105

Telephone: (405) 522-4783
Telephone: (405) 521-2377
Fax: (405) 521-2379
Website: www.okladot.state.ok.us/



C. Civic Infrastructure Development

Community Development Block Grants

CDBG funds are federal funds that are first given to Housing & Urban Development (HUD). They in turn apportion the funds to each of the states, at which point the governor decides which state agency will be in charge of the money, and in Oklahoma, the Oklahoma Department of Commerce controls the purse strings.

Incorporated cities and counties are eligible to receive CDBG funds and must submit an application to ODOC. Eligible projects for CDBG funding include infrastructure development, incubators, community development, industrial park development, etc. Six broad CDBG programs are listed and explained below from information provided by ODOC - for more information contact ODOC or your local Council of Government.

1. Community Development Program
 - **Water/Wastewater** - These CDBG projects are single purpose grants that focus on the most serious water/wastewater deficiencies in the state. Generally, these projects have an enforceable legal order requiring a jurisdiction to repair a problem. Applications are also available for loans as well.
 - **General Purpose** - Under this broad category, an applicant may submit a project for any eligible activity listed under Section 105(a) of the Federal Housing and Community Development Act of 1974 (except water & wastewater). Examples of these projects include fire protection, storm water drainage, street improvements, community centers, etc.
 - **Consolidation** - A consolidation project is defined as a project where two or more units of general local government combine individual systems to form a new single system.
2. Economic Development Infrastructure Financing Program
This CDBG program provides infrastructure financing to eligible cities, towns, or counties for the benefit of expanding & start-up businesses needing infrastructure improvements. This program is part grant and part loan.
3. Capital Improvement Planning Program
This CDBG program grants money to units of local government for completing a local inventory of governmentally owned and controlled assets, mapping those assets, assessment of capital asset conditions, determining new or future capital asset needs and development of a local capital improvement plan.
4. Small Cities Program
This program is a demonstration project for cities with populations of between 15,000 and 50,000, and it requires a three year commitment and the preparation of a comprehensive plan.
5. Industrial Park Development Loan Program
This CDBG program provides infrastructure financing to eligible cities, towns or counties for the benefit of industrial park development. The loan program is intended to stimulate job creation in rural areas.

Councils of Government can help put an application package together and can be hired to administer the program if the community receives the funding. Addresses for ODOC and area Councils of Government are listed below.

Oklahoma Department of Commerce

Contact the Community Development division of ODOC for more information about CDBG programs.

Oklahoma Department of Commerce
900 North Stiles, P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5356
Fax: (580) 815-5344
Website: www.odoc.state.ok.us/

Councils of Government

South Western Oklahoma Development Authority

SWODA is a Council of Government that serves **Beckham, Custer, Greer, Harmon, Jackson, Kiowa, Roger Mills and Washita** counties.

South Western Oklahoma Development Authority
P.O. Box 569
Burns Flat, OK 73624

Telephone: (800) 627-4882
Fax: (580) 562-4889

Association of South Central Oklahoma Governments

ASCOG is a Council of Government that serves **Caddo, Comanche, Cotton, Grady, Jefferson, McClain, Stephens and Tillman** counties.

Association of South Central Oklahoma Governments
802 Main Street
Duncan, OK 73533

Telephone: (800) 658-1466
Fax: (580) 252-6170

Northern Oklahoma Development Authority

NODA is a Council of Government that serves Alfalfa, **Blaine**, Garfield, Grant, Kay, Kingfisher, Logan, Major and Noble counties.

Northern Oklahoma Development Authority
2901 N Van Buren
Enid, OK 73703

Telephone: (800) 749-1149
Fax: (580) 237-8230

Oklahoma Economic Development Association

OEDA is a Council of Government that serves Beaver, Cimarron, **Dewey, Ellis**, Harper, Texas, Woods and Woodward counties.

Oklahoma Economic Development Association
P.O. Box 668
Beaver, OK 73932

Telephone: (800) 658-2844
Fax: (580) 625-3420

Oklahoma Department of Commerce

ODOC maintains a database of industrial parks located in Oklahoma and may also be able to provide information and assistance related to industrial parks. If your community has an industrial park, it may want to keep the information that ODOC has about it current because ODOC receives many inquiries every year about industrial parks.

Oklahoma Department of Commerce
900 N Stiles/P.O. Box 26980
Oklahoma City, OK 73126-0980

Telephone: (405) 815-5363
Fax: (405) 815-5344
Website: [www.odoc.state.ok.us/oknet/bldgsite.nsf/\\$\\$Search](http://www.odoc.state.ok.us/oknet/bldgsite.nsf/$$Search)

U.S. Department of Housing & Urban Development (HUD)

HUD has several programs that the community may use for economic development. They have brownfield programs, housing programs and even programs to build community facilities.

US Department of Housing & Urban Development
Office of Community Planning & Development
451 7th Street, SW
Washington, D.C. 20410

Telephone: (202) 708-1871
Fax: (202) 708-7543
Website: www.hud.gov
www.hud.gov/progdsc/brownf.html

US Department of Housing & Urban Development
500 West Main Street, Suite 400
Oklahoma City, OK 73102

Telephone: (405) 553-7509
Fax: (405) 553-7588
TTY: (405) 553-7480
Website: www.hud.gov/local/okl

Environmental Protection Agency

The EPA has several programs that can help your community redevelop or even clean up brownfield sites. Refer to the brownfield site section for more information about those programs.

U.S. Environmental Protection Agency
Office of Solid Waste & Emergency Response
401 M Street, SW
Washington, D.C. 20460

Telephone: (202)260-3525
Fax: (202) 260-6606
Websites: www.epa.gov/brownfields/html-doc/cra.htm
www.epa.gov/brownfields/mmatters.htm#taxinc
www.epa.gov/brownfields/

U.S. Environmental Protection Agency
Region 6, MC: 6SF-P
1445 Ross Avenue, Suite 1200
Dallas, TX 75202

Telephone: (214) 665-6736
Fax: (214) 665-6460
Website: www.epa.gov/brownfields/pilot.htm
www.epa.gov/swerosps

US Department of Agriculture

The USDA has several programs that can help rural communities. Contact them for information about rural housing programs for communities and for their Community Facilities Loan Program.

U.S. Department of Agriculture
14th & Independence Ave. SW
Washington, D.C. 20250

Telephone: (202) 720-2791
Website: www.usda.gov
www.rurdev.usda.gov

USDA
Rural Housing Division
100 USDA, Suite 108
Stillwater, OK 74074

Telephone: (405) 742-1070
TTY/TDD: (405) 742-1007
Fax: (405) 742-1084
E-Mail: a07okrh@attmail.com
Website: www.rurdev.usda.gov/ok



See [page 139](#) for additional resources that may help with this topic.

How can workforce development affect economic development?

One of the biggest concerns many businesses have is having access to a competent, educated and skilled workforce. Many businesses do not want to spend excessive amounts of time or money to train workers. Therefore possessing an educated and skilled workforce is a major asset for any community wishing to attract or retain businesses.

Even if the workforce is not specifically trained for a given task, if it is highly educated, then it should mean that less time and money has to be spent retraining it. Additionally, there is usually a direct relationship between educational attainment and income levels. So an educated workforce will earn more and therefore have more money to spend in the economy.

So an educated workforce is important for economic development both to attract & retain business, and also for the higher wages earned by that workforce. Given this information, the major problem becomes one of attracting and retaining educated/skilled people to the area. Many times when a working-aged individual gets an education or more skills, better opportunities exist elsewhere and that person leaves the area. Workforce development therefore has the added urgency of retaining those people long enough to attract new businesses and expand existing businesses.

Where can the labor force be trained, retrained and enhanced?

Several options exist for training/educating the community's workforce. On-the-job training, vocational & technical schools, junior colleges and universities are all resources that should be taken advantage of to train/educate the workforce.

On-the-job training offers the benefits of teaching the business' employees exactly what should be known about the business. Potential disadvantages of on-the-job training are that the time to train the employees will vary, and training the employees will require the time of the supervisors and owners.

Vocational & Technical Schools offer hands-on training in an instructional setting. The instructors are professional and usually know where students have difficulty understanding. Additionally, vo-techs can sometimes structure educational programs to specifically provide the training that your employees need.

Please see [page 131](#) for a list of area vocational & technical schools.

Junior Colleges provide a foundation of general knowledge for employees to build upon. Although instructors teach the subject-matter, students should also learn the tools of expanding their knowledge. Additionally, students should also learn analytical skills.

Western Oklahoma State College
2801 North Main
Altus, OK 73521

Telephone: (580) 477-2000

Southwestern Oklahoma State University at Sayre
409 East Mississippi Avenue
Sayre, OK

Telephone: (580) 928-5533

Universities provide a full education that exposes students to a broad range of ideas and begins to build upon the foundation of knowledge provided in the first two years of college education. Additionally, analytical skills should be more developed with a university education, and students begin to have more advanced knowledge related to their major.

Southwestern Oklahoma State University
100 Campus Drive
Weatherford, OK 73096

Telephone: (580) 774-7131
E-Mail: swosuinfo@swosu.edu
Website: www.swosu.edu

How can affordable housing affect economic development?

Many communities are pursuing economic development by actively recruiting new businesses, advertising their communities, improving infrastructure, etc., but some of these communities may not consider some of the consequences if they are successful.



Successful economic development efforts will bring new people to the community, so there must be someplace for these people to live. In fact if there is a shortage of affordable housing in the area, the community's economic development efforts may be hindered. Additionally, existing housing structures may be dilapidated or too expensive, and given the long period of time that it takes new construction to be available, providing affordable housing is a real problem that needs to be addressed.

Ideally, the community should construct a plan of action or address affordable housing in its strategic plan, and then be ready to implement the plan should the need arise. Having a plan ready may convince some businesses that the present lack of affordable housing can be quickly addressed in your community - which may keep your community from being eliminated from consideration.

A temporary solution to affordable housing that could be mentioned in a plan of action may be mobile homes. When Seaboard, a pork-processing business, located in Guymon, Oklahoma, a part of their solution to the lack of affordable housing was to buy and then rent out mobile homes for the new employees that moved to the area. The transition could have gone even faster if the community already had utility hookups and other infrastructure in place.

*How can the community help develop affordable housing?**What programs are there to meet housing needs?*

Sometimes a community does not know what type of housing is **available** within the community or what type of housing is **needed**. There are at least two means of learning that information:

- Talking to real estate agents in the area, and
- Conducting a housing survey of the area's residents.

Having current, reliable information about the market will guide the community as to the next steps in developing affordable housing.

Once the needs have been identified, there are several programs that the community may be able to take advantage of to develop affordable housing. Some possibilities are listed below, contact the resources at the end of this section for more information and participation requirements.

U.S. Department of Housing & Urban Development (HUD)

HUD, through its Office of Community Planning & Development, administers several programs to help communities develop affordable housing and even to help with economic/community development issues. Some of HUD's affordable housing programs are listed below, however there are others, so contact HUD for more information.

Home Investment Partnership Program (HOME)

This program is designed to create affordable housing for low-income people by building, buying, and/or rehabilitating housing for rent or home ownership. One of the requirements of this program is that participating jurisdictions must match 25¢ of every dollar in HOME program funds. The matching money may include donated materials, labor, property, and/or bond proceeds. An additional requirement for participation is that the community must have a "Consolidated Plan" about how the community will use HOME funds. Usually, more than \$1 billion is available nationally in HOME funds, contact HUD for more information.

Self Help Homeownership Opportunity Program (SHOP)

This HUD program provides grants to non-profit organizations (like Habitat for Humanity) to purchase home sites and improve the infrastructure needed to set the stage for sweat equity and volunteer-based home ownership programs for low-income families. HUD awards these grants to non-profit organizations for self-help housing projects of at least 30 new homes.

U.S. Department of Agriculture (USDA)

The USDA has a Rural Housing division that is designed to assist families and individuals with affordable housing. There are several USDA Rural Housing programs, some of which are listed below. For more information about the programs or other rural housing issues, contact the USDA at the address listed on page 98.

Section 502 Program-Insured

A single family housing direct loan program that provides opportunities for very low and low-income families and individuals to purchase or construct their own home with a direct loan from the USDA. The homeowner's monthly mortgage payment is based upon their income.

Section 502 Program-Guaranteed

The loan guarantee program provides 100% mortgage financing for moderate income applicants. An approved lender originates the loan and the agency will guarantee 90% of the mortgage.

Section 504 Program-Insured Loans & Grants

The loan and grant program can assist qualified very low-income homeowners to make repairs to improve or modernize their home to make their homes safer and more sanitary or to remove health and safety hazards. Grants are available for repairs that remove hazards for qualified applicants 62 years of age or older.

Section 515 Program

Loans are made to individuals or organizations to develop multi-family housing projects in rural communities. These rural rental housing projects provide eligible persons in very low to moderate income categories with rental housing suited to their living requirements.

Section 533 Housing Preservation Grants

The grant provides funds to eligible applicants to conduct housing preservation programs benefitting low income rural residents. The assistance is used to reduce the cost of repair and rehabilitation, or make needed repairs to improve the general living conditions of the resident.



Housing Resources

U.S. Department of Housing & Urban Development (HUD)

HUD, through its Office of Community Planning & Development, administers several programs to help communities develop affordable housing and even to help with economic/community development issues.

U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, D.C. 20410

Website: www.hud.gov
www.hud.gov/assist.html

HUD - Oklahoma City Office
500 W. Main Street, Suite 400
Oklahoma City, OK 73102-2233

Telephone: (405) 553-7500
Fax: (405) 553-7588

U.S. Department of Agriculture (USDA)

The USDA has a Rural Housing division that is designed to assist families and individuals with affordable housing. They have offices here in Oklahoma as well.

U.S. Department of Agriculture
14th & Independence Ave. SW
Washington, D.C. 20250

Telephone: (202) 720-2791
Website: www.usda.gov
www.rurdev.usda.gov

USDA
Rural Housing Division
100 USDA, Suite 108
Stillwater, OK 74074

Telephone: (405) 742-1070
TTY/TDD: (405) 742-1007
Fax: (405) 742-1084
E-Mail: a07okrh@attmail.com
Website: www.rurdev.usda.gov/ok



What are community incentives?

Community incentives are programs that make the community more attractive or have the potential to make the community more attractive to businesses. The purpose of community incentives is to attract jobs, develop infrastructure and assist economic development. Several examples of programs that can be linked with economic development and community incentives are listed below.

Sales Taxes - Two options are available to communities by manipulating its sales tax. First, a community may choose to exempt a specific business from paying city or county sales taxes, although the business would still have to pay state sales taxes. By doing this, a community hopes to attract that business to the community with the business gaining lower costs and the community gaining greater employment. Second, a community may opt to raise sales taxes by a permissible percentage. The collected revenue from this option may be used for specific economic development issues (anything from infrastructure development to incubator financing to an outright purchase of a company).

Hotel/Motel Tax - Similar to the previous option, revenue collected from taxes on stays at local hotels/motels could be used for economic development. The difference between the hotel/motel tax and an increased sales tax is that mostly travelers/tourists will pay the hotel/motel taxes whereas everyone in the community as well as traveler/tourists will pay the sales tax.

Bonds - An additional method of raising money to provide community incentives and economic development would be for the community to take on debt. A community would sell bonds with the promise to repay the principal in the future as well as periodic interest payments. The community has the benefit of getting a large sum of money in the present for economic development, but it must be coupled with a specific means of repaying the debt. Other than municipal bonds there are two other bond types that may be considered.

General Obligation Limited Tax Bonds (GOLTBs) - The amount of money that can be raised by a GOLTB is limited to the amount that can be retired by a special tax levy of not more than five mills on the assessed dollar valuation of all taxable real and personal property in that community.

Industrial Revenue Bonds (IRBs) - IRBs are issued solely to public trusts and are backed by the strength and credit of the industrial borrower and project financed. The funds are repaid from the revenues generated by the project financed. GOLTBs, on the other hand, are backed by the full faith and credit of the issuing community.

Low Interest Loans - If a community has funds available, then one incentive that it can offer potential businesses is low interest loans. These low interest loans would be at a rate below what the business could get on the open market. The benefit to the potential company would be lower costs in the form of less burdensome debt, and the benefit to the company would be greater area employment.

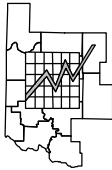
City Ordinances & Codes - Reviewing the community's codes could be of benefit to the community to make it a more business friendly environment. The intent is to balance public safety with easy to understand and low-cost compliance codes. The easier the community's codes are to understand and simpler it is for businesses to be in compliance (less paperwork, greater code awareness) the better it is for the community in attracting businesses. The goal is not to make the codes more lenient, rather simpler while still providing public safety.

Resources

See [page 139](#) for resources that may help with this topic.



Business Appendix



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Write a Business Plan Based on Sound Business Practices

Business Plan Guide

The following insert is a business plan guide that was provided with permission from the Oklahoma Small Business Development Center at Southeastern Oklahoma State University.

I. Cover Sheet

The cover sheet should be titled "Business Plan, Business Proposal, or Financing Proposal". It should identify the business and the principal person(s) involved and include contact information (address, telephone, and fax numbers).

II. Table of Contents

III. Executive Summary

The Executive Summary should be a *brief* orientation (about a half-page for approximately a ten-page business plan) and should entice the lender to read the entire plan. Identify the company name and legal structure of the business (sole proprietorship, etc.), list the individual(s) involved, and state the type of business (shoe store, auto repair, etc.). If you are seeking a loan, state how much money is needed, what the money will be used for (equipment, inventory, working capital, etc.), and how much money you are contributing to the project (25-30% is customary for new business start(s)). This snap shot paragraph is particularly useful for a banker, so that he or she knows the amount of the loan and can read the request in an appropriate context.

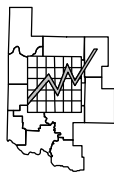
IV. Description of the Business

A. History of the Company

1. What exactly does your company do? Describe your company's past operations, if appropriate, and discuss future plans.
- (2) When and how was your business started?
- (3) Describe the growth patterns of your business. Has it expanded over the years? (Discuss the results of the past three years using data from the financial statements.)

B. Product or Service Descriptions

1. What type of product/services have you offered in the past and what will you offer now?
- B. What are the unique features of your product/service?
- C. Who are your suppliers? Do you understand the payment terms that are standard within your industry-cash, 30 day net, etc.?



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V. Market Analysis and Strategy

Although an expensive and sophisticated market analysis is not usually needed, a thorough understanding of your particular market niche is vital to the success of your business. If a product or service is not currently available in your area, it may be due to a lack of sufficient demand. Also, if the demand is being met in another community, it may require a lot of retraining and advertising expense to get the customers to shop locally. Observing the competition and getting input from suppliers and trade associations are good ways to gather market information.

A. Market People

1. Who exactly are your customers? Describe their characteristics: age, sex, profession, income, geography, interest, etc.?
2. What is the present size of the market in dollars? In population? In geographic area? (You may include a map of the trade or service area.)
3. What percent of the market will you have? How did you arrive at that conclusion? How will you retain or increase your share?
4. What is the market's growth potential? What factors will increase or decrease the size of the market, including local, state, national or international trends? What impact will that have on your share or volume?

B. Market Plan

1. How are you going to price your product/service to make a fair profit and remain competitive? Can you add value without cost by being especially attentive to customers, or are you seeking a high volume, self-service market?
2. How will you attract and keep your customers?
3. How can you expand your market?
4. How will you advertise or promote your business? Don't forget low or no-cost networking and publicity.

C. The Competition

1. Who are your competitors, both direct and indirect? (For example, a bowling alley's indirect competition is a movie theater and any other form of recreation.)
2. How are you different or better than the competition? Price? Customer service? Variety or specialty? Location?
3. What are their strengths? Their weaknesses?
4. What have you learned from observing their operations? How can you use this knowledge for your business advantage?

VI. Location and Operations

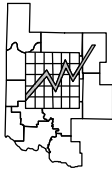
Be sure to check with city, county, and state governments for any licenses, permits, and regulatory agencies. Also check with the city for zoning restrictions.

A. Location

1. Where is the business located and what are the benefits of the location? (Easy access, low cost, near stores attracting the same clientele, local labor force, etc.)
2. What are the space and equipment requirements? Is there room for future expansion?
3. Do you own or lease the space? (State the terms of the lease or purchase.)
4. What renovations will be needed? At what cost? Who pays?

B. Operations

1. What are your hours of operation? Does that fit with the customers' need?
2. What are your key positions and who will fill them?
3. How many employees will be needed? (Remember to add a percentage to payroll expense for unemployment insurance, workers compensation insurance, federal and state withholdings.)
4. What is your schedule to implement specific activities of this project?



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VII. Management

Seventy-five percent of business failures are attributed to poor management. This is not the time to be egotistical or overly modest, but to state your abilities. List specific accomplishments rather than making general statements. If additional skills are needed, tell how those needs will be met - employees, outside professionals, etc.

A. Management Skills

1. Who is in charge of the business operations? What skills are needed?
2. What is the background of the owner, manager and other key positions? (Highlight relevant education and experience here.)
3. Is outside expertise needed and available? (Legal, accounting, insurance, marketing, personnel, etc. You may also consider an advisory board to have objective input into company operations, but without yielding control.)
4. What is the organizational structure? (Who answers to whom?)

VIII. Summary of Risks Involved

A lender will be looking for “holes” in your business plan. If you point out possible problems and contingency plans, you will add credibility. Don’t assume that the banker is familiar with your kind of business. Not only does your plan educate the banker, but allows you to show your knowledge of your industry, your management expertise, which will increase the credibility of your plan.

1. Is this your first business venture?
2. Are you and the personnel well qualified in this industry?
3. Is the product and market acceptance already established?
4. How is the timing for the seasonality for this industry and the “age” of the industry - is it fairly new and growing rapidly, mature, or starting to decline?
5. What are the potential liabilities and delays?

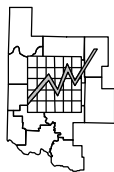
IX. Financial Plan

1. What is the total project cost? The amount of money sought? The amount of money you are putting in?
2. What is the use of the loan proceeds? Include a capital equipment list if extensive.

X. Financial Statements

A. Financial Statements for all Businesses

1. Estimated money needs
2. Calculation of loan repayment
3. Projected Income Statement by month for first year
4. Projected Cash Flow Statement by month for first year
5. Projected Annual Income Statement for three years
6. Projected Business Balance Sheet



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B. Additional Financial Statements for Existing Businesses

1. Federal income tax returns for the last three years
2. Current Income Statement
3. Current Balance Sheet
4. Schedules of short and long term debts
5. Aging of Accounts Receivable
6. Aging of Accounts Payable

C. Personal Financial Statements

1. Federal income tax returns for the last three years
2. Personal Balance Sheet

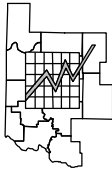
Appendices

- ☐ Personal Resumes of the owner(s)
- ☐ Lease Agreements (Office space, equipment)
- ☐ Price quotes and product brochures/information
- ☐ Contractor bids for leasehold improvements or build out
- ☐ Contract for purchase of property
- ☐ Any other pertinent information - demographics, articles, etc.

Corporate Papers

- ☐ If you are a corporation, bring in your Articles of Incorporation
- ☐ Corporate franchise certificate
- ☐ Corporate Borrowing Resolutions showing who may sign to borrow on behalf of the company

Endnote: The Business Plan Guide was used with permission from the Oklahoma Small Business Development Center. [The Business Plan: A Guide and Example](#), Oklahoma Small Business Development Center, Southeastern Oklahoma State University, Durant, OK 74701, pages 4-11.



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PRICING: THE CRITICAL DECISION

Cost-Plus Pricing

Cost-plus looks inward and examines the company's cost and expense structures to determine how much has to be added to the cost of a product to achieve a desired level of profitability. Most industries have rules of thumb that are often used to set prices. These rules of thumb are the cumulative results of the performance of many industry participants over time and should not be dismissed lightly. It is the rare entrepreneur who can revolutionize the cost structure of a competitive market. Quite often these rules of thumb are expressed in terms of a profit margin (the "plus") to the cost of the goods being sold. For a high tech start up, 80% gross profit margins are often necessary. This means that if the product costs \$20 to produce, the selling price for that product should be \$100. It is imperative to find out what these rules of thumb are for the particular industry. The best source of that information is other participants in the selected industry. Industry-specific magazines, libraries, and Small Business Administration publications are examples of additional sources.

Value-Added Pricing

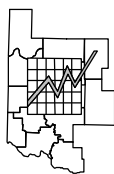
The second pricing approach is the value-added method. If the customer's economics are understood, it is possible to estimate the benefit of purchasing the product or service. Company management should be asking itself, "What is the highest price that can be charged such that the customer is better off after buying from us?" At an extreme, if a company were experiencing \$100,000 of stolen goods, it should be willing to pay \$99,999 for a lock.

Customer Expectation-based Pricing

The third approach is to price to customer expectations. Experienced purchasers of products and services have general ranges and frames of reference for pricing expectations. Prices which are inconsistent with these expectations may be rejected without consideration. A low price may be associated with an inferior product or service, thereby being unacceptable to particular customers. A high price may be beyond what another buyer considers reasonable for his/her expectations of the product's benefits.

Ultimately prices should be set according to what the market will bear which will be influenced by competitive actions, customer expectations, and the company's cost structure. No final pricing decisions should be made until a break-even analysis has been performed which considers fixed costs, variable costs, and volume.

Endnote: The Small Business Development Center at Midwestern State University provided the information that was included for this section.



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Reality Check

The following section is included so that you might identify some of your strengths and weaknesses. The following information is not all-inclusive and certainly you could include other areas to address your strengths and weaknesses. The Small Business Development Center (Midwestern State University) has found two things that are required for any business to have a chance of getting started: experience and good credit on the part of the owner.

Experience

Nothing beats experience. The more experience you have in the business you are going into, the more likely you will succeed. The following questions are to help you think about your experience.

- How many years of experience have you had in this business?
- What positions did/do you hold?
- Do you have someone who is going to help you who has experience?
- Have you ever run a business before?
- Do you have any business education?

If you lack experience you will need to get it. You can begin by training - on the job and/or going to school. Or you can find someone who does have experience who will help you as a partner, employee, consultant, or advisor.

Credit

If you intend to borrow money to start your business, either from banks or through the SBA loan guarantee programs, you will need to have "good" to "excellent" credit. Lenders believe that if you can't manage your personal finances well you will not be able to manage your business' finances. These institutions will perform extensive credit checks; so if you have any problems, they will know about them. The following list could help you identify your credit standing. Additionally you can get a free credit report from one of the three credit bureaus.

Poor Credit

- Bankruptcy within last 10 years
- Repossessions - voluntary or involuntary
- "Profit-Loss Write-Offs"
- Default on student loans or any government loans
- Unresolved tax problems
- Ongoing pattern of late payments
- Personal Debt to Worth ratio greater than 1.4*

Fair Credit

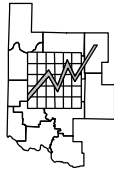
- Slow payment
- Too many loans outstanding
- "Maxed out" credit cards
- Personal Debt to Worth ratio greater than 1.4*

Good Credit

- None of the above
- History of loan repayment
- Steady employment
- Home ownership
- Personal Debt to Worth ratio less than 1.4*

*Debt to Worth is calculated by dividing the sum of all of your assets (things you own such as you house, car, boat, bank accounts, retirement accounts) into the sum of all of your liabilities (things you owe such as house, car, credit cards, loans).

All Liabilities/All Assets = Debt to Worth Ratio (should be less than 1.4)



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Credit Bureaus

Credit Bureaus can provide you with information on your credit history, which, if you plan to apply for a loan will contain information that you should know about.

For a resident of Oklahoma, the fee to obtain your credit report from any one of the three credit bureaus is eight dollars. However, there are means of obtaining your credit report free of charge. If you certify in writing that either you are unemployed and plan to seek employment in the next sixty days, or you are a welfare recipient, or you believe that you have been a victim of fraud, then there will be no charge for your credit report.

Additionally, if you have been denied credit, then according to the Fair Credit Reporting Act anyone denied credit based on information contained in a credit report must be notified by the company denying you credit. You may then request a copy of your report free of charge from the appropriate credit agency if you request one within a reasonable amount of time after receiving the denial letter.

Equifax

Equifax Information Service Center
 P.O. Box 740241
 Atlanta, GA 30374-0241

Phone: 1 (800) 685-1111
 E-Mail: weber@equifax.com
 Internet: www.equifax.com

Experian

Experian National Consumer Assistance Center
 P.O. Box 2104
 Allen, TX 75013-2104

Phone: 1 (888) 397-3742
 Internet: www.experian.com

Trans Union

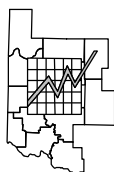
Trans Union Consumer Disclosure Center
 P.O. Box 390
 Springfield, PA 19064-0390

Phone: 1 (800) 888-4213
 Internet: www.transunion.com

When you order your credit report, you should include the following information in your request.

- ☐ First, middle and last name (including Jr., Sr., III)
- ☐ Current address
- ☐ Previous address, if any, in the past two years
- ☐ Social Security Number
- ☐ Date of Birth
- ☐ Current Employer
- ☐ Phone Number
- ☐ Signature
- ☐ Applicable fee (\$8.00 unless qualify for a free report)

Endnote: The Small Business Development Center at Midwestern State University provided information contained in this section.



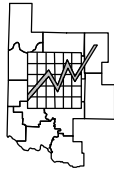
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KNOW YOURSELF

Entrepreneurial Success Quotient

Circle the answer that best describes you

<u>Attitude and Personality</u>	<u>Yes</u>	<u>Sometimes</u>	<u>No</u>
Do you like to be in charge?	Y	S	N
Are you a "self-starter"?	Y	S	N
Do you plan activities from start to finish?	Y	S	N
Are you willing to take risks to achieve your goals?	Y	S	N
Do you like to work on your own?	Y	S	N
Can you easily accept new ideas?	Y	S	N
Do you usually work 10 hours or more on your job?	Y	S	N
Do you enjoy meeting and visiting with strangers?	Y	S	N
Are you in good health?	Y	S	N
Do you like to make important decisions?	Y	S	N
Are you well organized?	Y	S	N
Do you learn from your mistakes?	Y	S	N
Do other people like you?	Y	S	N
Are you a good listener?	Y	S	N
Can you take advice from others?	Y	S	N
Are you always honest, even when it hurts?	Y	S	N
Do people use the word "enthusiastic" in describing you?	Y	S	N
Do you always finish what you start?	Y	S	N
Do you have a lot of energy?	Y	S	N
Do you easily tire of routine tasks?	Y	S	N
Do people call you stubborn?	Y	S	N
Would you risk all of your savings on this business?	Y	S	N
Do you tackle your work one job at a time?	Y	S	N
Can you convince someone else to loan you money?	Y	S	N
Do you have written goals for your life?	Y	S	N
Can you tackle and finish a job when it really bores you?	Y	S	N



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Skills and Experience

Have you previously owned and operated a small business?	Y	S	N
Have you ever managed a business for someone else?	Y	S	N
Have you managed a business like the one you are starting?	Y	S	N
Have you ever written a complete business plan?	Y	S	N
Have you taken any college level business courses?	Y	S	N
Do you understand basic accounting rules?	Y	S	N
Are you good at handling your personal finances?	Y	S	N
Have you had experience in managing people?	Y	S	N
Have you started over after failing in a business?	Y	S	N
Have you successfully raised money for past projects?	Y	S	N
Can you operate a personal computer for word processing, spreadsheet and database applications?	Y	S	N
Do you understand basic business terms such as breakeven, cash flow and accounts receivable?	Y	S	N
Would you be willing to put in several hours per week to learn to run your business better?	Y	S	N
Do you consider yourself a "great communicator"?	Y	S	N
Do you have the complete support of your family for starting this business?	Y	S	N
Do you understand business financial statements such as a profit and loss statement and a balance sheet?	Y	S	N

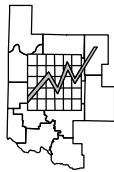
There are 42 total questions, each "Yes" answer is worth 3 points, each "Sometimes" answer is worth 2 points, and each "No" answer is worth 0 points.

	# Answers			
Yes	_____	x	3	= _____
Sometimes	_____	x	2	= _____
No	_____	x	0	= _____
Total	_____			

Your score _____

If your score for this quiz is greater than 100 points, then your probability of successfully dealing with the adversities of starting up a business is greater than if your score were under 100 points.

Endnote: The Small Business Development Center at Midwestern State University supplied this quiz for inclusion into this Resource Directory.



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The following worksheet may help couples who plan to open a business together. The worksheet was provided by Midwestern State University's Small Business Development Center, and the book mentioned in the worksheet (or similar books) may be located in your library.

QUIZ FOR ENTREPRENEURIAL COUPLES

How likely are you to thrive as an entrepreneurial couple?

Thinking about starting your own business, but concerned about the strain it might put on your marriage and family? Good for you - showing concern up front about the impact your business will have on your primary relationships will help protect the people closest to you from unwelcome circumstances that can destroy your marriage and uproot your family. Drawn from in-depth interviews with over 125 entrepreneurial couples, Azriela Jaffe, the author of "Honey, I Want to Start my Own Business, A Planning Guide for Couples" (Harper Business '96), suggests the following indicators predict how well you and your spouse (or intimate partner) will endure the challenges of entrepreneurship. Score your relationship from (1) to (4), for each of the following questions, according to the following scale:

- (1) That doesn't describe us at all
- (2) That somewhat describes us
- (3) That describes us most of the time
- (4) That describes us completely

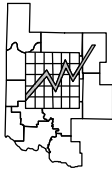
1) We've done our homework and thoroughly researched the business option we're considering. It's a good match for our skills, passions, and our family's needs. We've put together a solid, realistic business and family plan, that enables us to forecast how much time, money, and personal sacrifice our enterprise requires and how the business will impact, in detail, our day-to-day home life. Though we hope for the best, we've planned adequately for how we'll handle the worst case scenario.

2) Both of us are incredibly flexible and creative people. If something isn't working in our relationship or our lifestyle, we take stock, talk it over, and find another way. We don't get stuck in one-track thinking, and we're willing to make the changes necessary along the way to achieve success. People could compare us to two willow trees standing side by side: Strong at the roots, but able to bend with the weather.

3) We are committed to one another "for better or worse." Our relationship has withstood the test of time, and the ups and downs that life brings. We're able to keep our eyes on the big picture, and to keep perspective when going through rough times. We've got a rewarding, strong, supportive relationship heading into this entrepreneurial venture.

4) For us, romance is a daily attitude, not just something we do on Valentine's Day and our wedding anniversary. We express love and appreciation daily to one another, even when time and money is short. We aren't likely to neglect or take for granted our relationship, even if business needs absorb a lot of our attention. We understand that it's good for our business, as well as our marriage, to take good care of one another.

5) We share a joint vision and are both headed in the same direction. When we verbalize and perhaps even write down, our personal, family, and business goals, we see that these goals are in harmony and congruent with one another. We are each willing to sacrifice personally in order to support our partner's life dreams.



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6) We approach conflict looking for a win/win solution. Getting my way is an empty victory if it results in distance between me and my spouse. If we were ever to have difficulty resolving differences between us, we wouldn't hesitate to get outside support and professional advice before our relationship hits a breaking point.

7) We can keep our sense of humor and look at the bright side of things, even during the roughest times. We figure, we're going to laugh about it later, we might as well laugh about it now! We're pros at making lemonade out of lemons, and finding the silver lining in the clouds. When we start taking ourselves, or our work, too seriously, we can take a step back and lighten up.

8) One or both of us was/were raised in an entrepreneurial family, so we're accustomed to the erratic income and schedule, and the high demands that come along with it. Our parents were excellent role models for us for starting and managing a small business well. If our parents are still alive, they are very supportive of us following in their entrepreneurial footsteps.

How did you score?

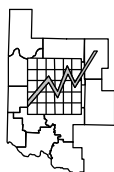
24 - 32: *Your relationship should make it!* Your foundation is strong and your attitude upbeat and positive. You seem to be realistically prepared for the challenges of entrepreneurship and though your relationship will be tested along the way, the signs are positive that you can withstand the challenge and come through it even stronger.

16 - 23: *Warning* - entrepreneurship could endanger your relationship! Expect plenty of growth opportunities along the entrepreneurial path! If you prioritize sustaining a strong healthy marriage, you should be OK, but it will require enormous commitment on your part. What doesn't kill your relationship will probably make it stronger, but realize the risks you are taking before setting out on the journey.

8 - 15: *Danger* - entrepreneurship could land you in divorce court! Before going forward with any entrepreneurial venture, strengthen your relation ship with some outside counseling , or you may find yourself in divorce court before your business dreams are realized. Though you may be the exception to the rule, research shows that you lack several of the essential components to thriving on the entrepreneurial journey.

Please note: This quiz tests your propensity as a couple for the entrepreneurial journey in a generalized way. If you wish to identify whether you are cut out for such specific circumstances are working together as business partners, or working successfully out of a home office, refer to "Honey, I Want to Start my Own Business" for 40 other quizzes and exercises that may be helpful.

Endnote: The Small Business Development Center at Midwestern State University provided information contained in this worksheet, and the quiz is from Honey, I Want to Start my Own Business, authored by Azriela Jaffe and published by Harper Business Press, 1996.



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Cash Flow Projection Worksheet

By providing the following information, the SBDC may be able to help you plan your business with a cash flow projection. If you don't know the exact figures for each category, use your best estimate.

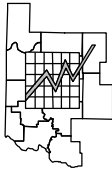
Start-up Costs

(What will you have to spend to be ready to serve your first customer?)

Initial Inventory (COGS)	_____	How much product will you need to start?
Advertising	_____	Signs, business cards, announcements
Dues & Subscriptions	_____	Professional associations, journals
Insurance	_____	Fire, theft, medical, auto, liability, key man
Legal & Accounting	_____	Attorney (contracts), accountant (books)
Miscellaneous	_____	A 10% "fudge factor" isn't a bad idea
Office/Administration	_____	Paper, pens, folders, stamps, software, other office supplies
Professional Fees	_____	Professional services
Rent	_____	Building
Repairs & Maintenance	_____	Remodeling, setup costs
Salaries/Wages	_____	Employees, temporary help for setup & move-in
Salaries/Wages Expense	_____	Retirement, medical benefits for employees
Taxes	_____	Doing Business As (DBA) registration, professional licenses
Telephone	_____	Connection fees, deposits, equipment
Travel/Entertainment	_____	Travel to market, conventions, association meetings, training seminars
Utilities	_____	Connection fees, deposits
Vehicle	_____	Delivery vehicle, work truck
Other	_____	Leases
Equipment & Fixtures	_____	Displays, cash register, computer, tools, equipment
Building & Land	_____	Purchase, construct
Total Start-up Costs	_____	

How much money will you be investing in this project? Usually you are required to contribute between 10% to 40% of the total amount needed.

Equity Contribution _____



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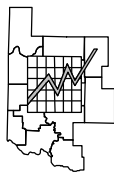
Monthly Operating Expenses

(During your typical month what would you spend on each of the following items?)

Cost of Goods Sold	_____	Inventory replacement
Advertising	_____	3% to 5% of sales is one rule of thumb
Bad debts	_____	Will you be offering credit?
Dues & Subscriptions	_____	Professional associations, journals
Insurance	_____	Fire, theft, medical, auto, liability, key man?
Legal & Accounting	_____	Attorney (contracts), accountant (books)
Miscellaneous	_____	A 10% "fudge factor" isn't a bad idea.
Office/Administration	_____	Paper, pens, folders, stamps, software, other office & cleaning supplies
Professional Fees	_____	Professional services
Rent	_____	Building, equipment
Repairs & Maintenance	_____	What could break and what would it cost to fix it?
Salaries/Wages	_____	How many employees, how much will you pay them?
Salaries/Wages Expenses	_____	Retirement, medical benefits for employees
Taxes	_____	Property tax on equipment, inventory, other?
Telephone	_____	Monthly service charge, long distance calls, cell phone, pager
Travel/Entertainment	_____	Travel to market, conventions, association meetings, training seminars
Utilities	_____	Gas, electric, water, answering service?
Other	_____	Equipment leases
Owner's Draw	_____	What do you need from the business?
Total Monthly Expenses	_____	
Monthly Sales	_____	What are your anticipated monthly sales?

These categories are suggested (these are used by the IRS), but feel free to use ones that better describe your business. The SBDC may be able to use this information to create a cash flow projection for you.

Endnote: The Small Business Development Center at Midwestern State University provided the information contained in this worksheet.



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The 10 Most Commonly Asked Questions About Worker's Compensation

1. *How many employees can an employer have before being required to obtain workers' compensation insurance?*

If an employer has only one employee, even part-time, workers' compensation insurance is required.

2. *Is the sole proprietor of a business required by law to obtain workers' compensation insurance for himself or herself?*

No - sole proprietors, members of a partnership or any stockholder-employee of a corporation who owns 10 percent or more stock in the corporation are excluded, and not deemed to be employees.

3. *If an employee agrees, can an employer deduct the cost of workers' compensation insurance from the employee's pay?*

No - an employee's agreement to pay premiums for workers' compensation insurance is invalid, and any employer who makes a deduction from any employee's pay for workers' compensation insurance is guilty of a misdemeanor.

4. *Is there a penalty if an employer fails to obtain workers' compensation insurance for their employees?*

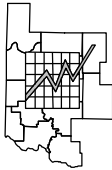
Yes - if an employer is found to be in violation of the workers' compensation law, they are subject to a civil penalty of not more than \$250 per employee for a first offense, and not more than \$500 per employee for a second offense. The maximum civil penalty shall not exceed \$10,000.

5. *Can an employer obtain an accident policy instead of a workers' compensation policy for his or her employees?*

No - it must be a workers' compensation policy that has been issued by a workers' compensation carrier authorized to issue workers' compensation insurance in the State of Oklahoma.

6. *Can an employee sign away his or her rights to be covered by an employer's worker's compensation insurance policy?*

No - if the person is hired by the employer to perform a service, and is not in business for himself or herself, that person is an employee and cannot waive his or her right to workers' compensation.



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7. *If an employer has workers' compensation insurance and believes his competitor does not, what should the employer do?*

The employer can call the State Department of Labor's Workers' Compensation Unit and simply give the name and address of the other employer in question.

8. *Is an employer required by law to post any notice or instructions to employees?*

Yes - A Form 1-A, Workers' Compensation Notice and Instructions to Employers and Employees, may be obtained from the Oklahoma Department of Labor or the Workers' Compensation Court.

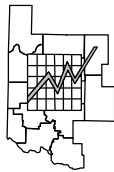
9. *Is an employer responsible for a truck driver who leases the truck from the employer?*

Yes - the truck driver is considered an employee if the driver works for the person or business leasing the truck. An owner-operator is not an employee if he or she owns the truck or leases the truck from another business that the driver has not contracted to drive for.

10. *How much does workers' compensation insurance cost, and where can an employer obtain it?*

The premium for workers' compensation insurance is based on the amount of wages paid by the employer and the classification of employer's employees, such as: secretaries, mechanics or truck drivers. And as to where an employer can obtain it, Oklahoma may be the only state that allows so many insurance options to businesses. Firms may:

- a. Obtain insurance from a private carrier.
- b. Obtain insurance from the State Insurance Fund.
- c. Self-insure themselves if they:
 - 1. Have a \$1 million annual payroll for the proceeding three (3) years,
 - 2. Have at least 100 workers,
 - 3. Have continuously engaged in business for at least five (5) years,
 - 4. Have shareholders' equity of at least Five Hundred Thousand Dollars (\$500,000)



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The following supplement may help with your record keeping system, and the information was obtained from the IRS website.

Kinds of Records to Keep

The business you are in will affect the type of records you need to keep for federal tax purposes. You should set up your record-keeping system using an accounting method that clearly shows your income for a tax year. And if you are in more than one business, separate records for each of the businesses.

Your record-keeping system should include a summary of your business transactions which is ordinarily made in your books (accounting journals & ledgers for example). Your books must show your gross income, as well as your deductions and credits. For most small businesses, the business checkbook (discussed later) is the main source for entries in the business books. In addition, you must keep supporting documents.

Supporting Documents

Purchases, sales, payroll, and other transactions you have in your business will generate supporting documents such as invoices and receipts. These documents contain the information you need to record in your books.

It is important to keep these documents because they support the entries in your books and on your tax return. You should keep them in an orderly fashion and in a safe place.

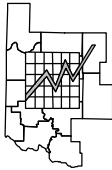
Gross receipts. Gross receipts are the income you receive from your business. You should keep supporting documents that show the amounts and sources of your gross receipts. Examples of documents that show gross receipts include:

- ☐ Cash register tapes,
- ☐ Bank deposit slips,
- ☐ Receipt books,
- ☐ Invoices,
- ☐ Credit card charge slips, and
- ☐ Forms 1099-MISC.

Purchases. Purchases are the items you buy and resell to customers. If you are a manufacturer or producer, this includes the cost of all raw materials, or parts purchased for manufacture into finished products. Your supporting documents should show the amount paid and that the amount was for purchases. Examples of documents for purchases include:

- ☐ Canceled checks,
- ☐ Cash register tape receipts,
- ☐ Credit card sales slips, and
- ☐ Invoices.

These records will help you determine the value of your inventory at the end of the year. See IRS [Publication 538](#) for information on methods for valuing inventory.



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Expenses. Expenses are the costs you incur (other than purchases) to carry on your business. Your supporting documents should show the amount paid and that the amount was for a business expense. Examples of documents for expenses include:

- ☐ Canceled checks,
- ☐ Cash register tapes,
- ☐ Account statements,
- ☐ Credit card sales slips,
- ☐ Invoices, and
- ☐ Petty cash slips for *small* cash purchases.

A petty cash fund allows you to make small payments without having to write checks for small amounts. Each time you make a payment from this fund, you should make out a petty cash slip and attach it to your receipt as proof of payment.

Travel, transportation, entertainment, and gift expenses. Special record-keeping rules apply to these expenses. For more information, see IRS Publication 463, *Travel, Entertainment, Gift, and Car Expenses*.

Employment taxes. There are specific employment tax records you must keep. See IRS Publication 15.

Assets. Assets are the property, such as machinery and furniture, that you own and use in your business. You must keep records to verify certain information about your business assets. You need records to figure the annual depreciation and the gain or loss when you sell the assets. Your records should show:

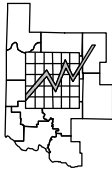
- ☐ When and how you acquired the asset,
- ☐ Purchase price,
- ☐ Cost of any improvements,
- ☐ Section 179 deduction taken,
- ☐ Deductions taken for depreciation,
- ☐ Deductions taken for casualty losses, such as fires or storms,
- ☐ How you used the asset,
- ☐ When and how you disposed of the asset,
- ☐ Selling price, and
- ☐ Expenses of sale.

Examples of supporting documents that may show this information include:

- ☐ Purchase and sales invoices,
- ☐ Real estate closing statements, and
- ☐ Canceled checks.

What if I don't have a canceled check? If you do not have a canceled check, you may be able to prove payment with certain financial account statements prepared by financial institutions. These include account statements prepared for the financial institution by a third party. The following is a list of acceptable account statements.

1. An account statement showing a check clearing is accepted as proof if it shows the:
 - a. Check number,
 - b. Amount,
 - c. Payee's name, and
 - d. Date the check amount was posted to the account by the financial institution.
2. An account statement showing an electronic funds transfer is accepted as proof if it shows the:
 - a. Amount transferred,
 - b. Payee's name, and
 - c. Date the transfer was posted to the account by the financial institution.



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3. An account statement showing a credit card charge (an increase to the cardholder's loan balance) is accepted as proof if it shows the:
 - a. Amount charged,
 - b. Payee's name, and
 - c. Date charged (transaction date).

Proof of payment of an amount alone does not establish that you are entitled to a tax deduction. You should also keep other documents, such as credit card sales slips and invoices, discussed previously.

Recording Business Transactions

A good record-keeping system includes a summary of your business transactions. (Your business transactions are shown on supporting documents just discussed.) Business transactions are ordinarily summarized in books called journals and ledgers. You can buy them at your local stationery or office supply store.

A journal is a book where you record each business transaction shown on your supporting documents. You may have to keep separate journals for transactions that occur frequently.

A ledger is a book that contains the totals from all of your journals. It is organized into different accounts.

Whether you keep journals and ledgers and how you keep them depends on the type of business you are in. For example, a record-keeping system for a small business might include the following items.

- ☐ Business Checkbook
- ☐ Daily Summary of Cash Receipts
- ☐ Monthly Summary of Cash Receipts
- ☐ Check Disbursements Journal
- ☐ Depreciation Worksheet
- ☐ Employee Compensation Record

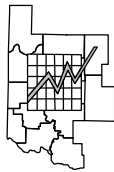
Business checkbook. One of the first things you should do when you start a business is open a business checking account. You should keep your business account separate from your personal checking account.

The business checkbook is your basic source of information for recording your business expenses. You should deposit all daily receipts in your business checking account. You should check your account for errors by reconciling it.

Consider using a checkbook that allows enough space to identify the source of deposits as business income, personal funds, or loans. You should also note on the deposit slip the source of the deposit and keep copies of all slips.

You should make all payments by check to document business expenses. Write checks payable to yourself only when making withdrawals from your business for personal use. Avoid writing checks payable to cash. If you must write a check for cash to pay a business expense, include the receipt for the cash payment in your records. If you cannot get a receipt for a cash payment, you should make an adequate explanation in your records at the time of payment.

Use the business account for business purposes only. Indicate the source of deposits and the type of expense in the checkbook.



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Reconciling the checking account. When you receive your bank statement, make sure the statement, checkbook, and books agree. The statement balance may not agree with the balance in your checkbook and books if the statement:

1. Includes bank charges that you did not enter in your books and subtract from you checkbook balance, or
2. Does not include deposits made after the statement date or checks that did not clear your account before the statement date.

By reconciling your checking account, you will:

1. Verify how much money you have in the account,
2. Make use that your checkbook and books reflect all bank charges and the correct balance in the checking account, and
3. Correct any errors in your bank statement, checkbook, and books.

You should reconcile your checking account each month.

Before you start to reconcile your monthly bank statement, check your own figures. Begin with the balance shown in your checkbook at the end of the previous month. To this balance, add the total cash deposited during the month and subtract the total cash disbursements.

After checking your figures, the result should agree with your checkbook balance at the end of the month. If the result does not agree, you may have made an error in recording a check or deposit. You can find the error by:

1. Adding the amounts on your check stubs and comparing that total with the total in the "Amount of Check" column in your check disbursements journal. If the totals do not agree, check the individual amounts to see if an error was made in your check stub record or in the related entry in your check disbursements journal.
2. Adding the deposit amounts in your checkbook. Compare that total with the monthly total in your cash receipt book, if you have one. If the totals do not agree, check the individual amounts to find any errors.

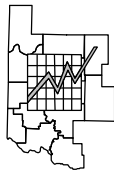
If your checkbook and journal entries still disagree, then recalculate the running balance in your checkbook to make sure additions and subtractions are correct.

When your checkbook balance agrees with the balance figured from the journal entries, you may begin reconciling your checkbook with the bank statement. Many banks print a reconciliation worksheet on the back of the statement.

To reconcile your account, you:

1. Compare the deposits listed on the bank statement with the deposits shown in your checkbook. Note all differences in the dollar amounts.
2. Compare each canceled check, including both check number and dollar amount, with the entry in your checkbook. Note all differences in the dollar amounts. Mark the check number in the checkbook as having cleared the bank. After accounting for all checks returned by the bank, those not marked in your checkbook are your outstanding checks.
3. Prepare a bank reconciliation.
4. Update your checkbook and journals for items shown on the reconciliation as not recorded (such as service charges) or recorded incorrectly.

At this point, the adjusted bank statement balance should equal your adjusted checkbook balance. If you still have differences, check the previous steps to find errors.



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Bookkeeping System

You must decide whether to use a single- or a double-entry bookkeeping system. The single-entry system of bookkeeping is the simplest to maintain, but it may not be suitable for everyone. You may find the double-entry system better because it has built-in checks and balances to assure accuracy and control.

Single-entry. A single-entry system is based on the income statement (profit or loss statement). It can be a simple and practical system if you are starting a small business. The system records the flow of income and expenses through the use of:

1. A daily summary of cash receipts, and
2. Monthly summaries of cash receipts and disbursements.

Double-entry. A double-entry bookkeeping system uses journals and ledgers. Transactions are first entered in a journal and then posted to ledger accounts. These accounts show income, expenses, assets (property a business owns), liabilities (debts of a business), and net worth (excess of assets over liabilities). You close income and expense accounts at the end of each tax year. You keep asset, liability and net worth accounts open on a permanent basis.

In the double-entry system, each account has a left side for debits and a right side for credits. It is self-balancing because you record every transaction as a debit entry in one account and as a credit entry in another.

Under this system, the total debits must equal the total credits after you post the journal entries to the ledger accounts. If the amounts do not balance, you have made an error and you must find and correct it.

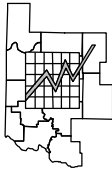
Computerized System

There are computer software packages that you can use for record-keeping. They can be purchased in many retail stores. These packages are very useful and relatively easy to use; they require very little knowledge of bookkeeping and accounting.

If you use a computerized system, you must be able to produce legible records from the system to provide the information needed to determine your correct tax liability.

You must also keep all machine-sensible records and a complete description of the computerized portion of your accounting system. This documentation must be sufficiently detailed to show all of the following items:

1. Applications being performed
2. Procedures used in each application
3. Controls used to ensure accurate and reliable processing
4. Controls used to prevent the unauthorized addition, alteration, or deletion of retained records



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How Long to Keep Records

You must keep your records as long as they may be needed for the administration of any provision of the Internal Revenue Code. Generally, this means you must keep records that support an item of income or deduction on a return until the period of limitations for that return runs out.

The period of limitations in the period of time in which you can amend your return to claim a credit or refund, or the IRS can assess additional tax.

Keep copies of your filed tax returns. They help in preparing future tax returns and making computations if you later file an amended return.

Employment taxes. If you have employees, you must keep all employment tax records for at least 4 years after the date the tax becomes due or is paid, whichever is later.

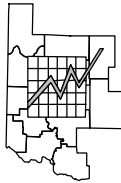
Assets. Keep records relating to property until the period of limitations expires for the year in which you dispose of the property in a taxable disposition. You must keep these records to figure any depreciation, amortization, or depletion deduction, and to figure your basis for computing gain or loss when you sell or otherwise dispose of the property.

Generally, if you received property in a nontaxable exchange, your basis in that property is the same as the basis of the property you gave up, increased by money you paid. You must keep the records on the old property, as well as the new property, until the period of limitations expires for the year in which you dispose of the new property in a taxable disposition.

Records for non-tax purposes. When your records are no longer needed for tax purposes, do not discard them until you check to see if you have to keep them longer for other purposes. For example, your insurance company or creditors may require you to keep them longer than the IRS does.

Source: U.S. Department of Treasury, Internal Revenue Service website:
www.irs.ustreas.gov/plain/forms_pubs/pubs/p58310.html

Community Appendix



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Community Strategic Plan Outline

I. Community Profile

A community profile can provide an introduction to readers in order to get a basic understanding of your community. Information that could be included in your community profile may include its history, climate, demographics, or whatever makes it unique. A good place to start with this section may be the community profile at the Oklahoma Department of Commerce's website: www.odoc.state.ok.us.

II. Goals

Briefly list the goals or objectives that members of the community would like to have accomplished. They may have to be prioritized - which would allow the community to concentrate its resources upon few goals rather than a wide range of goals.

III. Comparison with Other Communities

Comparing your community with others of similar size may provide an idea of how your community stacks up against them and may also be helpful in subsequent sections. Information that would be valuable to compare may include:

- A. Population
- B. Taxes
- C. Educational Attainment
- D. Labor Force
- E. Income
- F. Debt of Community
- G. Zoning Codes
- H. Building Codes
- I. Utility Utilization/Capacity

IV. SWOT Analysis

SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Strengths and weaknesses are internal to the organization or community, and opportunities and threats are external to the organization or community. The purpose of a SWOT analysis is to build upon the community's strengths and address its weaknesses in order to take advantage of opportunities and counter threats faced by the community.

You can use the comparisons in the previous section to help identify some of your community's strengths (tax base, low debt, low taxes, higher educational attainment, etc.) and weaknesses (restrictive zoning codes, lack of affordable housing, unskilled labor force, too many regulations, etc.). Opportunities represent situations that the city/community can pursue or take advantage of in order to achieve its goals. Some examples of opportunities may include tourism (from festivals, rodeos, etc.), becoming a certified city, constructing a spec building to attract companies, etc. Threats represent conditions that hinder a community from achieving its goals or even threaten its survival. Threats may be a declining population, fewer young people choosing to raise families in the community, etc.

V. Plan

It is not just enough to know what your community's strengths and weaknesses are and what opportunities or threats or posed to it. A plan has to be put into place as to how you will address weaknesses (change zoning regulations, improve infrastructure, etc.), pursue opportunities (advertise your community, encourage economic development, etc.) and counter threats (a declining population, an aging population, etc.).

Action Planning Worksheet

Project: _____ **Date:** _____

Members: _____

Time frame for completion: _____

Goal: _____

<i>Steps</i>	<i>Who will do it (Names)</i>	<i>Resources</i>	<i>Time to Complete</i>	<i>Evaluation Method</i>

Chair of project:_____ Phone:_____

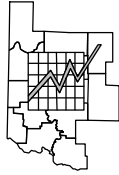
60 Day Goal:_____

Other persons to
contact and involve

Phone/Address or Agency

Who will contact

Assistance Needed:_____



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Common Steps in Setting up a Business Incubator

Legal Considerations

There is no specific state or federal legislation regarding business incubators. However, an organization will need to sponsor the incubator. Business incubators usually have one of four types of organizational patterns. This will determine the state and federal rules to follow for a business incubator.

Public/Nonprofit Organization - The largest percentage of incubators are of this type. A public or nonprofit organization is not maintained for the purpose of making a profit. Examples of this type of organizational structure would include a community or economic development foundation run incubators. This type of organizational structure may require forming a chapter 501 (c) (3).

Private/For-Profit Enterprises - Privately controlled incubators are usually owned or managed by venture and seed capital investment groups, or corporations and real estate development partnerships. The main goal of private or for-profit incubators is to receive an economic reward.

University Affiliation - Universities or colleges may operate or manage an incubator. The goal of most incubators connected with major universities is to help in the development and transfer of new technology.

Public/Private Partnership - The incubator is a joint effort between a government or nonprofit agency and a private developer. This type of arrangement allows the incubator to take advantage of both the expertise of the private sector and the use of public funding. A joint project between a community college and a nonprofit group is also common.

Action Plan

Starting a business incubator is not an easy process, but may be very beneficial to the local community. This requires time, money, management, and planning.

Step One - Developing A Working Group

Potential members should be from groups such as the local government, private industry, private lending, local business development organizations, community organizations, and/or educational institutions. This group usually consists of 6 to 9 people, with one person being designated as the leader or initiator.

Step Two - Gathering Information

This step involves gathering both incubator and community specific information.

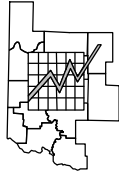
Detailed incubator information may be obtained from books and publications and from visits with other incubators. A list of several publications that may be useful in establishing an incubator is provided at the end of this option. All incubators are different. Visits to incubators are necessary to fully understand the incubator concept and for developing ideas for your incubator.

Data regarding the local economy

This may include information regarding the major employers in the region: types of businesses located in the community; and generally directional changes in employment, income, and earnings over time. Census data may provide some useful information regarding income and earnings.

Availability of rental space in the community

The availability of reasonably priced office space can also affect a community's need for an incubator. For example, an ample supply of affordable office space could negate the need for an incubator.



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Southwestern Oklahoma State University
100 Campus Drive
Weatherford, Oklahoma 73096
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To collect this data, you may want to survey local business owners and local building owners, or consult your local realtor. There are certain questions to keep in mind when interviewing.

- How much per square foot are they charging?
- What are the terms of the lease?
- What type of restrictions are imposed on tenants?
- Are certain types of business not permitted to locate in this building?
- What are the advantages of the location?
- Is there certain equipment needed, but not provided?
- Is there adequate space to meet your needs at a price that is affordable?

Additionally, you will need to identify types of services and programs are available to small start-up firms in you community. This knowledge is necessary to determine what services that the incubator may need to provide to a firm. Also, an assessment of the existing support network provides a measure of the community's commitment for helping start-up businesses.

The local Chamber of Commerce or Small Business Development Center or community college business professor would all be very helpful in working through every day business problems. Also, they would be up to date on the available programs for small businesses. Additionally, visits with current small business owners and former small business owners may provide insight into the existing support network and what type of services are lacking in an area.

The best way to implement a support process would be to meet monthly or bimonthly and have various local professionals attend the meetings to assist with technical, financial and procedural questions which may arise from specific tenant problems. If possible, it would be helpful to have other small business owners present at the meetings to contribute their insight into resolving problems which they may have already experienced in their own operations.

Step Three - Analyzing, Identifying and Establishing

By analyzing the information gathered in the previous step, the work group may now be able to answer the below questions, and if the answer to all the questions is "Yes", then it is possible that a business incubator can be successful.

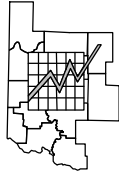
- Does and will the community support an incubator?
- Do potential local tenants for an incubator exist?
- Are the resources for appropriate business services available?
- Is affordable and appropriate rental space available for small businesses?
- Can we do this?

If it is determined to proceed, the group will need to identify the resources available to start an incubator.

- Potential sites for the incubator.
- Possible funding sources for the incubator.
- Possible sponsors for the incubator.
- Organizational structure of the incubator.

To conclude this step, a focus, goals and objectives are required. The working group must determine the purpose for the incubator and the community needs that will be addressed by the incubator. The main goals for most incubators is the creation of jobs, but goals may differ from community to community. Additionally, the working group will need to determine the type of tenants that the incubator will house. Many incubators house only one specific industrial type of business, while others house businesses from several different industrial classes. Common types of firms that may locate in incubators include the following:

- Service
- Manufacturing
- Research and Development
- Retail
- Technology
- Import/Export
- Agricultural



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Step Four - Selecting A Site

The facility for the incubator may be bought, leased, built, or donated. Before agreeing to any site location, the group should consider the following items:

- The actual location of the site with respect to the existing infrastructure and transportation system;
- Site suitability for the industrial class of businesses that will locate in the incubator;
- The actual cost involved in acquiring the site and facility;
- The cost and type of building renovations that will be necessary.

Step Five - Conducting a Feasibility Study

The Feasibility study is actually a business plan. The working group, other local citizens, or a consultant may be used to conduct the study. Keep in mind that a feasibility study conducted by a consultant could cost between \$7,000 and \$15, 000 dollars.

The feasibility study could include a management, operating, marketing, and financial plan, and a timetable. Information from step two may prove helpful by providing an assessment and analysis of the business environment and economy of the community. The ability to start an incubator is enhanced with a good feasibility study.

While a feasibility study and business plan are required for a successful business operation, they are also necessary for most types of financial backing. To qualify for some funding sources, a third party feasibility study is required.

Step Six - Pulling It Together

Throughout this process, possible funding sources need to be considered by the working group. Some funding will be required by this step in the process. However, the feasibility study should provide a realistic estimate of the money required. The working group needs to secure funding before proceeding with this step. Possible funding sources are identified in the resource section.

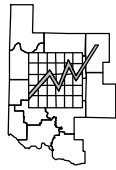
Once funds are available, the group may continue with the actual purchase and renovation of the incubator facility. Other issues that the working group may also need to address are as follows:

- hiring and training a manager;
- creating a board of directors or advisors;
- making specific lease plans;
- working with potential tenants;
- enacting a marketing plan; and
- making arrangements for tenant services.

Funding

The total cost of a business incubator is generally high. Funding is necessary for this option. Initially, an incubator will usually require a large financial outlay. Outside funding is available to defray expenses, but community funding is still required for a successful incubator. Local funding is vitally important to be secured and can assist in attracting outside funding sources.

Contact Addresses



Business Development Center
 Southwestern Oklahoma State University
 100 Campus Drive
 Weatherford, Oklahoma 73096
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Small Business Development Centers

Southwestern Oklahoma State University
 Small Business Development Center
 100 Campus Drive
 Weatherford, OK 73096

Telephone: (580) 774-7095
 Fax: (580) 774-7096

E-mail: clarkr@swosu.edu

Lawton Satellite
 AmQuest Bank, N.A.
 Small Business Development Center
 601 SW "D", Suite 209
 Lawton, OK 73501

Telephone: (580) 248-4946
 Fax: (580) 248-4964

Northwestern Oklahoma State University
 Small Business Development Center
 709 Oklahoma Blvd.
 Alva, OK 73717

Telephone: (580) 327-8608
 Fax: (580) 327-8408

E-mail: gvfore@nwosu.edu

Oklahoma Alliance for Manufacturing Excellence, Inc. Manufacturing Extension Agents

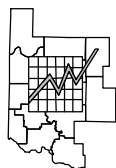
Elroy Wheeler, Alva
 Telephone: (580) 327-4321
 Fax: (580) 327-0560
 Serving Area/Counties: Ellis County

Lonnie Henderson, Fort Cobb
 Telephone: (405) 643-2070
 Fax: (405) 643-2144

Serving Area/Counties: Caddo, Greer, Harmon, Jackson, Kiowa and Tillman

J.C. Stafford, Weatherford
 Telephone: (580) 774-7071
 Fax: (580) 774-7067

Serving Area/Counties: Beckham, Blaine, Custer, Dewey, Rogers Mills and Washita



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Oklahoma Chambers of Commerce

The State Chamber
 Oklahoma's Association of Business and Industry
 330 N. E. 10th Street
 Oklahoma City, Oklahoma 73104-3200
 (405)-235-3669 ! Fax (405) 235-3670

Altus Chamber of Commerce
 100 N. Main Street
 Altus, Oklahoma 73521-3102
 Telephone: (580) 482-0005

Anadarko Chamber of Commerce
 516 W. Kentucky Avenue
 Anadarko, Oklahoma 73005-3822
 Telephone: (405) 247-6651

Cheyenne Chamber of Commerce

 Cheyenne, Oklahoma 73628
 Telephone: (580) 497-3318

Clinton Chamber of Commerce
 400 W. Gary Blvd.
 Clinton, Oklahoma 73601-2899
 Telephone: (580) 323-2222

Cordell Chamber of Commerce
 103 E. Main Street
 Cordell, Oklahoma 73632-4823
 Telephone: (580) 832-3538

Elk City Chamber of Commerce
 1016 Airport Industrial Road
 Elk City, Oklahoma 73644
 Telephone: (580) 225-0207

Frederick Chamber of Commerce
 105 S. Main Street
 Frederick, Oklahoma 73542
 Telephone: (580) 335-2126

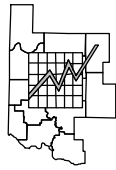
Hobart Chamber of Commerce
 113 E. 3rd St.
 Hobart, Oklahoma 73651-3615
 Telephone: (580) 726-2553

Mangum Chamber of Commerce
 222 W. Jefferson
 Mangum, Oklahoma 73554-4022
 Telephone: (580) 782-2444

Sayre Chamber of Commerce
 208 E. Main Street
 Sayre, Oklahoma 73662-2916
 Telephone: (580) 928-3386

Shattuck Chamber of Commerce
 207 S. Main
 Shattuck, Oklahoma 73858
 Telephone: (580) 938-2818

Weatherford Chamber of Commerce
 P.O. Box 729
 Weatherford, Oklahoma 73096
 Telephone: 580-(772) 7744



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Area Universities & Junior Colleges

Southwestern Oklahoma State University
 100 Campus Drive
 Weatherford, Oklahoma 73096

Telephone: (580) 772-6611
 E-Mail: swosuinfo@swosu.edu
 Website: www.swosu.edu

Southwestern Oklahoma State University at Sayre
 409 East Mississippi Avenue
 Sayre, OK 73662

Telephone: (580) 928-5533

Western Oklahoma State College
 2801 North Main Street
 Altus, OK 73521

Telephone: (580) 477-2000

Local Area Vocational & Technical Schools

Business development specialists can assist small businesses with a variety of issues. Additionally, the vo-tech itself can provide workforce training.

Caddo-Kiowa AVTS
 Business Development Coordinator
 P.O. Box 190
 Ft. Cobb, OK 73038

Telephone: (405) 643-5511
 Fax: (405) 643-2144

Southwest Technology Center
 Business Development Coordinator
 711 W. Tamarack Rd.
 Altus, OK 73521-2500

Telephone: (580) 477-2250
 Fax: (580) 477-0137

Western Oklahoma AVTS
 Business Development Coordinator
 P.O. Box 1469
 Burns Flat, OK 73624

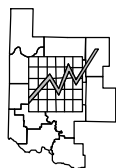
Telephone: (580) 562-3181
 Fax: (580) 562-4523

Western Oklahoma AVTS
 Business Development Coordinator
 1000 NE Hwy 66
 Sayre, OK 73662

Telephone: (580) 928-2097
 Fax: (580) 928-9827

Western Oklahoma AVTS
 Business Development Coordinator
 2605 E. Main
 Weatherford, OK 73096

Telephone: (580) 774-0224
 Fax: (580) 774-2074



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Councils of Government

Councils of Government are local entities that can provide small business assistance and/or community assistance.

Association of South Central Oklahoma Governments (ASCOG)

P.O. Box 1647

Duncan, Oklahoma 73534

Telephone: (580) 252-0595

Telephone: (800) 658-1466

Counties Served: Caddo, Comanche, Cotton, Grady, Jefferson, McClain, Stephens and Tillman

Northern Oklahoma Development Authority (NODA)

2901 N. Van Buren

Enid, Oklahoma 73703-1731

Telephone: (580) 237-4810

Counties Served: Alfalfa, Blaine, Garfield, Grant, Kay, Kingfisher, Logan, Major and Noble

Oklahoma Economic Development Association (OEDA)

P.O. Box 688

Beaver, Oklahoma 73932

Telephone: (580) 625-4531

Counties Served: Beaver, Cimarron, Dewey, Ellis, Harper, Texas, Woods and Woodward

South Western Oklahoma Development Authority (SWODA)

P.O. Box 569

Burns Flat, Oklahoma 73624

Telephone: (580) 562-4882

Telephone: (800) 627-4882

Counties Served: Beckham, Custer, Greer, Harmon, Jackson, Kiowa, Roger Mills, Washita

Service Corps of Retired Executives (SCORE)

SCORE chapters are locally chartered volunteer organizations that provide expert problem-solving assistance to small businesses. SCORE tries to match counselor experience with client needs. You can also get help from SCORE by e-mailing them your questions - use their website for the address.

Lawton SCORE - Chapter 0304

4500 West Lee Blvd., Bldg. 100, Suite 107

Lawton, OK 73505

Telephone: (580) 353-8727

Fax: (580) 250-5677

Website: www.score.org

Oklahoma City SCORE - Chapter 0212

c/o SBA, Oklahoma Tower Bldg.,

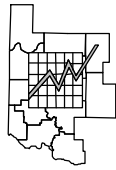
210 Park Avenue, #1300

Oklahoma City, OK 73102

Telephone: (405) 231-5163

Fax: (405) 231-4876

Website: www.score.org



Business Development Center
 Southwestern Oklahoma State University
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Workforce Oklahoma

Workforce Oklahoma
 Oklahoma Employment Security Commission
 Will Rogers Memorial Office Building
 P.O. Box 52003
 Oklahoma City, OK 73152-2003

Lawton
 1711 SW 11th St.
 Lawton, OK 73501
 Phone: (580) 357-3500
 Fax: (405) 357-9629

Altus
 1115 N. Spurgeon St.
 Altus, OK 73521
 Phone: (580) 482-3262
 Fax: (580) 482-3284

Oklahoma City Downtown
 1 North Walker
 Oklahoma City, OK 73102
 Phone: (405) 235-5627
 Fax: (405) 297-3396

Anadarko
 132 E. Broadway
 Anadarko, OK 73005
 Phone: (405) 247-7447
 Fax: (405) 247-7077

Woodward
 1117 11th St.
 Woodward, OK 73801
 Phone: (580) 256-3308
 Fax: (580) 254-3093

Opportunities, Inc.

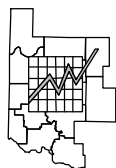
Opportunities, Inc. can provide some business assistance.

Opportunities, Inc.
 Ryan K. Bellew
 Business Development Director
 P.O. Box 569
 Watonga, OK 73772

Telephone: (580) 623-7283
 Fax: (580) 623-2515

Community Action Development Corporation
 Bob Crowder
 Rt. 1, Box 48A
 Hydro, OK 73048

Telephone: (580) 772-2068



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County Assessors

Beckham County
 County Courthouse
 Sayre, Oklahoma 73662
 Telephone: (580) 928-3329

Blaine County
 P.O. Box 628
 Watonga, Oklahoma 73772
 Telephone: (580) 623-5123

Caddo County
 P.O. Box 644
 Anadarko, Oklahoma 73005
 Telephone: (405) 247-2477

Custer County
 P.O. Box 96
 Arapaho, Oklahoma 73620
 Telephone: (580) 323-3271

Dewey County
 P.O. Box 235
 Taloga, Oklahoma 73667
 Telephone: (580) 328-5561

Ellis County
 P.O. Box 276
 Arnett, Oklahoma 73832
 Telephone: (580) 885-7975

Greer County
 P.O. Box 338
 Mangum, Oklahoma 73554
 Telephone: (580) 782-2740

Harmon County
 County Courthouse
 Hollis, Oklahoma 73550
 Telephone: (580) 688-2529

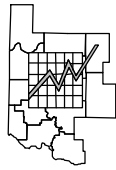
Jackson County
 County Courthouse
 Altus, Oklahoma 73521
 Telephone: (580) 482-0787

Kiowa County
 P.O. Box 855
 Hobart, Oklahoma 73651
 Telephone: (580) 726-2150

Roger Mills County
 P.O. Box 424
 Cheyenne, Oklahoma 73628
 Telephone: (580) 497-3350

Tillman County
 205 N. 10th
 Frederick, Oklahoma 73542
 Telephone: (580) 335-3424

Washita County
 County Courthouse
 Cordell, Oklahoma 73632
 Telephone: (580) 832-2468



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County Clerks

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 Sayre, Oklahoma 73662
 Telephone: (580) 928-3363

Blaine County
 P.O. Box 136
 Watonga, Oklahoma 73772
 Telephone: (580) 623-5890

Caddo County
 P.O. Box 68
 Anadarko, Oklahoma 73005
 Telephone: (405) 247-6609

Custer County
 P.O. Box 300
 Arapaho, Oklahoma 73620
 Telephone: (580) 323-1221

Dewey County
 P.O. Box 368
 Taloga, Oklahoma 73667
 Telephone: (580) 328-5361

Ellis County
 P.O. Box 197
 Arnett, Oklahoma 73832
 Telephone: (580) 885-2441

Greer County
 P.O. Box 207
 Mangum, Oklahoma 73554
 Telephone: (580) 782-3664

Harmon County
 114 W. Hollis
 Hollis, Oklahoma 73550
 Telephone: (580) 688-3658

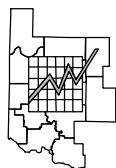
Jackson County
 P.O. Box 515
 Altus, Oklahoma 73521
 Telephone: (580) 482-4070

Kiowa County
 P.O. Box 73
 Hobart, Oklahoma 73651
 Telephone: (580) 726-5286

Roger Mills County
 P.O. Box 708
 Cheyenne, Oklahoma 73628
 Telephone: (580) 497-3395

Tillman County
 P.O. Box 992
 Frederick, Oklahoma 73542
 Telephone: (580) 335-3421

Washita County
 P.O. Box 380
 Cordell, Oklahoma 73632
 Telephone: (580) 832-2284



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County Extension Agents

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312 E. Madison, Suite 3
Sayre, OK 73662-3032
(580) 928-2139
Fax: (580) 928-9272

Blaine County Extension Office (NW Dist.)
212 N. Weigle Ave., Suite 101, Courthouse
Watonga, OK 73772-3897
(580) 623-5195
Fax: (580) 623-5009

Caddo County Extension Office (SW Dist.)
201 W. Oklahoma
Anadarko, OK 73705-3430
(405) 247-3376
Fax: (405) 247-7638

Custer County Extension Office (SW Dist.)
P.O. Box 170, Courthouse
Arapaho, OK 73620-0170
(580) 323-2291
Fax: (580) 323-2296

Dewey County Extension Office (NW Dist.)
P.O. Box 188, Courthouse
Taloga, OK 73667-0188
(580) 328-5351

Ellis County Extension Office (NW Dist.)
Box 157, Courthouse
Arnett, OK 73832-0157
(580) 885-7775
Fax: (580) 885-7258

Greer County Extension Office (SW Dist.)
116 E. Jefferson, Courthouse
Mangum, OK 73554-4200
(580) 782-5502
Fax: (580) 782-5503

Harmon County Extension Office (SW Dist.)
320 N. Main, Farm Building
Hollis, OK 73550-3037
(580) 688-3584
Fax: (580) 688-2214

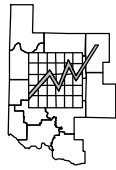
Jackson County Extension Office (SW Dist.)
2801 N. Main, Suite A
Altus, OK 73521-1310
(580) 482-0823
Fax: (580) 482-0823

Kiowa County Extension Office (SW Dist.)
300 S. Main, Courthouse Annex
Hobart, OK 73651-4016
(580) 726-5643
Fax: (580) 726-4210

Roger Mills County Extension Office (SW Dist.)
Box 9, Fairgrounds
Cheyenne, OK 73628-0009
(580) 497-3339
Fax: (580) 497-3552

Tillman County Extension Office (SW Dist.)
201 N. Main, Suite 1, Courthouse
Frederick, OK 73542-5449
(580) 335-2515
Fax: (580) 335-2084

Washita County Extension Office (SW Dist.)
125 W. Main
Cordell, OK 73632-4827
(580) 832-3356
Fax: (580) 832-5832



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County Treasurers

Beckham County
 P.O. Box 600
 Sayre, OK 73662
 Telephone: (580) 928-2589

Blaine County
 P.O. Box 140
 Watonga, OK 73772
 Telephone: (405) 623-5007
 Fax: (405) 623-5009

Caddo County
 P.O. Box 278
 Anadarko, OK 73005
 Telephone: (405) 247-5151

Custer County
 P.O. Box 200
 Arapaho, OK 73620
 Telephone: (405) 323-2292
 Fax: (405) 323-2295

Dewey County
 Box 38
 Taloga, OK 73667
 Telephone: (405) 328-5501
 Fax: (405) 328-5652

Ellis County
 Box 176
 Arnett, OK 73832
 Telephone: (580) 885-7670
 Fax: (580) 885-7258

Greer County
 P.O. Box 458
 Mangum, OK 73554
 Telephone: (580) 782-5515

Harmon County
 114 W. Hollis
 Hollis, OK 73550
 Telephone: (580) 668-3566

Jackson County
 P.O. Box 939
 Altus, OK 73522
 Telephone: (580) 482-4371

Kiowa County
 P.O. Box 900
 Hobart, OK 73651
 Telephone: (580) 726-2382
 Fax: (580) 726-5755

Roger Mills County
 P.O. Box 340
 Cheyenne, OK 73628
 Telephone: (580) 497-3349
 Fax: (580) 497-3488

Tillman County
 P.O. Box 936
 Frederick, OK 73542
 Telephone: (580) 335-3425

Washita County
 P. O. Box 416
 Cordell, OK 73632
 Telephone: (580) 832-2667
 Fax: (580) 832-2289



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Utilities

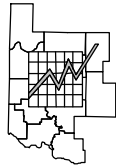
Caddo Electric Cooperative
 Highway 152
 Binger, OK 73009
 Telephone: (405) 656-2322
 Website: www.touchstoneenergy.com

Harmon Electric Association, Inc.
 114 North First Street
 Hollis, OK 73550
 Telephone: (580) 688-3342
 Website: www.touchstoneenergy.com

Northfork Electric Co-Op, Inc.
 311 East Madden
 Sayre, OK 73662
 Telephone: (580) 928-3366
 Website: www.touchstoneenergy.com

Kiwash Electric Co-Op, Inc.
 120 West First Street
 Cordell, OK 73632
 Telephone: (580) 832-3361

Public Service Company of Oklahoma
 A Central & South West Company
 P.O. Box 201
 Tulsa, Oklahoma 74102
 Telephone (918) 599-2000
 Fax: (918) 599-2881
 Website: www.csw.com



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Southwestern Oklahoma State University
100 Campus Drive
Weatherford, Oklahoma 73096
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National and Regional Associations with Interests in Economic Development

American Chamber of Commerce Executives
4232 King St.
Alexandria, VA 22302
(703) 998-0072 fax 931-5624
<http://www.acce.org/>

American Chamber of Commerce Researchers
Association
4232 King Street
Alexandria, VA 22302
(703) 998-0072 fax 931-5624
<http://www.accra.org>

American Economic Development Council
9801 West Higgins Road, Suite 540
Rosemont, IL 60018-4726
(847) 692-9944 fax 696-2990
<http://www.aedc.org>

American Planning Association
122 South Michigan Ave., Suite 1600
Chicago, IL 60603
(312) 431-9100 fax 431-9985
<http://www.planning.org>

Association of Public Data Users
Division of Business and Economic Research
University of New Orleans
New Orleans, LA 70148
(504) 280-3154 fax 280-6094
<http://www.apdu.org>

Association of University Business & Economic Research
College of Business Administration
Northeast Louisiana University
Monroe, LA 71209-0101
(318) 342-1215
<http://www.auber.org>

Community Development Society
1123 N. Water St.
Milwaukee, WI 53202
(414) 276-7106 fax 276-7704
<http://www.comm-dev.org/>

Council for Urban Economic Development
1730 K Street, NW, Suite 700
Washington, DC 20006
(202) 223-4735 fax 223-4745
<http://www.cued.org>

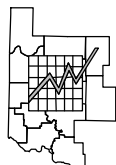
Council of Professional Associations on Federal Statistics
1429 Duke Street, Suite 402
Alexandria, VA 22314-3415
(703) 836-0404
<http://members.aol.com/COPAIFS/index.htm>

Mid-America Economic Development Council
St. Paul, MN
(612) 290-6296/6278 fax 290-2266

The Modernization Forum
20501 Ford Road
Dearborn, MI 48128
(313) 271-2790 fax 271-2791
<http://www.modforum.org>

National Association for Business Economics
1233 20th Street, NW Room 505
Washington, DC 20036
(202) 463-6223 fax 463-6239
<http://www.nabe.com>

National Association for County Community and Economic
Development
1200 19th St., NW, Suite 300
Washington, DC 20036
(202) 429-5118 fax 857-1111
<http://www.nacced.org/>



Business Development Center
Southwestern Oklahoma State University
100 Campus Drive
Weatherford, Oklahoma 73096
Voice: 580-774-7017 ! Fax: 580-774-7096

National Association of Development Organizations
444 North Capitol Street, NW, Suite 630
Washington, DC 20001
(202) 624-7806 fax 624-8813
<http://www.nado.org>

National Association of Regional Councils
1700 K Street, NW, Suite 1300
Washington, DC 20006
(202) 457-0710 fax 296-9352
<http://www.narc.org>

National Association of State Development Agencies
750 First Street, NE, Suite 710
Washington, DC 20002
(202) 898-1302 fax 898-1312
<http://www.nasda.com>

National Conference of State Legislatures
1560 Broadway, Suite 700
Denver, CO 80202
(303) 830-2200
<http://www.ncsl.org>

National Congress for Community Economic Development
1030 15th Street, NW, Suite 325
Washington, DC 20005
(202) 234-5009 fax 234-4510
<http://www.ncced.org>

National League of Cities
1301 Pennsylvania Avenue, NW, Suite 550
Washington, DC 20004-1763
(202) 626-3000 fax 626-3043
<http://www.nlc.org>

Northeast Economic Developers Association
PO Box 968
Elkton, MD 21922
(410) 620-1965 fax 620-1979
<http://www.nida.org>

Regional Science Association International
University of Illinois
901 S. Mathews
Urbana, IL 61801-3682
(217) 333-8904 fax 333-3065
<http://rsai.geography.ohio-state.edu/rsai/homepage.htm>

Science and Technology Council of the States
c/o State Science and Technology Institute
751 Northwest Blvd., Suite 305
Columbus, OH 43212
(614) 421-7784 fax 421-9123
<http://www.ssti.org>

Southern Economic Development Council
229 Peachtree St., NE, Suite 1008
Atlanta, GA 30303
(404) 523-3030
<http://www.sedc.org>