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Dear Floridian

On behalf of the Florida Commission on the Status of Women, we are honored to present our Fourteenth Annual Report, ***Florida Women Mean Business! A Guide to Successful Business Ownership for Florida Women***. This report was created to both highlight the importance of women-owned businesses to Florida's economy and to offer women resources and information on how to grow their own businesses. We hope this report will serve as a platform to connect women in Florida's business community to one another and to provide public policy makers a tool in aiding women to develop and expand their own businesses.

The Florida Legislature, through Section 14.24, Florida Statutes, mandates the Commission to study the changing and developing roles of women in American society, including the implementation of recommendations to improve the development of individual potential. The Commission's mission is to empower women from all walks of life in achieving their fullest potential. It is in fulfilling our mandate and mission that the Commission has chosen women business ownership as the focus of this 2005 Annual Report.

It is our desire that the information provided in this publication assist women in achieving their dreams and improving their communities by helping women launch and manage successful businesses.

Sincerely,

Carrie Estevez Lee
FCSW Chair

Kathleen Passidomo
Annual Report Committee Chair

Starting a Business in Florida: Tips for Women

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About the Florida Commission on the Status of Women

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FLORIDA WOMEN MEAN BUSINESS!



The Florida Commission on the Status of Women

The Florida Commission on the Status of Women is dedicated to empowering women in achieving their fullest potential, to eliminating barriers to that achievement, and to recognizing women's accomplishments.

About the Commission

The Florida Commission on the Status of Women (FCSW) is established in the Office of the Florida Attorney General, and consists of 22 members. The Governor, the Speaker of the House of Representatives, the President of the Senate, and the Attorney General appoint four members, and the Chief Financial Officer and Commissioner of Agriculture each appoint three members. Each member serves for a term of four years. No member may serve more than eight consecutive years.

Commission Priorities

The Commission studies and makes recommendations on various issues including domestic violence, employment and education, family, welfare reform, gender equity, health care, and the judicial system.

Commission Mandate

As required by Section 14.24, Florida Statutes, the Commission is mandated to study and make recommendations to the Governor, Cabinet and Legislature on issues affecting women. These recommendations are presented in the form of an annual report, which is distributed during the first quarter of each year. Topics may include, but are not limited to:

- socioeconomic factors influencing the status of women;
- the development of individual potential;
- the encouragement of women to utilize their capabilities and assume leadership roles;
- the coordination of efforts of numerous organizations interested in the welfare of women;
- the identification and recognition of contributions made by women to the community, state and nation;
- and the implementation of recommendations to improve working conditions, financial security, and legal status of both sexes.

FLORIDA COMMISSION ON THE STATUS OF WOMEN

Commission Publications

Each year, the Commission produces an Annual Report on issues affecting women. In addition, the Commission has produced a number of educational brochures, calendars and special reports. Please contact the Commission office for copies of the following FCSW Publications:

- **1992 Annual Report “Women in the Workplace”**
- **1993 Annual Report “Women’s Health Care”**
- **1994 Annual Report “Justice and Human Rights; How They Apply to Women”**
- **1995 Annual Report “Welfare Reform in Florida”**
- **1996 Annual Report Benchmark Study**
- **1996 Publication “Women and Health, A Status Report”**
- **1997 Annual Report “Women and Economic Development”**
- **1998 Annual Report “A Definitive Study on Young Women Ages 12-18 in Florida”**
- **1999 Annual Report “Reflections and Projections: Women in Florida”**
- **2000 Annual Report “A Study of Women’s History Education in Florida’s Public Schools”**
- **2001 Annual Report “Prevention by Intervention: Girls in Florida’s Juvenile Justice System”**
- **2002 Publication “Creating Change Challenging Tradition: Florida Women Public Officials”**
- **2002 Annual Report “A Passion to Play! 30 Years of Women’s Athletics in Florida”**
- **2003 Annual Report “Women and Money: Practical Money Skills for Women”**
- **2004 Annual Report “Legally Yours: A Guide for Florida Women”**
- **1999, 2000, 2004 FCSW Calendar**
- **2001, 2002 and 2003 Women’s History Calendar**
- **Women’s Hall of Fame Brochure**
- **Sexual Harassment Brochure**



The Commission is administratively housed in the Office of Attorney General Charlie Crist.

For more information on the Commission visit our website at www.fcsw.net.

Florida Women Mean Business!



Dear Floridian:

Congratulations to the Florida Commission on the Status of Women for creating an extraordinary guide for women entrepreneurs. This publication will be a tremendous asset in preparing women to work for themselves by providing meaningful insight into the many questions surrounding starting and running a business.

In addition to my extensive public service, my 30-year career in the private sector gave me first-hand knowledge of the myriad challenges, as well as the tremendous rewards of business ownership.

The talented, skilled and ambitious women of Florida have the ability to contribute immeasurably to our state's economy by operating a business enterprise. The inspirational stories in "**Florida Women Mean Business! A Guide to Successful Business Ownership for Florida Women**" will encourage other women follow their dreams to entrepreneurial success.

You will find this book a unique and informative resource.

Very truly yours,

Toni Jennings

Toni Jennings
Florida Lieutenant Governor

Introduction: Florida Women Mean Business!



In Florida, small businesses are vital to the financial well-being

of the state's economy.

Women-owned businesses generated \$61.6 billion in revenues in 2005. (SBA 2005.)

According to the Center for Women's Business Research, there are an estimated 716,209 privately-held, 50% or more women-owned, firms in Florida, accounting for more than 48% of all privately held firms in the state. Women-owned firms in Florida currently generate more than \$152 billion in sales and employ more than one million people in our state.

It is estimated that between 1997 and 2004, the number of women-owned firms in Florida increased by 36.5%, their employment grew by 34.7% and realized a 63% increase in sales. In addition, among the 50 states and Washington, D.C., Florida ranks 4th in the number of majority women-owned firms, 4th in employment, and 3rd in sales.

That is why the Florida Commission on the Status of Women has chosen to publish this handbook to help women start and grow their businesses. *Florida Women Mean Business!* will provide important facts, inspirational stories, and a listing of resources that are available to help women become successful entrepreneurs.

The information in this handbook has been gathered from numerous professional and governmental organizations with a special focus on challenges faced by women.

Every effort has been made to insure the accuracy of all information and resources listed in this publication. Inclusion of resource listings in this publication does not constitute an endorsement on the part of the Florida Commission on the Status of Women.

Source: "Women-Owned Businesses in Florida, 2004: A Fact Sheet," Center For Women's Business Research, Washington, D.C. <http://www.http://www.cfwbr.org/>

"You know you are on the road to success if you would do your job, and not be paid for it."
- Oprah Winfrey

Sharing the Vision

Success stories. They inspire and encourage us. They make us believe in what is possible. We learn from the seeds of wisdom they plant.

One of the best ways to learn how to do anything is to talk with someone who's already doing it. Throughout this handbook are the stories of women entrepreneurs who made their dreams come true. They are the personal

stories of women from communities across Florida who are successfully operating businesses.

Each of them approaches her business in a unique way. Some of them have families, others are single. Many have children. Most didn't start big with lots of investors. Many started from their own homes. They are regular people - women with a dream and a



passion.

These stories are not only a source of information, but also inspiration for women who long to work for the toughest boss in the world - themselves! From restaurant owner to architect, and general contractor to marketing professional, Florida women are redefining success in fields that were once thought to be beyond the abilities of women.

Acknowledgements



The Florida Commission on the Status of Women (FCSW) is grateful to the many

individuals whose knowledge and dedication to Florida's women made this report possible.

A special note of appreciation goes to the 2005 FCSW Annual Report Committee for their input and guidance of this project: Kathleen C. Passidomo, Esq., Chair, Carrie Estevez Lee, Claudia Kirk Barto, Blanca Bichara, Anita Mitchell, and J. Kayty Pappas.

The Commission thanks current FCSW employees Angella Jones, James M. James, II, Michele S. Manning, and Kelly S. Sciba, APR, for their hard work and dedication. Also, Dr. Jeanne O'Kon, and Curtis Cassner, Esq., and Michael Gross, Esq. of the firm Kelly, Passidomo, Alba & Cassner, L.L.P., are thanked for their editorial expertise.

FCSW would also like to extend our gratitude to Governor Jeb Bush, the

Florida Legislature and Attorney General Charlie Crist for their continued support of the Commission and making this publication possible.

For their contributions:

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Florida Department of Revenue
Florida Department of State
Florida Today
Florida Trend
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National Association of Women Business Owners
SCORE
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South Florida CEO
U.S. Census Bureau
U.S. Department of Labor
Women of Florida.com
Women's Executive Leadership

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This publication is designed to provide accurate and authoritative information with regard to the subject matter covered. It is provided with the understanding that the FCSW is not engaged in rendering legal, accounting, or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional person should be sought (American Bar Association).

Is Entrepreneurship For You?



Success can be yours if you are patient, willing to work hard and plan well. enterprise" (XV). One of the cornerstones of the "American Dream" of wealth, prosperity and freedom includes

"Starting, owning and running a successful business is one of the greatest joys in life. If you do it right, if you start the right small business—one suited to your strengths, one that you are passionate about, one that epitomizes your highest dreams and values, and certainly one that allows you to make a nice profit – then there is no telling how far it can take you" (Strauss VII).

If you feel the entrepreneurial itch and you live in Florida, there is good news - Florida businesses are booming! Each year, over a hundred thousand new corporations are registered in Florida, and thousands more partnerships and proprietorships open for business (Warda XV). An estimated 1,890 people move to the state each day and in the next four years, Florida will pass New York as the third-largest state in the nation (Vogel I). According to Warda, "Florida is a thriving, trend-setting center of activity where little shops can bloom into expansive

opening and operating a business. Nearly everyone who has ever worked for someone else had fantasized about working for themselves. Small businesses are a growing and powerful part of the American economy and women are joining the ranks of business owners in vast numbers. According to the U.S. Small Business Administration, between 1977 and 1983, the number of women-owned businesses increased at twice the rate of businesses owned by men.

In the U.S., women-owned 6.5 million businesses in 2002 which generated \$950.6 billion in revenues, employed 7.2 million workers, and had \$179.6 billion in payroll. In addition, another 2.7 million firms are owned equally by both women and men; these firms add another \$731.1 billion in revenues and employ another 5.7 million workers. (U.S. Small Business Administration, Office of Economic Research).

The decision to start your own business is one of the

most significant you will make in your life. Business ownership is an enormous undertaking and can be a risky financial decision: nearly as many businesses fail each year as open. U.S. Small Business Administration statistics reflect that the majority of small businesses fail in their first year and 95 out of 100 fail within their first five years. "Starting your own company is in many ways harder than punching the clock for someone else. It is an opportunity to write your own script. You get to decide everything. That's the good news. And on many, many occasions, you'll no doubt find that it's the bad news as well" (Baskin 2).

Women often differ from men in their motivations to work for themselves. Men are, in general, motivated to entrepreneurship by dreams of wealth and power. Women, however, are looking for freedom and flexibility in their lives. They are seeking a balance in their day that is difficult to find in the typical nine to five work day. "In general, they want to be available to their children at the unpredictable times that children tend to need parents. For other women, starting a company simply means the chance to create more balance in their

(Continued on page 10)

"Not unlike having a child, if people had any realistic idea of what [owning a business] would take, no one would ever do it" (Baskin 2).

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lives” (Baskin 3-4).

Like men, women business owners are not deterred by hard work. What they want, however, is the flexibility to choose when and where they will work. Juggling both home life and career has been the great challenge of the modern woman. Finding enough time during the day to meet demands of life and family is difficult. Women often do not want to give up either part of their busy lives; they just want to

manage them better. Being the boss gives women the flexibility to run their lives on their own terms.

“Women business owners tend to place more emphasis on relationships, intuition, and quality of life. In many cases, quality of life is the primary reason women start their companies, because they see being their own boss as the way to have more control over their lives” (Baskin XIV).

Before taking the plunge and investing time, energy, and a

lot of money into launching a business, you need to look within yourself to determine if you have the qualities of a successful entrepreneur.

The greatest personal trait common among all entrepreneurs is perseverance. They are able to face the numerous challenges and struggles of beginning a small business, but are not swayed from accomplishing their goals. They understand that starting a business is difficult,

(Continued on page 11)

Following are some classic symptoms of the urge to become an entrepreneur. If you recognize more than one or two, you’ve got a serious case:

- You begin to notice that your talent and efforts have consistently made plenty of money for somebody else.
- You start to suspect that the people you’ve been working for might not be any smarter than you are.
- You doubt the ethical underpinnings of those who claim to be your leaders.
- You begin to crave more control over your life.
- You are increasingly frustrated by someone else controlling your time, and would much prefer to be the one deciding what you will do and when.
- You start to feel this craving for building real wealth rather than just collecting a salary.
- You find yourself rehearsing ways to explain to your mother that in fact the real risk is not starting something on your own but continuing to work for a company over which you have no control.
- You begin to believe that you could add to the work in a significant way through executing your idea for a new product, service, or way to do business.
- Starting your own company sounds like fun. (This is actually the best and possibly the only real reason, to bite off more than you can easily chew.)

(Source: Baskin, Elizabeth Cogswell. How to Run Your Business like a Girl: Successful Strategies from Entrepreneurial Women Who Made It Happen. Avon, MA: Adams, Media, 2005.)

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especially in the beginning, and it will take months and often years before their new venture becomes profitable.

The U.S. Small Business Administration suggest potential entrepreneurs answer such questions as: Am I prepared to work hard and make sacrifices? Am I self-disciplined? Do I have management ability? Am I experienced enough in this

field? What do I want out of life? Are my goals realistic and attainable? (*“Know Yourself”* http://www.sba.gov/starting_business/startup/knowyourself.html).

“If you’re going to let a business enterprise consume so much of your life, you might want to make sure it’s something that makes your heart pound. It’s an excellent sign, if, when you think about your business idea,

you feel a sense of urgency to get it out there in the world before anyone else thinks of it. It’s also a good sign if you can’t stop daydreaming about it, and visualizing it, and scribbling notes about it. But if your business idea doesn’t give your butterflies in your stomach, don’t bother. If you’re not completely in love with your idea for a company, it won’t be worth the energy it will take to get

Ilene’s for Fashion

Ilene Silverman-Budd is a multi-talented individual. She is the successful owner/president of Ilene’s for Fashion, a boutique specializing in fine women’s fashions. Ilene also serves as the Director of Community relations for CBS-TV4 in Gainesville, Florida and is the Executive Producer and host of the *Ilene Silverman Show*, a local community affairs talk show.

Ilene comes from a long tradition of small business owners. Her family opened their own department store in the 1930’s in downtown Gainesville. At that time, men or husband and wife partnerships generally owned businesses, which was true of Ilene’s mother and father. Although Ilene

grew up with the example of her parents running a small business, she did not plan to become a small business owner. A series of events brought Ilene back to Gainesville and changing circumstances led her to open her own store in 1989 when her family business had closed. At that time she decided to build on her family’s tradition of excellence and sterling reputation in the community by launching her own enterprise.

During the late 1980’s there were few independent women business owners. Ilene found that her family’s history was a provable asset. They had been a good example of a foundation for a successful



business. Relying on that history and preparing a good business plan, Ilene was able to work with local banks to launch her store. “The retail business is a grueling and demanding business. It is dependent upon your presence and hands on participation,” says Ilene. “One can never coast and expect to be successful in retail because of several factors. First, customers must be continually attracted by high quality personal service and merchandise; secondly one must keep up with the very latest in trends and fashion in order to satisfy the market.”

Ilene has learned in her 16 years of ownership that one has to prove oneself over

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Ilene Silverman-Budd
Ilene's for Fashion
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Starting a Business in Florida: Tips for Women

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and over each day to stay competitive. The retail business has evolved; now it is driven more and more by women who are the vendors, shop owners and customers. The independence of personal business ownership and the ability to make decisions in which you control your own destiny has been a satisfying part of Ilene's professional life.

Ilene's advice for women starting out or thinking about starting their own business:

1. Have a good business plan.
2. An effective business plan includes a promotional and marketing strategy designed to reach your customer.
3. Research where there is a need for your business or service in your area.
4. Develop relationships with your bankers, vendors and other professionals to insure a strong financial foundation for your business.
5. Separate your personal credit from your business credit.
6. Never pay late and don't pay late fees. You want vendors to know you are dependable.
7. Effectively use your credit cards and always pay off balances.
8. Set up a corporation to do business.
9. Establish a "subchapter S." This helps with the taxable profits and losses which are assessed to you personally, while your assets are protected by doing business as a corporation.
10. When signing a lease be sure that you sign on behalf of the corporation. Leases should allow for a number of options and renewal periods. Don't be locked into a long term lease from which you cannot get out. Be careful of hidden charges.
11. Do not maintain too much inventory.
12. Do not hire too much labor. Don't leave your business in the hands of a manager or others. Be "hands-on" in your business.
13. Realize that it takes up to 5 years to establish a successful business. It may take a few years to establish a business cycle, during which time you may have many first time only charges. You may not make a profit in the first few years, but by the 3rd year you should be breaking even. By the 5th year you should be making a profit. If not, reassess your business.
14. Don't extend too much credit to your customers. Beware of too few customers representing too much of your business.
15. Don't underestimate your talent!

These smart business tips have helped Ilene maintain her successful business. Ilene's community affairs talk show has allowed her to expand her civic service and community activism. She has become part of the fabric of the Gainesville regional area. Her generous giving of her talents in support of countless philanthropic endeavors, exemplifies how a business leader can shape her community by playing an active role in local organizations. Ilene Silverman-Budd is one of the women in the North Central Florida/Gainesville area who has proven that through tenacity, business acumen and personal commitment, a woman can compete and succeed in business ownership. Moreover, her success in business has translated into success as one of our most prominent and committed community leaders.

Choosing a Legal Structure



consideration of a business, choosing the legal structure in which it will be operated, and the most common business structures are sole proprietorships, limited partnerships, general partnerships, limited liability companies, S Corporations and C Corporations. There are a number of considerations when deciding on the entity type such as the type of business, tax considerations, potential liability, costs to set up and operate. Following is a summary of some of the things to consider for each of the various legal entities when deciding how to set up your business.

Sole Proprietorship

A sole proprietorship is an individual who owns a business which is not otherwise incorporated or organized as a separate legal entity. Basically, a sole proprietorship is a business where an individual conducts business and holds title to property in his or her individual name and is directly and personally liable for the obligations of the business.

Due to its simplicity, this legal form is the most popular form of ownership and is currently used by more than 75 percent of all

businesses. Unlike other forms of business entities, there are no specific statutes governing the creation and existence of sole proprietorships. Instead, basic rules of contract law, tort law, and property law will apply. In addition to these basic concepts, all regulatory restrictions applied to businesses generally will apply to the sole proprietorship (e.g., environmental laws, civil rights laws, etc.).

This form of ownership may be advantageous as compared to others where the owner contemplates no complex financing and no co-owner relationships with other parties. Further, maintenance costs are very low for the sole proprietorship. No documentation is needed to organize a sole proprietorship and no special record-keeping or corporate formality is necessary.

Should you decide to operate a sole proprietorship under a name other than your own, Florida law requires that you file a registration of fictitious name. The filing fee is currently \$50.00. Forms can be found on the Division of Corporations web site at www.sunbiz.org.

The existence of the sole proprietorship ends upon the death of the owner and the property of the business will be disposed of according to the terms of the owner's will.

Still, the sole proprietorship is not without disadvantages, the most serious of which is its unlimited liability. As a sole proprietor, you are responsible for all business debts. Should these exceed the assets of your business, your creditors can claim your personal assets.

Florida law does exempt certain assets such as your homestead, retirement accounts and cash value of life insurance. Despite this, if you anticipate that your business may generate substantial liability, you should consider other forms of ownership and operation.

The tax code treats the sole proprietorship and the owner as one and the same: income earned by the business is seen as income of the owner and must be reported on the owner's IRS Form 1040. The owner also claims expenses of the business as deductions against income on the owner's year-end tax return.

It is generally recommended
(Continued on page 14)

What are the similarities of successful entrepreneurs?

- persistence
- desire for immediate feedback
- inquisitiveness
- strong drive to achieve
- high energy level
- goal oriented behavior
- independent
- demanding
- self-confident
- calculated risk taker
- creative
- innovative
- vision
- commitment
- problem solving skills
- tolerance for ambiguity
- strong integrity
- highly reliable
- personal initiative
- ability to consolidate resources
- strong management and organizational skills
- competitive
- change agent
- tolerance for failure
- desire to work hard
- luck

Source: "Do you have what it takes?" Small Business Administration:
http://www.sba.gov/starting_business/startup/doyouhavewhatittakes.html

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not to operate as a sole proprietorship.

Partnerships

There are several types of partnerships: general partnerships, limited partnerships, limited liability partnerships, limited liability limited partnerships, etc. The most popular forms will be discussed below.

General Partnerships:

A general partnership is formed by two or more people to carry on a business for profit. Like the sole proprietorship, it is easy to start with minimal start up costs. There is no required filing with the Florida Department of State; however a general partnership has the option of filing a Registration Statement for a fee of \$50.00 to make public notice of the name and existence of the partnership and the parties involved.

Although a written agreement is not legally required to form a partnership, it is highly recommended that an attorney be consulted and an agreement be drawn up to ensure a mutual understanding of the parties. The agreement may state things such as (1) each partner's rights and responsibilities, (2) the

amount of capital each partner is investing in the business, (3) the distribution of profits, (4) what happens if a partner joins or leaves the business, and (5) how the assets are to be divided if the business is discontinued. Things have a way of changing and people forgetting over time, so it is essential that there be a signed document by which all parties abide.

Partnerships, unlike corporations, do not typically have perpetual existence. Partnerships generally end upon the occurrence of the following events: the death, retirement, withdrawal, expulsion, incapacity, or bankruptcy of a partner; court ordered dissolution of the partnership; or the expiration of any date set as the termination date in the partnership agreement.

A partnership has some characteristics of a separate legal entity such as being able to sue in court and convey and own title to property. However, partnerships have a very large disadvantage over the sole proprietorship: partners are held personally liable for the obligations of the partnership. Moreover, general partners are jointly and severally liable for the tortious acts of co-partners who are acting within the scope of the partnership

business. In the absence of an agreement to the contrary, all co-owners of the partnership have an equal right to manage the affairs of the partnership regardless of the actual ownership percentage. This means that a partner who owns 80% of a partnership cannot overrule two minority partners who each own 10%. This problem can be avoided by specific provisions in the partnership agreement.

Partnerships are not subject to federal income tax on the income they earn, however, the partners are considered to have earned the income attributable to the partnership. What happens is that at the end of the partnership's tax year, the books for the year are closed out, and all money left over after bills, expenses, etc. are taken care of is deemed to be divided among the partners according to their ownership percentages. Regardless of whether the money actually gets paid out, the IRS treats it as though all profits of the partnership have been distributed to the partners according to their ownership interests.

Salary that is paid to a

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partner will be subject to social security withholding and Medicare withholding on the entire salary. If a partner receives a guaranteed payment, the payment will not be subject to withholding, but will be subject to self-employment tax. Whether the profits distributed to the partners are subject to self-employment tax depends on whether the partner is materially participating in the business and the type of business.

A general partnership is generally the least advisable way to go. It requires filing a separate partnership tax return, and does not carry liability protection for general partners.

Limited Partnerships

Unlike a general partnership which does not require a state filing, a limited partnership is formed by filing a Certificate of Limited Partnership with the Florida Department of State, Division of Corporations and now has a filing fee of \$965.00 along with a Registered Agent fee of \$35.00. Limited Partnerships in Florida are governed by the Florida Revised Uniform Limited Partnership Act of 2005. A limited partnership is also required to file an

annual report, the fee for which is \$500.00.

Limited partnerships have one very large advantage over the general partnership: limited partners do not take on personal liability for the obligations of the partnerships; they are only liable to the extent of the money contributed to the partnerships. The general partner in the limited partnership, however, retains all of the personal liability for partnership debts that one finds in the general partnership entity.

Of note is a recent change in Florida law providing that a limited partnership has a perpetual existence similar to that of a corporation.

As mentioned earlier, the limited partnership must have at least one general partner who is personally liable for the debts of the partnership debt. The general partner controls the limited partnership with the same scope of powers as a general partner would have in a standard general partnership.

Tax consequences and maintenance costs are similar to those of the general partnership. However, the profits distributed to the limited partners are not subject to

self-employment tax, unless the payments are guaranteed payments for services.

The limited partnership is often an attractive option because it provides the ability to retain control of the business by acting as the general partner, while still being able to offer limited partner investors the tax benefits of a tax flow-through entity.

Corporations

There are two main types of corporations: C Corporations and S Corporations. This distinction is one based upon the tax treatment of the entity, not the formation or liability issues.

Generally, a corporation differs from the other legal forms of business in that the law regards it as an artificial being possessing the same rights and responsibilities as a person. This means that, unlike sole proprietorships or partnerships, it has an existence independent from its owners. It has all the legal rights of an individual in regards to conducting commercial activity; it can sue, be sued, own property, sell property, and sell the rights of ownership in the form of exchanging stock for money. For a new business, the most important

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characteristics of a corporation are the continuity of existence, lack of pass-through tax treatment, limited liability for investors, and the ease of adding investors and selling interests.

A corporation is formed by filing Articles of Incorporation with the Department of State. The filing fee in Florida is relatively inexpensive as compared to a limited partnership with a fee of \$78.75 and timely filed annual report fee of \$150.00. In addition to filing Articles of Incorporation, organizational minutes must be prepared electing directors and officers of the corporation and adopting bylaws.

A corporation continues on regardless of the circumstances surrounding the owners. Deaths and transfers of interests in the corporation have no impact and its existence can continue indefinitely unless administratively dissolved for failure to pay the annual report fee.

Unlike partnerships and sole proprietorships, corporate shareholders are not liable for any of the corporation's debts. This is generally true

regardless of how much a shareholder participates in management. Keep in mind, however, most lenders who offer financing to small corporations try to make the principal owners sign personal guarantees for the loans made to the corporations.

Maintenance of a corporation can be more expensive than other forms with costs for minute preparation, meetings of the board of directors, tax return preparation, etc.

Unless there are specific agreements to the contrary, owners of shares may freely transfer them to potential purchasers (subject to securities laws).

Parties may contract to impose reasonable restrictions on the sale of shares in a corporation. This type of agreement, called a Shareholder's Agreement, is often done to prevent a shareholder from selling to a new party which the other shareholders find unacceptable.

C Corporations: With a C Corporation, you do not get the "flow-through" tax benefits that all of the other small business entities enjoy. What this means is that the profits and losses of the company are the company's

profits and losses, not yours. The corporation will have to file a tax return and pay taxes on the income it receives. Then, if there are any dividends to be paid to the shareholders, those shareholders will have to pay taxes again on the money received as dividends.

Corporations and artificial entities that conduct business, or earn or receive income in Florida, including out-of-state corporations, must file a Florida corporate income tax return unless specifically exempt. The return must be filed, even if no tax is due.

Sole proprietorships, individuals, estates of decedents, and testamentary trusts are specifically exempted and are not required to file a return.

Corporations and other artificial entities, including those located in other states, that are partners in a partnership or members of a joint venture doing business in Florida must file Florida Form F-1120 (Corporate Income/Franchise and Emergency Excise Tax Return). A partnership is required to file a Florida Partnership Information Return (Form F-1065) if it is doing business in Florida and a corporation is one of the

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partners.

S Corporation

If you are interested in forming a corporation, but hesitate to do so because of the double taxation, there is a way to avoid it. You can do this by making your business an S corporation. In addition to the formation requirements of a C Corporation, you need to file a document with the IRS in order to qualify as a S Corporation. Form 2553 is the S Corporation election form. Once filed, the S Corporation election will remain in force until you notify the IRS that you revoke the S Corporation election. Please note that you can file an S Corporation election at any time for a particular tax year up until the sixteenth day of the third month of that tax year.

Further, in order to qualify for S status, your business must meet the specific requirements set forth by the IRS. These include limits on (1) the number and type of shareholders in the business, (2) the stock that is issued, (3) the corporation's sources of revenues. "S" corporations can generally have only individuals as stockholders; (b) "S" corporations can only have a single class of stock; and (c)

"S" corporations can only have, with some exceptions, 100 shareholders and they must not be nonresident aliens.

Unlike a C Corporation, all income and losses of a S Corporation are attributed pro rata to the owners similar to a partnership. This means that there is no double taxation of corporate income like there is with the C Corporation. An S Corporation is required to file federal tax return, Form 1120S.

S Corporations are generally not required to file a Florida corporate income tax return if they do not have federal taxable income. If they have federal taxable income, however, they are then required to file a Florida corporate income tax return and pay any tax due.

S Corporations may be a more advantageous form to use in situations where there will be an active trade or business, as opposed to a passive investment, because income earned by the corporation above a "reasonable" salary could be paid as a dividend not subject to self-employment tax.

Limited Liability Company
A Limited Liability Company ("LLC") is a relative newcomer to the entity

arena. An LLC is formed by submitting Articles of Organization with the Florida Department of State, Division of Corporations with a filing fee of \$125 and an annual report fee of \$50. Limited Liability Companies in Florida are governed by the Florida Limited Liability Company Act.

The owners of an LLC are called members. The members will usually enter into a written agreement about how the LLC will be managed, who will manage it, how profits will be divided up, etc. This agreement is called the operating agreement and it is similar to a limited partnership agreement.

The managers can be, but do not have to be, members of the LLC. An LLC run by managers are usually referred to as a "manager managed" LLC. These managers usually possess the same scope of powers as a general partner would have in a standard general partnership: they can sign contracts, sell assets, and make other important business decisions for the business.

However, managers are not required for an LLC. The members may simply retain all managerial authority for themselves. This type is

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usually referred to as “member managed” LLC. In Florida, an LLC is member managed unless otherwise specified in the Articles of Organization or operating agreement. The members may grant partial or limited powers to certain members and/or managers. In fact, almost any practical division of power among members and/or managers is possible with an LLC. This flexibility of control by the owners is one of the very best features of the LLC.

The LLC has another significant advantage over the general or even the limited partnership: members of an LLC do not take on any personal liability for the obligations of the LLC and they are only liable

for debts of the LLC to the extent of their ownership interest in the LLC. (And there is no requirement that there be a general partner who retains personal liability for the LLC debts that one finds in limited partnership entities). Moreover, unlike a limited partnership, there is little chance that members will somehow lose the LLC’s liability protection through involvement in the business affairs of the LLC.

In Florida and Federally, LLCs may select whether to be taxed as a partnership or as a corporation. Also, a single member LLC, unless otherwise elected, will be treated as disregarded for tax purposes and essentially taxed as a sole proprietorship. In addition, all of the profits distributed to a member in a single

member LLC and all of the profits distributed to a member that is materially participating in the business of the LLC may be subject to self-employment tax. Depending on the tax elections, Florida corporate income tax may be applicable.

Summary

Choosing the legal structure is one of the most important decisions when considering starting a business or making an investment. Due to the complexities related to liability, tax consequences and formalities of establishing an entity, it is strongly recommended that you consult your attorney or tax advisor before you commit to one structure.

This article is not designed or intended to provide financial, tax, legal, accounting, or other professional advice because such advice always requires consideration of individual circumstances. If professional advice is needed, the services of a professional adviser should be sought. Further, to ensure compliance with IRS requirements, please be advised that any discussion of U.S. tax matters contained in or attached to this article is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter discussed herein.

Home Quality Management, Inc



Elizabeth Marie Fago is Chairman and Founder of Home Quality Management, Inc. She has been involved in long-term care since 1985 and is a charismatic and passionate leader with a proven track record of success in the development and management of healthcare properties. She demonstrates all of the qualities of a true and passionate leader. Her dedication to the long-term health care industry has led her on a distinguished career path culminating in Ms. Fago being Chairman and founder of one of the largest, privately held healthcare companies in the United States. She is an entrepreneur in every sense of the word and has been accepted into membership of The Committee of 200. By invitation of the President of the United States, she was one of only 50 successful women to attend the 2001 Women Business Leaders Forum at the White House. She has been recognized with numerous awards and honors throughout her

distinguished career. *Florida Trend Magazine* has ranked Home Quality Management, on their "Florida Private 200" list in 2005 and 2006.

To truly appreciate the astounding success of Home Quality Management, Inc., one must go back to the beginning. For Elizabeth, her career began when she was merely a teen as she became interested in real estate and learned to put deals together with the guidance of her father. With just a taste of entrepreneurship, she was off and running. Ms. Fago had the determination to build her own successful commercial real estate company. Some of her clients were owners of nursing homes thus introducing her to the world of health care for senior adults which, little did she know it then, would become her lifelong passion.

Ms. Fago started with long-term care properties that were in financial

trouble as these were all that she could afford. She gave with all that she had from painting and decorating, hiring caring employees and hands-on running of the daily operations along with all of the pressures of budgeting to dealing with Medicare and Medicaid. Elizabeth continued to put herself into making the original facilities profitable to a point of attaining the ability to purchase the cream of the crop.

Today she oversees the management of 59 long-term care facilities, some of which have been recognized by the U.S. Congress and at State and National levels. They have also been cited in the "Congressional Record" for Quality of Care and Community Involvement.

Her company oversees the management of 53 skilled nursing facilities in six states, representing 6150 beds, with approximately 6,300 employees. Her facilities have been

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Elizabeth Marie Fago
Home Quality
Management, Inc.
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Palm Beach Gardens, FL
33410

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recognized on several occasions for upholding standards of excellence and for their invaluable contributions to the elderly population. Over the years, Ms. Fago has served on numerous boards and organizations, some by Governor appointment. Currently, Ms. Fago serves as a Board Member of the

Florida Justice Reform Institute and is a member of the Committee of 200. She was a Board Member of Scripps Florida Funding Corporation, Commissioner to the Health Care District of Palm Beach County, Florida Medical Association Council on Ethical and Judicial Affairs, and the Economic Council of Palm Beach County. Her most recent philanthropic

endeavors include Honorary Chairman for the Leukemia & Lymphoma Society 8th Annual Gala, and a \$1 Million Endowment to Scripps Florida for research in the treatment of patients whom suffer from Alzheimer's disease. She has received several notable awards within her industry. Elizabeth has three children and two grandchildren.

Creating a company gives you a chance to play a larger part in the world. With your own company, you have a chance to add to the world. This could be in the sense of:

- **Giving back to your community by funding and promoting good works.**
- **Doing your daily work in an ethical and socially responsible way.**
- **Treating your customers and clients fairly and honestly.**
- **Supporting your employees in building balanced lives as well as interesting careers.**
- **Providing products or services of the highest quality and integrity.**

*(Source: Baskin, Elizabeth Cogswell. *How to Run Your Business like a Girl: Successful Strategies from Entrepreneurial Women Who Made It Happen*. Avon, MA: Adams, Media, 2005.)*

Sexauer & Ladd Marketing Services



Sexauer & Ladd Marketing Services is a mid-sized referral-based marketing company that has worked with select clientele to build their business and produce customized special events for more than 11 years. Dawn's father was in advertising and had a successful agency in her hometown of St. Petersburg, FL. She grew up in the business and learned how to cultivate creativity and use it as a powerful tool in producing memorable campaigns and events.

Marketing and special events are generally seen as a predominately female

industry and so as a woman, Dawn's experiences have been overwhelmingly positive. "On the rare occasion that my gender has a negative impact on my business, it is most often the result of dealing with someone of a generation or two above me who may be 'old-school' in their thinking," says Dawn.

"Women in business still face many challenges fighting stereotypes and the best way to deal with this is by *facing forward*," she says. "If you keep looking at what's behind you, you'll never see where you are going. To

be successful you must be passionate about what you are doing, never compromise your principles, ignite your creativity, set personal as well as business goals, be select in who you associate with professionally and personally, give back to your community and have fun while you are doing it!"

Dawn believes that the size of her business says nothing of the size of her ideas. Her enthusiasm for her work is unbridled. "I am proud each time we parlay that enthusiasm into a campaign or event that produces the 'WOW' factor for a client."



Dawn Ladd
Sexauer & Ladd
Marketing Services
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Seminole, FL 33772

Country Corner



Sandra Pennington purchased Country Corner, a small convenience store and deli in the rural town of Hosford, Florida nearly six years ago. She worked in

the business for several years before having the chance to become the owner. She has faced challenges in her business because of her gender, but

believes that, "Women can do anything they want. Don't be scared of the business work; it's easier than raising kids."



Sandra Pennington
Country Corner
Highway 20
Hosford, FL 32334

Naming Your Business



Choosing a name is an often fun, but difficult step in starting a new business. Doing it right the first time is important. A business name brings your

company to life and gives it personality. It should be catchy and memorable, but should also represent the purpose of your business. More importantly, it must be available for you to use. You can't use a name that is already being used by someone else. It shouldn't even be close, or easily confused with another business's name. Nothing is more disappointing than having your heart set on a name only to find out after you have spent many dollars on printing and publicity that it is owned by another company.

Once you have a name in mind, begin by a simple check of the local phone book to see if any businesses already use your idea. The Internet is another good place to search to ensure your name is unique by using a service such as Google or Yahoo. One of the final steps is to verify your name is not already registered as a

fictitious name with the Florida Secretary of State, Division of Corporations. You can do this on-line at www.sunbiz.org. Additionally, you should verify that the name you choose has not been trade named under Federal law.

In Florida, if you are operating a business under any name other than your own legal name or that which you have officially created, (e.g. trademarks, service marks, corporations, limited partnerships, etc.) you are required to register your business name as a fictitious name with the Florida Division of Corporations. This is sometimes represented as "doing business as" or (d/b/a). A fictitious name can be registered on-line at www.sunbiz.org, or by completing and mailing the fictitious name registration application form prescribed by the Division of Corporations. There is a non-refundable \$50 registration fee. The Division of Corporations is not responsible for any name infringement which may occur in the use of a fictitious name. Names are not screened against any other recorded information.

It is the applicant's responsibility to insure that name infringement does not occur. Changes to, or cancellation of existing fictitious names must be submitted via regular mail.

A fictitious name registration is good for five years and expires on December 31st of the fifth year. It can be renewed for additional five year periods.

A business formed by an attorney licensed to practice law in Florida, or a person licensed by the Department of Business and Professional Regulation or the Department of Health, for the purpose of practicing her licensed profession does not need to register a fictitious name.

A corporation does not have to register a fictitious name because it already has a legal name. The name of a corporation must contain one of the following words: Incorporated (Inc.), Company (Co.), or Corporation (Corp.).

(Source: Florida Division of Corporations., www.sunbiz.org.)

Zenith Project Management

Kimberly Rodale is the owner of Zenith Project Management, an owner's representation and project management small business. She established her business two years ago when she decided she had an interest in becoming a business owner instead of working for a large corporation as she had for many years.

She sought consultation from experienced business leaders in the community with whom she had relationships and inquired how they had started their businesses and what advice they had. Kimberly noted with interest that each

business owner she spoke with had similar comments regarding the "niche" they thought she could fill in the market and encouraged her to pursue the business she was interested in establishing.

Kimberly had discussed with a good friend and business competitor at the time the possibility of doing some joint projects in the future. When Kimberly decided she wanted to start her own business, she discussed and analyzed her ideas more seriously with her friend. The outcome was that they decided to



develop the new company with her as the majority owner and her friend as the minority owner. His individual company provided the initial funding for their new company, and her new business is now in the process of paying back that loan.

Kimberly states that she did not experience any obstacles because of her gender. Her advice to women interested in starting their own business is "Be determined, not scared. Go for it when it feels right, even if you question yourself."



Kimberly Rodale
Zenith Project Management
 11380 Prosperity Farms Road
 Palm Beach Gardens, FL 33410

Allo Babeth/Radio Mega

Elizabeth Guerin has a successful radio show and is the manager of the Haitian Television Network. She feels that to be successful in any business is always difficult, but to be successful in a country that is not your own and that you are not

familiar with is particularly challenging.

"As a businesswoman, you must work hard to be successful. However, it is possible and I feel privileged that I have been able to achieve a certain

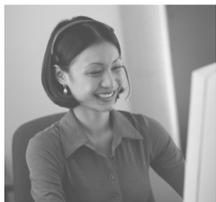


amount of success in a relatively short amount of time. I believe this is due to my perseverance and the support given to me by my community," says Elizabeth.



Elizabeth Guerin
Allo Babeth/Radio Mega
 99 NE 167 Street, Suite 2
 North Miami Beach, FL 33162

Choosing a Location



Another crucial element to a successful business is location. You need to be

mindful of the type of business you are establishing and your customers, not necessarily your own convenience. Before starting a search for an appropriate location, you should outline your needs, present and future, and then find a site that meets those needs. Keep in mind that not every business needs a great location.

If you are opening a store or some other retail business, you need a location that provides a lot of pedestrian and vehicular traffic. Walk-in business can be essential! You will also want to consider parking availability, public transportation, the compatibility of neighboring businesses and the building itself. If you are planning to rent your shop location, contact former tenants to determine why they moved. You can even talk to nearby businesses for information on the area and potential customers or clients. Be wary of locations with lots of vacancies as there may be a problem with the landlord or the area may be

experiencing an economic downturn. The bottom line – do your research before leasing.

Accessibility to transportation, suppliers, and customers are more important considerations for manufacturing and service businesses. Be sure to consult local zoning regulations and available space for future expansion before choosing a location.

According to the Small Business Administration, “No matter what business you are in, there are certain basic considerations that must be taken into account. To begin with, the style, construction and overall exterior appearance of your building play a vital role in the development of your company image. And inside, be sure your layout is open and simple and facilitates the flow of people, supplies and merchandise. In addition, don’t neglect to check the plumbing, air conditioning and sanitary facilities and whether the building meets fire codes” (www.sba.gov).

The Small Business Administration also advises that before you sign a lease, you should have your lawyer and insurance agent review it. Both you and they will

want to know:

- How the rent is determined and what services are included in the rent;
- Does the rent include common area maintenance and what will be your share of maintenance costs;
- Is the rent high or low compared to other rents in the area;
- Who is responsible for repairs--the tenant or landlord;
- Who owns any improvements made by the tenant;
- The amount of insurance held by the landlord and the degree of coverage required of the tenant;
- What are the tenants rights upon damage or destruction to the leased premises;
- Lease renewal provisions;
- The tenant's right to sublet;
- Options for expansion;
- Property use restrictions or zoning (“Startup Basics” www.sba.gov).

If you need assistance in finding a home for your business, be sure to contact a real estate broker or your local chamber of commerce.

R.R. Simmons

Linda O. Simmons is President and CEO of R. R. Simmons, a multifaceted corporation that specializes in architecture, construction management, design and construction of commercial and public sector buildings. The company also includes a commercial real estate investment division. In 2006, the business will, in aggregate, gross \$50-\$75 million in sales.

The original company was founded in 1968, and expansion has continued through the years. Linda began her career in banking 15 years prior to joining the company owned by her husband's family. She made the leap to owning her own business because of frustration with what she describes as "confinement of the corporate structure."

Linda joined the banking industry in 1973 as a part-time employee during college, eventually becoming a Vice-President. She was initially passed over in favor of men to join the management training program. She says, "It was assumed that as a young

woman I would go home to have babies."

Linda recalls that at that time, there were no women roll models other than a few women who had worked their way up in the accounting and administrative side of the business. There were also no women leaders in lending. While in banking, she had to constantly remind her bosses that she was serious about a career to be given chances to progress. Even though considered a bit of a "star" by management, she found that there was a reluctance to allow women to progress into certain areas of the business, such as commercial lending.

"During my tenure I did a lot of 'first female' things, including first female board chair of the local 1500 member chamber of commerce. There were times that being a female helped...often I was the only one in the room and it allowed me to differentiate myself from the crowd. However, at times I was not always



taken seriously and watched men with less education and experience promoted ahead of me," says Linda. Fortunately all that has changed and today, many women are routinely given better opportunities in the industry.

When Linda joined the construction industry in 1988, she was once again faced with being a trailblazer, as there were no other women at any senior level of management in local peer group companies. She was able to draw on what she learned in banking and bring much needed business management skills that were lacking in the training of a typical business owner in her industry. She had many good people who knew all the ins and outs of designing and constructing buildings but not much talent on staff to manage the "business" side of the business.

Linda educated herself on the industry by joining several industry groups and working hard as a

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Linda Simmons
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volunteer. She says, “Through that I earned respect of my male peers and became ‘first female’ director, officer and president. The year I was president of the local chapter of Associated General Contractors there were two other chapters (Hawaii and Vermont) that also elected their first female presidents. Over the years I have found very little true prejudice and more times than not have been able to use the gender difference to my advantage. Not in a sexist way, but in the manner that my style is different than a man and many men didn’t know how to negotiate with a woman and often deferred to me, which helped me win more business points in contract negotiations.”

It definitely helped that Linda’s last name was the same as the business. That made customers and vendors aware from the

outset they were dealing with someone with authority in the business. She did not have to fight the battle that some women had to fight to get on even footing to negotiate. However, today it is typical for many men that Linda encounter who do not know her role in the business to make an assumption that it is her husband’s business and she is a non-working spouse. Linda says, “To his credit, my husband has always treated me as a full partner and is the first to give recognition to me for my efforts. Since we have several companies, he owns majority stock in some but I own majority stock in others.”

Linda gives the following advice to women starting businesses: “I would encourage them to find something they can enjoy and derive a great deal of satisfaction from. It

is very hard work...often much harder than working for someone else, but you can derive much more personal satisfaction from building a business for yourself and taking both the good and the bad that comes with it. If working with a spouse or other family member (or good friend), I strongly suggest making sure that you have good job descriptions that play to each other’s strengths and then let each person take charge of a specific area. If you have a partner you must have total confidence in each other, as that gets you through the tough spots and makes the rewards greater. Finally, surround yourself with others who have more knowledge than you do in certain areas and provide leadership and motivation to create a solid well balanced team and foundation of a good business.”

What We Like About Running the Show

- You are never bored.
- You will constantly be challenged.
- Your time is your own.
- You have the opportunity to create an ideal work environment.
- You don’t have to ever again beg for a promotion or a raise from a boss.
- You can make your work fit your life.
- You don’t have a boss.

—Caitlin Friedman and Kimberly Yorio
(*The Girls Guide to Starting Your Own Business* 4-5.)

Writing Your Business Plan

by: U.S. Small Business Administration <http://www.sba.gov>



The well thought out business plan is key to a successful start.

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.

The importance of a comprehensive, thoughtful business plan cannot be overemphasized. Much hinges on it: outside funding, credit from suppliers, management of your operation and finances, promotion and marketing of your business, and

achievement of your goals and objectives.

Despite the importance of a business plan, many entrepreneurs drag their feet when it comes to preparing a written document. They argue that their marketplace changes too fast for a business plan to be useful or that they just don't have enough time. But just as a builder won't begin construction without a blueprint, eager business owners shouldn't rush into new ventures without a business plan.

Before you begin writing your business plan, consider four core questions:

- What service or product does your business provide and what needs does it fill?
- Who are the potential customers for your product or service and why will they purchase it from you?
- How will you reach your potential customers?
- Where will you get the financial resources to start your business?

Your company's business plan needs:

1. An executive summary outlining goals and objectives: the executive summary introduces your business strategy and probably is the most important section for lending institutions. If you can't persuade a loan officer in the first two or three pages that you've got a viable business proposal, you're going to leave empty-handed. This summary is also important as a communication tool for employees and potential customers who need to understand -- and get behind -- your ideas.

2. A brief account of how the company began: clearly explain the origins behind the company's creation and how you or your business associate came up with the idea to start your business.

3. Your company's goals: explain in a few paragraphs your short- and long-term goals for the company. How fast do you think it will grow? Who will be your primary customers?

4. Biographies of the management team: the management section should

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Ten Tips for Working At Home

- Keep a schedule.
- Get a good night's sleep.
- Keep work-life and personal life separate.
- Keep the television off.
- Hire a baby sitter.
- Take a break.
- Be discreet about your arrangement.
- Have dedicated lines and business E-mail.
- Get out of the house at least once a day.
- Do not lie down on the sofa.

(Source: Friedman 33-35).

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include the names and backgrounds of lead members of the management team and their respective responsibilities.

5. The service or product you plan to offer: a key aspect of this section will be a discussion of how your product or service differs from everything else on the market.

6. The market potential for your service or product: you've got to convince lenders, employees and others that the market you're after is relatively large and growing. You'll need to do some research for this section. If it's a locally based business, you need to assess the demand for your offering within an xx-mile radius, based on what you determine is a reasonable distance from your business. If it's a Web-based business or a business that relies on both the Internet and local traffic for revenues, you'll need to evaluate demand on a local and/or a national

basis. A research report from sites such as Forrester Research can cost hundreds to thousands of dollars. But you may be able to get some basic information simply by using the Web and its many search engines and directories.

7. A marketing strategy: explain how you plan to tell the world you're open for business? Will you rely exclusively on word of mouth (not a good plan unless you've already got a reputation)? Will you advertise in print, television or on the Web (or all three)? Will you use online marketing tools to get your company listed on search engines and advertised on other Web sites? You'll also need to include how much you plan to spend on marketing.

8. A three to five-year financial projection: this section should include a summary of your financial forecasts, with spreadsheets showing the formula you used to reach your projections. You'll need

balance sheets, income statements and cash-flow projections for the entire forecast period. The summary in this section is also where you would tell prospective lenders how much money you'd like to borrow to cover your startup costs. The assumptions that you make in this section will make or break your company's success. If you're unsure about using this kind of financial modeling, find a professional. It's worth the money.

9. An exit strategy: all good business plans include a section that lays out the benchmarks you'll use in deciding to call it quits. The strategy could be based on a dollar figure, revenue growth, the market's reception to your idea, or a consensus among top officers.

Visit http://www.sba.gov/starting_business/planning/basic.html for more information and sample business plans.

**The State of Florida provides in depth information
on starting and operating a business in the state at its website
www.myflorida.com/taxonomy/business/**

Financing Your Business

More than any other challenge, financial considerations are the most daunting to those looking to start a business. When you are the owner, you are the last to be paid, and it could be several months or even years before the business actually turns a profit.

According to Friedman, "Most financial experts recommend that when

launching a new business, you should have a year of living expenses in the bank. This is money is not used for business expenses; it is cash that will cover your personal needs before your business turns a profit. It may seem like a lot to come up with, but the financial cushion can really help to reduce the first-year pressures and give you one less thing to worry about" (16).

Unless you have all of the cash required to launch your business you will first face the challenge of locating money, (sometimes referred to as capital). Raising capital is the most basic of all business activities, but often it is under achieved.

The Small Business Administration suggests that you ask the following

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New England Machinery, Inc.

Judith Nickse is President and CEO of New England Machinery, Inc, an engineering and manufacturing company of packaging machinery, serving the pharmaceutical, food/beverage, personal care and chemical industries world wide. Her company has successfully placed thousands of machines in large Fortune 500 companies as well as small "mom and pop" businesses. The Bradenton, Florida based company was founded in 1974 and currently employs approximately 45 people. Company was founded by packaging engineers working for large end user

of equipment. Judith took over NEM as President/CEO in 2003. On September 20, 2004, Florida Governor Jeb Bush announced that New England Machinery was the winner of the 2004 Governor's Business Diversification Award based on its ingenuity, civic leadership, and significant contributions to diversifying and strengthening Florida's economy. In October 2004, Congresswoman Katherine Harris and Deputy Assistant Secretary of Commerce, Neal Burham, presented New England Machinery with the Export



Achievement Award, given by the U.S. Commercial Service, the foreign trade promotion arm of the U.S. Dept. of Commerce, for companies that successfully enter new foreign markets and firms that excel at exporting. [See photo.]

For Judith, gender has never impacted her career path. Her advice to women interested in owning a business: "Don't accept failure."

Judith holds advanced degrees in domestic and international business management and marketing as well as a law degree.



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Starting a Business in Florida: Tips for Women

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questions in order to plan how much money you will need for our business:

- What do you need the money for?
- How much will you need and does it allow for unexpected developments?
- How and when will you repay the money?
- Can you afford the cost of borrowing?
- What is the outlook for business in general and your business in particular?

(http://www.sba.gov/starting_business/financing/basics.html).

Selecting the right financing for your business is determined by how fast you want your business to grow and your tolerance for failure. The slowest, but safest way to grow is by using the business' cash flow. As your business makes money, the profit is reinvested for growth. This is a much safer financing option than securing a bank loan with the equity in your house, for example. If your business fails you risk losing your home.

According to Warda, "Many successful businesses have started out with little money and used the profits to grow bigger and bigger. If you have another source of income to

FLORIDA WOMEN MEAN BUSINESS!

live on, such as a job or a spouse) you can plow all the income of your fledgling business into growth. Some businesses start as hobbies or part-time ventures while the entrepreneur holds a full-time job. This allows you to test your idea with little risk to your personal finances" (31).

Even if you are seeking outside sources of money, you will need to have some funding of your own. Most banks or investors will require that you share some of the financial risk of the business. Your personal saving is the best source for this money because it is interest free and you will not need to repay the principal.

Most experts warn against borrowing from your IRA or 401(k) retirement savings as there are usually heavy tax penalties that make this an expensive form of financing. More importantly, you are jeopardizing your financial future.

Your family or friends might be another source of low-risk funding, if they have the money to spare and believe in your business idea. But beware. As Warda states, "Financial problems can be the worst thing for a relationship. So before you borrow from a friend, try to imagine what would happen if you could not pay it back and how you would feel if it

caused the end of your relationship" (33).

There are many sources for debt financing: banks, commercial finance companies, and the U.S. Small Business Administration (SBA) are the most common. State and local governments have developed many programs in recently to encourage the growth of small businesses in recognition of their positive effects on the economy.

Traditionally, banks have been the major source of small business funding. Their principal role has been as a short-term lender offering loans, lines of credit, and loans for machinery and equipment. Banks are often do not offer long-term loans to small businesses. The SBA guaranteed lending program encourages banks and non-bank lenders to make long-term loans to small firms by reducing their risk and leveraging the funds they have available. The SBA's programs have been an integral part of the success stories of thousands of firms nationally.

The Small Business Administration helps secure financing for small businesses. Some SBA loans have less stringent requirements for owner's equity and collateral than do commercial loans, making

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the SBA an excellent source of financing for small businesses.

The most basic eligibility requirement for SBA loans is the ability to repay the loan from cash flow, but the SBA also looks at personal credit history, experience in the industry or other evidence of management ability, collateral and owner's equity contributions. If you own 20% or more equity in the business, the SBA asks that you personally guarantee the loan.

Lenders commonly require the borrower's personal guarantees (and often times the borrower's spouse as well) in case of default. This ensures that the borrower has a sufficient personal interest at stake to give paramount attention to the business. For most borrowers this is a burden,

but also a necessity.

Borrowing against a credit card is one of the fastest growing ways of financing a business, and often, the most expensive. Excessive credit card debt is one of the most common debt issues that small businesses face. It is important to pay more than the minimum payment and to get the lowest interest rate possible when using credit cards.

There are many loan programs available for the women business owner. One example is the National Financial Network from Women Incorporated (WI). They have established alliances that could mean billions of dollars of financing for women business owners across the United States.

WI has added a network of micro-lenders to these bank partnerships, access to venture capital firms, and

technical assistance providers. Alliances with the Association of Enterprise Opportunity, the SBA's Office of Women Business ownership and other technical assistance providers gives, WI a comprehensive referral network for members needing micro-loans or business training.

Wealthy individuals who are known as "Angels" are investing in start-up companies because of the potential for high profits. Usually these individuals have extensive knowledge of management and technology and an entrepreneurial spirit, and they lend considerably more than money to start-up operations. You can find angels by word of mouth and networking.

Source: U.S. Small Business Administration, www.sba.gov



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The Star Fish
Company & Cortez
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West,
Cortez, FL 34215
www.kimscharters.com
www.captainkimtv.com

Captain Kim's

Kim Ibasfalean has been self-employed since shortly after graduating from Manatee High. She has had experience in many different types of work, but has had her main business, *Captain Kim's* since about 2000. She recently incorporated her businesses to become "Captain Kim's

Enterprises, Inc." Kim has several charter boats on which she takes people on boat rides, including ecology tours, sand bar hopping, bird watching, and even fun bay fishing trips. In addition, Kim owns a boat cleaning and maintenance business that specialized in cleaning



and detailing both interiors and exteriors.

She even has several local television shows: "*Captain Kim's Adventures*" and "*The Beach Buzz*." Recently, Kim has become involved in TV and movie production and

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assisted in marine productions including, "CSI Miami" and Denzil Washington's "Out Of Time." When a commercial or movie shoot comes to her area, she assists with almost all aspects of the production. She is currently scripting and producing a full-length movie scheduled to begin filming in late summer 2006.

Captain Kim's has five employees, depending on the time of year, and the number can even vary from week to week depending on business. She says, "I have an amazing and loyal group of women whom I have trained that are kind of self-employed themselves so they always have work on the side, which I encourage. My businesses are all females. I train them and help them to get their Captain's licenses."

Kim got her start while commercial fishing and working extra hours at the deli-counter at a marina. She was often asked by the locals in the fishing village to take friends and relative out on a site seeing boat ride for them so they wouldn't have to stop working. She decided that this would make a profitable business and it would be more enjoyable and less dangerous than her commercial fishing and crabbing job. She converted her old mullet boat into a tour boat, and a year later added a second boat. From there her business grew.

Being a woman in a male-dominated industry has been quite a challenge for Kim. "I could tell you things that would make your head spin. In the beginning the men really hated me, believing that women did not belong behind the

wheel of a boat." It has been through sheer determination and professionalism that Kim has proven them wrong.

"It was a long hard fight, but the sense of accomplishment is pretty cool."

Kim offers the following advice to women looking to start their own business:

1. Don't let anyone intimidate you.
2. Find something that you love to do.
3. Always keep a couple of irons in the fire. In other words, have a reliable source of income during the times your businesses is slow. I have the boat rides and when that slows down I still have income from the boat cleaning.

Kim is also cares for two very active boys.

"Just because you don't know how to do something doesn't mean you can't do it. Sometimes success means bumbling around while you try to figure it out."

—Elizabeth Cogswell Baskin

How to Run Your Business Like A Girl

Cherry Communications



What Linda Cherry started doing as a volunteer for the Republican Party at a young age evolved into a rewarding and profitable business. Linda believes sometimes you choose a career and sometimes a career chooses you. She says, "Life offers many opportunities and so many forks in the road, so it is important to select a path that allows you to pursue your passion."

Her passion for politics began at age 13 when she was the afternoon manager of the Barry Goldwater Headquarters in her hometown of Riverside, Illinois. She was named 1969's Outstanding Teenage Republican in Florida, having moved to Winter Haven in 1966.

Her first paid political job was for the Bill Cramer U.S. Senate Campaign in Florida in 1970.

She served in a number of volunteer positions including Chairman of the University of Florida College Republicans, State Chairman of the Florida College Republicans, and as a member of the Florida Republican State Executive

Committee for nine years.

After serving as Florida Political Director for Reagan-Bush '80, she moved to Washington, D.C., where she was the first Director of State and Local Advertising for the Republican National Committee (RNC). She later was the RNC's Director of Political Education. In 1983, she was Assistant Press Secretary for Reagan-Bush '84 and in 1984 was named Deputy Director of Voter Programs for Reagan-Bush '84. In this role, she coordinated the first nation-wide presidential campaign phone operation, which generated over 10 million phone calls. Her last position in Washington before returning to Florida was Deputy Director of Governmental Relations for the 50th Presidential Inaugural Committee.

Linda knew there was a value to the contributions she made to various campaigns and in 1985 opened Linda Z. Cherry Consulting. She served as a consultant to dozens of campaigns and

referendums. This business evolved into Cherry Communications Company in 1990, one of the nation's leading companies providing polling and voter contact services for Republican candidates and committees, and pro-business and pro-conservative organizations.

Linda believes that while a well thought out and implemented plan and deep financial pockets is essential for most start-up businesses, some serendipitous enterprises can also be successful. Her business was started with less than a \$10,000 investment, which included folding tables, chairs and 85 desk phones and employees recruited from the University of Florida campus in Gainesville. What she did have were lots of contacts and a stellar reputation among the Republican Party structure across the country.

In 1994, Cherry Communications moved to Tallahassee and sophisticated computers and dialers had by then

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replaced the desk phones, but most of the survey staff is still college students. The company has assisted campaigns in all forty-eight contiguous states, and worked at every level from municipal races to campaigns for Congress, Governor and President.

Linda's advice for starting your own business includes:

- Find your passion and follow it.
- Pay your dues and learn as much as you can about your profession. Do not shy away from volunteer jobs that can provide education, experience and most importantly, contacts.
- Always be available and willing to go the extra mile for your clients and customers. Go above and beyond what is expected.
- Always deliver what you promise. Do not make commitments

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you can't keep.

- Look and act professionally. Dress modestly and appropriate for your line of work.
- Be careful that your social side does not negatively impact your business or your reputation.
- Hire staff you trust, like and reflect your character. In a small business, they are your family.
- Stay confident and positive. Be ever mindful to see and acknowledge your blessings.
- Believe you can make a difference for your clients, customers and co-workers.
- Always show appreciation to those you work for and those that work for you.

This advice really knows no gender, according to Linda, but maybe women have to work a little harder to prove themselves.

With a degree in Advertising from the University of Florida, Linda has a broad background, which includes advertising, public relations, political consulting, direct sales and now rental property management. In addition to being President of Cherry Communications, she is also managing member of Flamingo Investment Properties, LLC with rental and investment properties in Destin, Florida.

Linda is President of Save Our Beaches, Inc.; a Destin based non-profit organization formed to protect private property rights. She was appointed by Governor Jeb Bush in 2005 to serve as a member of the Coastal High Hazard Study Committee and has been certified as a Florida Master Gardener. Linda has been married to Jim Cherry for 33 years and they have one son.

“Minority and women entrepreneurs are leading the way in business growth and are making important contributions to our nation’s strength.” – U.S. Small Business Administration Administrator Hector V. Barreto.

Forristall Enterprises, Inc.



Mary Forristall is the owner of Forristall Enterprises, Inc., a state licensed demolition company that provides both selective and complete demolition, roll-off services, concrete cutting and concrete recycling. The business started 16 years ago and currently has 40 employees. The company began as a salvage business and expanded slowly to provide other services.

cutting or removal, which necessitates the company to have a clear understanding of the as-built drawings, or if none are available, they must physically view the entire area. "This may include climbing through attics, roof truss, substructures, etc., so that we have a good understanding of how the building was constructed prior to demolition," says Mary.

community and my peers."

Mary offers the following advice to beginning women entrepreneurs:

- Be the most professional in your industry.
- Educate yourself about all aspects of your business and your competitors.
- Provide more value than your competitors.
- Go beyond what your expectations are for yourself. That extra effort will pay off more than you know.
- Be sharp, be punctual, be educated, and be kind.



Mary Forristall
Forristall Enterprises,
Inc.
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Palmetto, FL. 34221
www.forristall.com

Mary feels that the most difficult aspect of demolition is primarily the government regulations and laws concerning asbestos handling. In addition, some jobs require very precise concrete

Being a woman in the demolition business proved to be a challenge in the beginning. "I don't think people took me seriously," Mary says. "But now it is a positive. I have earned the respect of the

Betty's Import Emporium



Betty and Sonya Watkins began Betty's Import Emporium a medium sized maker of Greek paraphernalia and promotional materials nearly 18 years ago.

While the business has been successful, the

sisters have found difficulties as women business owners in that others may not feel as confident with their abilities to complete a project over a man's ability. Betty says, "They will choose a man before they will choose my company to complete the

same task, even if our product is of the same or better quality and cost less."

Despite these obstacles, the business has grown over the years through hard work and dedication.



Betty and Sonya
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Betty's Import
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Patents, Trademarks & Copyrights

by: U.S. Small Business Administration <http://www.sba.gov>



It's not easy to think about ideas as property, but for some

businesses it's vital. Most of us have had an idea for a new product or service only to dismiss, postpone, or neglect it. Sometimes we later find that others had the same idea, but took it to market before we did. By that time, it is too late for us to take advantage of the idea.

Ideas are relatively easy to come by, but inventions are more difficult. It takes knowledge, time, money, and effort to refine an idea into a workable invention, even on paper. Turning an invention into an innovation - a new product accepted by the marketplace - takes a lot of effort and a little luck. There are substantial barriers in the path of those who pursue innovation. Overcoming them requires careful planning and plenty of input from others.

Hundreds of thousands of inventors and innovators file each year for protection under U.S. patent, trademark and copyright laws.

However, it can be hard to decide which of the three vehicles is most appropriate for the protection of a particular invention.

Although a single product or service may require a patent, a trademark, and a copyright, each category protects a distinct aspect of a creative work or expression.

Patents, copyrights and trademarks, as well as know-how or trade secrets, are often collectively referred to as intellectual property.

Many firms have such property without even being aware of it or of the need to take measures to protect it.

Many people's notions of intellectual property are unrealistic. Some believe, for example, that simply having a patent on a product will

enable one to succeed in the marketplace. Consequently, they may spend thousands of dollars to obtain the exclusive rights to market something that no one wants or can afford to buy. Others may decide that intellectual property protection is not worth the trouble.

People who may not be interested in protecting their own rights must still take precautions to avoid infringing on the rights of others. This calls for more than the avoidance of copying. Some copying is unavoidable; but one can easily infringe on the rights of others without deliberately imitating specific features of goods or services.

Source: Small Business Administration, http://www.sba.gov/starting_business/startup/ideas.html.

Schifino Lee Advertising & PR

Founded in 1993 by partners Paola Schifino and Ben Lee, Schifino Lee of Tampa is a woman-owned full-service advertising agency known for its outstanding creativity and experienced marketing talent. With a dynamic team of creative art directors, copywriters, interactive web designers, media, public relations and account professionals, they deliver effective results for businesses, locally, regionally, nationally and even globally. Schifino Lee has 20 full time employees and 5 part time employees.

Paola began in the business after graduating with a Bachelors degree in marketing and a Masters degree in Business Administration. It was a natural career progression from corporate marketing manager at a national

technology company to the advertising agency business. With MBA in hand she was inspired to apply her strategic business skills and thinking to the advertising world and deliver sound creative marketing solutions that provide clients measurable results.

She feels that her overall experience in the business world as a woman has been very positive. "This is probably attributed to the fact that I have a positive outlook on the world around me both professionally and personally. There are a handful of occasions that I can recall where being female has worked against me and have sat in many meetings where the conversations were directed only at the men in the room. I am also



sure that there are many other occasions where discrimination has played a factor but I was not aware of it. I do believe that women definitely have challenges in the business world and have personally been faced with these," says Paola.

Paola tells other women in business to always be positive and present a "can do" attitude and be sure to enjoy what you do because it will consume most of your time.

Paola says her proudest moment in business was being invited by AT&T to pitch a revenue-generating advertising campaign alongside New York's Agency giants – and winning!



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Advertising & PR
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[http://
www.schifinolee.com/](http://www.schifinolee.com/)

Florida Minority Business Certification

Small-business owners who are Florida Residents and are African-American, Hispanic-American, Asian-American, Native American, or non-minority American Women can be a certified minority business in Florida. Their principal place of business must be in Florida.

The Florida Office of Supplier Diversity's (OSD) purpose is to improve business and economic opportunities for Florida's women-owned and minority-owned businesses. OSD's efforts toward this goal can be categorized into four primary functions, namely, Certification of Minority Business Enterprises, Advocacy and Outreach, and Matchmaking Activities.

OSD serves as an advocate for minority business enterprises in state contracting, and as an information resource for MBEs, state agencies, vendors and the public.

MBE Certification

The process of becoming certified as a Minority Business Enterprise (MBE) with the Office of Supplier Diversity has recently been streamlined through the implementation of

MyFloridaMarketPlace. The new Minority Business Enterprise Certification requires less supporting documentation from the vendor and limiting the approval period to fifteen days.

A business desiring MBE certification must first register with MyFloridaMarketPlace by going to <http://marketplace.myflorida.com> and clicking on Online Vendor Registration. The vendor registration process allows a vendor to request minority certification and requires the vendor to identify its minority designation.

The vendor must submit supporting documents to OSD that support the claim of minority status within twenty-five days (25 days) after submitting its online request for MBE certification. Failure to submit the required supporting documentation within 25 days shall result in automatic denial of the request for MBE certification. The data entered by the vendor, together with supporting documents will be processed by OSD who will notify the

vendor within fifteen (15) days after receipt of the supporting documents of its decision.

If after review, OSD determines that the vendor meets the requirements for MBE certification, OSD shall email the MBE certificate to the vendor. If the vendor's MBE certification request is denied by OSD the vendor will receive email notification of the denial.

Match Making

In recent years, OSD has turned its attention toward "matchmaking" activities which are designed to build relationships between minority businesses and state agency procurement specialists, non-minority vendors, and other decision makers.

These matchmaking activities include, among other things, assisting minority business enterprises in identifying those state agencies most likely to purchase the type of goods and/or services that their businesses provide and hosting an annual Match Maker Trade Fair Regional Workshop.

[Source:
www.oneflorida.org]

Smallwood Design Group

As Founder, President and CEO, JoAnn Smallwood has led the growth of Smallwood Design Group over the past 33 years to offer a comprehensive range of services in planning and landscape architecture for a wide variety of project types. The firm's projects have ranged from residential to recreational design and from master planning for community development to hotel and resort design. The firm has emphasized quality, creative solutions, and attention to detail.

Their purpose is to provide superior products and services in landscape architecture, construction operations and horticultural management for their clients' use and enjoyment in a manner that will ensure their continued growth. The company now has more than 83 employees.

After graduating from the University of Miami, JoAnn moved to Collier County. With her entrepreneurial spirit, it wasn't long before she decided to embark on a business venture and in 1973 she started Smallwood Landscape. In those early years, she was a one-person operation,

working out of her home sometimes twenty-four hours a day. At that time she handled all aspects of the business, including design work, meeting with clients and construction supervision.

In 1976, she incorporated the company and three years later hired a professional staff and moved out of her home and into an office on Enterprise Avenue in Naples. She overcame the obstacle of creating and operating a successful business in a traditional all-male field.

"People say I have a distinctive ability to be assertive while maintaining my femininity, an edge people have said makes me even more successful. I exemplified the advice often given to young girls as they begin their career path, 'You can do anything you want to do, or be anything you want to be, as long as you work hard.' Always viewing myself as a professional first and enjoying people for their unique qualities, male or female, has allowed me to enjoy my feminine side while providing services in a predominantly male



profession," says JoAnn.

In the male-dominated landscape industry she has always been respectfully included as one of the leading companies, being accepted as one of the "guys." She believes others are correct that maintaining her assertive side and my feminine side simultaneously probably has been instrumental in her success.

Her advice to other women who would like to get into business for themselves is multifold: "Follow your passion, what your heart tells you to do. Identify your own values, strengths, weaknesses, drives, personality needs. There are many consultants with tools that can provide these profiles. Seek employees that compliment you, that give balance yet want and value what you want and value. Success to me is achieved through hard work, dedication to your goals, and perseverance, combined with the ability to rise above life's disappointments and frustrations. I believe life presents a series of lessons from which we can learn when we believe there is always something positive ahead."



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Start-up Assistance for Women

ASSOCIATIONS AND ORGANIZATIONS

National Association of Women Business Owners
www.nabwbo.org

National Women Business Owners Corporation
www.wboc.org

The National Foundation for Women Business Owners
www.nfwbo.org

National Federation of Independent Businesses
www.nfib.org

WEB SITES FOR WOMEN IN BUSINESS

Women's Business Center
<http://onlinewbc.org>

womenCONNECT.com
www.womenconnect.com

Wings
www.wings-women.com

Financial Finesse
www.financialfinesse.com

Financial-Muse
<http://www.financialmuse.com/>

MsMoney
www.msmoney.com

GOVERNMENT ASSISTANCE

Enterprise Florida, Inc.
325 John Knox Road
Atrium Building Suite 201
Tallahassee, FL 32303
information@eflorida.com
www.eflorida.com

Florida Small Business Development Center
www.floridasbdc.com

USF Safety Florida Consultation Program
www.usfsafetyflorida.com

The SBA Office of Women's Business Ownership
www.sba.gov/womeninbusiness

PUBLICATIONS
Working Woman Magazine
www.workingwoman.com

Women's Business Exchange Newsletter
<http://www.wbemag.com/html/WBEwelcome.html>

Guide to Florida's Chambers of Commerce
www.floridaguide.com/chambers

Florida Small Business
www.floridasmallbusiness.com
An Official Publication of Florida Trend and Enterprise Florida

BANK LOANS
FleetBoston Financial Women's Entrepreneurs' Connection
800-225-5353

Wells Fargo Women's Loan Program
800-359-3557 x 120

Labor Laws

For small businesses, there are not many rules regarding who you may hire or fire. The old law that an employee can be fired (or quit) at any time still prevails for small businesses. However, if you fire an employee, they may be entitled to unemployment compensation. This will ultimately raise your unemployment compensation tax rate and could cost your business money. Therefore, it is important carefully screen your new employees to ensure that they are a good fit for your business. Check references carefully and take the time for a complete interview (Warda 86).

Drug Tests

Florida was the first state to enact a law dealing with drug testing. It allows any public or private sector employer that establishes a workplace substance abuse program to receive workers' compensation insurance premium discounts and to deny benefits after an accident if the employee tests positive for drug use. Participants are required to utilize a state-licensed laboratory for all drug testing under the program. (U.S. Department of Labor, www.dol.gov).

Under Florida Law, employers are allowed to test employees before and after they are hired (See Fla. Stat., Sec. 440.102.) Under Federal Law, drug testing can only be required of applicants who have been offered jobs conditioned upon passing the drug test.

Firing

In most cases, unless you have an employee with a contract, you can release him or her at anytime. You may not fire an employee based on illegal discrimination, for filing a health, safety or other "whistleblower" complaint, or for refusing your sexual advances (Warda 87).

Fair Labor Standards Act

The most important and most far-reaching law guaranteeing a worker's right to be paid fairly is the federal Fair Labor Standards Act or FLSA (29 U.S.C. §§201 and following).

The FLSA:

- defines the 40-hour workweek
- covers the federal minimum wage
- sets requirements for overtime

- places restrictions on child labor.

Basically, the FLSA establishes minimums for fair pay and hours -- and it is the single law most often violated by employers. The FLSA was passed in 1938 after the Depression, when many employers took advantage of the tight labor market to subject workers to horrible conditions and impossible hours. One of the most complex laws of the workplace, the FLSA has been amended many times.

An employer must also comply with other local, state or federal workplace laws that set higher standards. So in addition to determining whether you are being paid properly under the FLSA, you may need to check to see if other laws also apply to your situation.

It is full of exceptions and exemptions -- some of which seem to contradict one another. Most of the revisions and interpretations have expanded the law's coverage, for example:

- requiring that male and female workers receive equal pay for work that

(Continued on page 42)

According to a national survey of small business finances, 39 percent of small firms used personal credit cards for business purposes (Source: 1993 National Survey of Small Business Finances, co-funded by the SBA and the Federal Reserve Board).

(Continued from page 41)

requires equal skill, effort and responsibility

- including in its protections state and local hospitals and educational institutions
- covering most federal employees and employees of states, political subdivisions and interstate agencies, and
- setting out strict standards for determining, paying and accruing compensatory or comp time -- time given off work instead of cash payments.

Under the FLSA, employers are required to keep certain records for each worker. The records must contain the following information:

- Employee's full name and social security number.
- Address, including zip code.
- Birth date, if younger than 19.
- Sex and occupation.
- Time and day of week when employee's workweek begins.
- Hours worked each day.

FLORIDA WOMEN MEAN BUSINESS!

- Total hours worked each workweek.
- Basis on which employee's wages are paid (i.e., amount per hour, amount per week, amount per item produced)
- Regular hourly pay rate.
- Total daily or weekly straight-time earnings.
- Total overtime earnings for the workweek.
- All additions to or deductions from the employee's wages.
- Total wages paid each pay period.
- Date of payment and the pay period covered by the payment.

While nearly all businesses are covered by the FLSA, certain employees are exempt, including executives, administrative and managerial professionals, and computer professionals and outside salespeople (Warda 99).

For more information contact:
USDOL Wage and Hour Division
Atlanta Federal Center
61 Forsyth Street SW,
Room 7M40
Atlanta, GA 30303
(404) 562-2202

Florida Minimum Wage

Florida's minimum wage is \$6.40 per hour effective January 1, 2006 for all hours worked in Florida. Florida's minimum wage was created in a constitutional amendment approved by voters on November 2, 2004, and covers all employees in the state covered by the federal minimum wage.

According to the state constitutional, the Agency for Workforce Innovation will perform an annual calculation to establish a new minimum wage each year. The Constitution also requires the adjusted minimum wage to be published. Florida's minimum wage is \$1.25 more than the current \$5.15 federal minimum wage. Employees who regularly receive more than \$30 in tips each month have a minimum wage of \$3.38 beginning January 1, 2006, and it will also be adjusted annually.

Source: Agency for Workforce Innovation, www.floridajobs.org

For more information contact:
Agency for Workforce Innovation
AWI_comments@awi.state.fl.us
107 East Madison Street
Caldwell Building
Tallahassee, Florida
32399-4120
Phone: (850) 245-7105

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Occupational Health and Safety Act of 1970

The National Institute for Occupational Safety and Health (NIOSH) is the federal agency responsible for conducting research and making recommendations for the prevention of work-related injury and illness. NIOSH is part of the Centers for Disease Control and Prevention (CDC) in the Department of Health and Human Services.

The Occupational Safety and Health Act of 1970 created both NIOSH and the Occupational Safety and Health Administration (OSHA). OSHA is in the U.S. Department of Labor and is responsible for developing and enforcing workplace safety and health regulations. NIOSH is in the U.S. Department of Health and Human Services and is an agency established to help assure safe and healthful working conditions for working men and women by providing research, information, education, and training in the field of occupational safety and health. NIOSH provides national and world leadership to prevent work-related illness, injury, disability, and death by gathering information, conducting scientific

research, and translating the knowledge gained into products and services.

For small businesses, the regulations are not as cumbersome as they are for larger enterprises. If you have ten or fewer employees or if you are in certain types of businesses, you do not have to keep record of illnesses, injuries and exposure to hazardous substances of employees. If you have eleven or more employees, you do have to keep record, referred to as Log 200. All employers are required to display a poster from OSHA.

For more information, you should write or call and OSHA office:

Fort Lauderdale Area Office
8040 Peters Road
Building H-100
Fort Lauderdale, Florida
33324
(954) 424-0242
(954) 424-3073 FAX

Jacksonville Area Office
Ribault Building
Suite 227
1851 Executive Center Dr.
Jacksonville, Florida 32207
(904) 232-2895
(904) 232-1294 FAX

Tampa Area Office
5807 Breckenridge Parkway
Suite A
Tampa, Florida 33610-4249
(813) 626-1177
(813) 626-7015 FAX

Source: Occupational Safety & Health Administration, www.osha.gov.

Equal Opportunity Laws

Employers with fifteen or more employees for twenty weeks of the year must display the sex, race, religion, and ethnic discrimination poster and the age discrimination poster available from the U.S. Equal Employment Opportunity Commission, www.eeoc.gov/publications.html.

Child Labor

Child labor provisions under FLSA are designed to protect the educational opportunities of youth and prohibit their employment in jobs that are detrimental to their health and safety. FLSA restricts the hours that youth less than 16 years of age can work and lists hazardous occupations too dangerous for young workers to perform. In general, children under sixteen years of age may not be hired at all except in a few jobs, such as acting and newspaper delivery, and those under eighteen may not be hired for dangerous jobs. Children may not work more than three hours a day/forty hours a week in a non-school week.

For more information see the US Department of

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Labor: <http://www.dol.gov/dol/topic/youthlabor/agerequirements.htm>.

New Hire Reporting

In 1996, Congress enacted a law called the "Personal Responsibility and Work Opportunity Reconciliation Act," or PRWORA, as part of Welfare Reform. This legislation created the requirement for employers in all 50 states to report their new hires and re-hires to a state directory.

New hire reporting speeds up the child support income withholding order process, expedites collection of child support from parents who change jobs frequently, and quickly locates non-custodial parents to help in establishing paternity and child support orders. New hire reporting helps children receive the support they deserve. Employers serve as key partners in ensuring financial stability for many children and families.

Employers and/or labor organizations doing business in Florida must report the following employees:

New employees: Employers must report all employees who reside or work in the State of Florida to whom the

employer anticipates paying earnings. Employees should be reported even if they work only one day and are terminated (prior to the employer fulfilling the new hire reporting requirement).

Re-hires or Re-called employees: Employers must report rehires, or employees who return to work after being laid off, furloughed, separated, granted a leave without pay, or terminated from employment. Employers must also report any employee who remains on the payroll during a break in service or gap in pay, and then returns to work. This includes teachers, substitutes, seasonal workers, etc.

Temporary employees: Temporary agencies are responsible for reporting any employee who they hire to report for an assignment. Employees need to be reported only once; they do not need to be re-reported each time they report to a new client. They do need to be reported as a rehire if the worker has a break in service or gap in wages from your company.

Florida law (Fla. Stat., 409.2576) requires all employers to submit their new hire reports within 20

days after the employee is hired or rehired or returns to work. This can be submitted in several ways including mail, fax magnetic tape or over the Internet.

Visit: Florida New Hire Reporting Program
PO Box 6500
Tallahassee, FL 32314-6500
www.fl-newhire.com

Family and Medical Leave Law

The Family and Medical Leave Act is a federal law which became effective on Aug. 5, 1993. It provides certain employees with up to 12 workweeks of unpaid, job-protected leave a year and requires group health benefits be maintained during the leave. The U.S. Department of Labor (DOL) has issued detailed regulations interpreting the FMLA.

All public employers and private employers who have 50 or more employees who have been on the payroll for 20 or more weeks in a calendar year are required to provide FMLA leave. However, not all employees of a covered employer are eligible for FMLA.

Eligible employees are those who have worked for the employer:

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- A minimum of one year;
- A minimum of 1,250 hours (an average of 25 hours per week) during the 12 months prior to the start of the FMLA leave; and
- Are employed at a location where at least

50 employees are working at the location within a 75-mile radius.

Source: US Department of Labor

Visit the US Department of Labor, www.dol.gov/esa, for more information.

Patrick Accounting & Taxes



Patrick Accounting & Taxes, Inc., is a full service accounting and tax preparation business that specializes in tax planning for small to mid-size businesses. The business, started in 1987 by Patricia Patrick, serves nearly 130 companies and employs nine.

Patricia started her business out of her home and after six months she rented her first office and hired her first employee. She had always been a hard worker and she decided it was time to spend all her energy, at building my family's future instead of someone else's future!

When Patrick Accounting & Taxes began, there were very few businesses owned and operated by women. Accounting, in particular, was very much a man's industry. Patricia remembers that at first, it was a challenge to convince men to take her seriously. Persistence and passion is what kept her going. She joined organizations that could get her name into the business community. She also offered free business consultation to get clients in the door.

Patricia offers the following advice to women entrepreneurs:

"First and foremost know your product or service. Offer services that others are not willing to offer. Be prepared to work a lot of hours building your structure. Don't let negativity impact your future. Only share your goals with people you trust and that support your vision. Be fair but be firm. And remember, people don't care how much you know, until they know how much you care. Pay our employees well. Treat them with respect and you can't go wrong."



Patricia Patrick
Patrick Accounting & Taxes
2154 Mariner Blvd.
Spring Hill, FL
34609

Insurance

The purpose of insurance is to transfer a risk that you can afford (i.e. the payment of a premium with no guarantee of its return) to cover a risk you cannot afford. Insurance is not only going to be important to you but it will be important to your other business relationships. For example, if you choose to lease office space, the landlord may require that you furnish a certificate of insurance or be listed as an additional insured on your policy as assurance that your business will not disappear overnight in the event a loss occurs. (www.myownbusiness.org)

Business Property Insurance

Property insurance protects your business against physical damage to, or loss of, your assets. Assets, broadly defined, include the area in which your business operates and the property housed there. In the case of catastrophes like fire, explosion, theft, or vandalism, property insurance helps cover your costs - whether it's to repair damaged property or replace what you've lost.

Property insurance should include a broad form of

coverage to protect you from a wide variety of losses. Coverage on your business' building would be required here if you own the building your business occupies. In the event you lease premises, your landlord should provide this coverage, however, the cost of that insurance will probably be passed on to you as part of your common area maintenance expense.

Business personal property includes your tables, desks, chairs and equipment. Also, you will want to include the tenant's improvements you might make to leased premises. An example would be a room divider you add, or a display case, or a custom built counter that forms part of reception area for your clients.

(www.myownbusiness.org)

Home Business Insurance

There is a special insurance problem for home businesses. Most homeowner and tenant insurance policies do not cover business activities. If you own your own equipment or have a dedication a portion of your home exclusively to the

business, your homeowners insurance may not covered. Be sure to check with your insurance agent to be certain (Warda 60).

Liability Insurance

Liability insurance, also known as "comprehensive general liability," (CGL) policy is not a requirement, except for physicians who must carry malpractice insurance. Liability protections generally comes in two forms. The first covers you for injuries on your premises or by one of your employees. This insurance is usually reasonably priced and readily available. The second type, covers injuries caused by your products or services is harder to find and expensive.

"The best way to find out if insurance is available for you type is to check with other businesses. If there is a trade group for your industry, their newsletter or magazine may contain ads for insurers" (Warda 59).

Business Interruption

Business interruption insurance compensates you for lost income if your company has to vacate the

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premises due to disaster-related damage that is covered under your property insurance policy, such as a fire. Business interruption insurance covers the profits you would have earned, based on your financial records, had the disaster not occurred. The policy also covers operating expenses, like electricity, that continue even though business activities have come

to a temporary halt. The price of the policy is related to the risk of a fire or other disaster damaging your premises. (Insurance Information Institute, www.iii.org/individuals/business/basics/interruption)

Workers' Compensation

If you have four or more employees, or if you are in the construction industry and have one or more employees, you are required to carry workers' compensation insurance. To

protect yourself from litigation, you may wish to carry workers' compensation insurance even if you are not required to have it. This insurance can be obtained from most insurance companies and, at least for low-risk occupations, it is not expensive (Warda 58-59).

Failure to provide workers' compensation insurance when required is considered

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Hebni Nutrition Consultants, Inc



Hebni Nutrition Consultants, Inc is a non-profit nutrition practice group opened by Roniece Weaver nearly fifteen years ago. The company began as a for-profit business, but it was quickly determined after the first year that targeted cliental couldn't afford the luxury of having their own private dietitian. Consequently Hebni converted their for profit business into a non-profit agency, enabling the group to meet the needs of the people in their community.

Their primary focus is to reach and educate minority families how to create healthy lifestyle changes through dietary practices. They also work to create culturally competent nutrition education materials for diverse audiences. With these goals in mind, Hebni has been able to have an impact on thousands of people in the last 15 years of doing business.

Roniece believes that being a black dietitian impacts her ability to provide

services to the minority committees she serves than her gender. "I think and strongly believe being a male or female didn't make a difference in my ability to succeed in the practice, it's the quality of the service that I provide," says Roniece.

Roniece advises women to "Do your homework, find that niche, have faith and know your competition."



**Roniece Weaver, MS
RD LD**
Hebni Nutrition
Consultants, Inc.
333 Rosalind Avenue
Orlando, Florida
32804
www.soulfoodpyramid.org

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serious and can result in a fine of up to \$500, up to a year in prison, and an injunction against employing anyone. If a person is injured on a job and you are uninsured, you may be required to pay for all resulting losses (Warda 58).

The workers compensation law has been subject to frequent change so consult with the Division of Workers' Compensation for the latest requirements.

For more information visit:
Division of Workers' Compensation
Bureau of Compliance
200 East Gaines Street
Tallahassee, FL 32399-4228
Phone 850-488-2333
www2.myflorida.com/les/wcl

Health Insurance

[For more information visit:
www.treasury.gov/offices/public-affairs/has/]

According to the US Chamber of Commerce, more than 45 million Americans are uninsured, with nearly 60% of those employed by small businesses. As health care costs continue to rise, fewer employers and working

families will be able to afford coverage, and the number of uninsured Americans will inevitably rise. (Source: U.S. Chamber of Commerce, www.uschamber.com.)

A new health insurance option for small businesses is the Health Savings Account (HSA). The HSA is a trust or custodial account, and may be offered by insurance companies, banks, and organizations approved by the Internal Revenue Service (IRS) to administer IRAs. It is combined with a low-premium/ high-deductible insurance policy, designed for individuals or families in order to fund health care expenses and medical insurance. Participants are encouraged to invest the premium savings in a medical savings account by making tax-deductible contributions to the HSA. Medical expenses are paid out of the account until the deductible is reached. Unused monies in the account may be rolled over tax-free and may be invested to pay for future medical expenses and more general uses after retirement.

Benefits for small businesses and their employees include:

Reduced premiums.

Because HSAs require a minimum policy deductible of \$1,000 per individual, premiums may be lower than a plan with a \$250 or \$500 deductible. Individuals (or their employers) can make annual contributions to an HSA of up to the amount of the policy deductible, with a maximum of \$2,600 for an individual or \$5,150 per family (adjusted for inflation each year). Those over 55 can make \$600 in extra contributions in 2005. Employer contributions are not included in taxable income.

Tax savings.

HSA contributions and any earnings in federally qualified programs grow tax-deferred and can roll over from year to year. The amount deposited can be deducted from gross income on the employee's tax return. The employee does not have to itemize deductions to take the HSA deduction. Allowable distributions are not taxable as long as they're for qualified medical expenses. Non-qualified distributions incur a 10% penalty. After age 65, withdrawals can be for any reason.

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Portability. HSAs belong to the employee, so as jobs change, the account moves with the employee. Employees with existing medical savings accounts (MSAs) can roll them into an HSA plan.

Source: www.sba.gov/healthcare

HealthFlex

HealthFlex is a pilot program in some parts of Florida that allows plans that don't meet the basic and standard small group mandates. It is available only in areas with the highest uninsured population. As of early 2005, plans were offered in Miami-Dade and Duval counties. The pilot program will continue until July 2008.

(Source: www.floridasmallbusiness.org)

For more information visit: Florida Department of Financial Services www.fldfs.com/Consumers/publications.htm (800) 342-2762

Cindy's Estate Sales



Cindy Quiroz opened Cindy's Estate Sales nearly five years ago. The business liquidates household contents that includes furniture, bedding, dishes, Silverware, artwork, jewelry, and even golf carts and automobiles. These sales are made on behalf of people in need of selling most of their belongings, such as retirees moving within Sun City Center or back to former locations to be near family, or by the heirs of deceased residents. Often children live out-of-state and need help selling

their parents' possessions.

Cindy started in the business after 37 years of working in a beauty salon her mother owned, then passed on to her, she started seeking another line of work that would allow her to stay in Sun City Center. The owner of another local business, Johnny's Estate Sales encouraged her to go it alone when she asked him about employment.

She does not feel that gender has played a role in

her starting a business; after all, it was a man, Johnny, who encouraged her to start her business. He even gave her business its first sale.

According to Cindy, women who want to open their own business should: "Decide what you want to do, investigate your opportunities, and stay focused. A woman can do whatever she wants to do with determination, will power and hard work."



Cindy Quiroz
Cindy's Estate Sales
1601-A Sun City Plaza
Sun City Center, FL
33573
www.cindysestatesales.com/

Starting a Business in Florida: Tips for Women

Taxes

The Basics

There are two parts to business ownership: the part you love to do and the part you have to do.

Unfortunately the legal and business matters of being on your own can also be very intimidating. Many women avoid taking the self-employment plunge because of the fear that their lack of knowledge of business accounting and financial management will cause them to fail. According to Strauss, “Many small businesspeople have a hard time dealing with the financial aspect of their business. They may be great innovators, have plenty of enthusiasm, and be the best sales person around, but ask them to create a balance sheet and watch their eyes glaze over” (Strauss 134).

The solution to this obstacle is to learn the basics of legal and accounting requirements and then surround yourself with professionals who will help your business succeed. Think of professional advisors such as bankers, accountants and lawyers as your silent partners. Consult them early and often to keep you and your business on track. It's important from the outset to assemble a professional team of

advisors, each with the heart of a teacher, who can provide sound advice to make your business a success.

The best way to find banking, legal, and accounting professionals to work with you are through personal references. Ask friends, family, and business associations for referrals. Once you have a few names, interview each and ask about things like their experience, certifications, fees, how often they recommend meeting, and what kinds of clients they regularly represent (Freidman 61).

Remember, that even if you turn some of your bookkeeping or accounting duties over to someone else, you still need an intimate knowledge of your businesses financial status at all times. Make sure your consultants work with you.

Keep Your Personal Finances Separate from Your Business

One of the first financial mistakes individuals make when starting a business is mixing personal finances with business finances. When you're small, it's easy to do: business lunches are

charged on personal credit cards or you may borrow money from your business account to take the family out for a nice dinner or pay personal expenses through your business account. Tax planners and accountants warn against combining personal and business finances because it complicates tax deductions and potential reimbursements and can cause the business to be disregarded from being separate and distinct from the owner for liability purposes.

Record Keeping

Accurate and detailed record keeping are essential ingredients for a successful business. Be sure to save every receipt, bank statement, vendor invoice, and cancelled check. You will also need to have an organizational system in place before you open your doors for business. Create a filing system for all paperwork so that you will be able to keep accurate records easily. Once your business is booming, you will not have time to establish and organizational system to

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IRS Local Offices in Florida

Daytona Beach/Holly Hill
921 N. Nova Rd.
Daytona Beach, FL 32117
(386) 258-4105

Fort Myers
2891 Center Pointe Dr.
Fort Myers, FL 33916
(239) 938-7601

Gainesville
104 N. Main St.
Gainesville, FL 32601
(352) 395-6197

Jacksonville
400 West Bay St.
Jacksonville, FL 32202
(904) 665-1040

Lakeland
124 S. Tennessee Ave.
Lakeland, FL 33801
(863) 688-2066

Maitland/Orlando
850 Trafalgar Ct.
Maitland, FL 32751
(407) 660-5830

Melbourne
129 W. Hibiscus Blvd.
Melbourne, FL 32901
(321) 674-0047

Miami
51 S.W. First Ave.
Miami, FL 33130
(305) 982-5077

Ocala
3300 SW 34th Ave
Ocala, FL 34475
(352) 401-0010

Panama City
651-F West 14th St.
Panama City, FL 32401
(850) 769-1684

Pensacola
125 W. Romana St.
Pensacola, FL 32502
(850) 435-8468

Plantation/Fort Lauderdale
7850 S.W. 6TH Court
Plantation, FL 33324
(954) 423-7300

Port St. Lucie
7410 South US 1
Port St. Lucie, FL 34952
(772) 340-5606

Sarasota
5971 Cattle Ridge Blvd.
Sarasota, FL 34232
(941) 378-6448

Saint Petersburg
9450 Koger Blvd.
Saint Petersburg, FL 33702
(727) 570-5552

Tampa
3848 W. Columbus Dr.
Tampa, FL 33607
(813) 348-1831

Tallahassee
227 N. Bronough St.
Tallahassee, FL 32301
(850) 942-8995

West Palm Beach
1700 Palm Beach Lakes Blvd.
West Palm Beach, FL 33401
(561) 616-2002



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file the tall stack of papers that begin to pile up (Friedman 57).

It is wise to invest in a computerized bookkeeping system, and take the time to learn how to use it properly. Consult with your bookkeeper or accountant regarding the best software to purchase. Computer and office supply stores often offer training classes for business software.

Employer Identification Number

In order to pay your business income taxes you will need an Employer Identification Number. If you are a sole proprietor with no employees, you can use your Social Security number for your business. If you are a corporation, a partnership or other legal entity or a proprietorship with employees, you must obtain an Employer Identification Number. This is done by filing IRS Form SS-4 (www.irs.gov). You will also need this number to open bank accounts for the business.

Federal Taxes

The amount you or your business will pay in annual taxes depends on several factors: the legal form of your business, how much

money it made that year, and what were your total expenses. You can deduct “ordinary and necessary” business expenses to reduce the amount of your taxable income. Supplies, inventory, travel, entertainment, interest, and labor costs – all are at least partially deductible from your federal income taxes. That is why detailed recorded keeping is essential.

The following are the four general types of federal business taxes: income tax, self-employment tax, employment (payroll) tax, and excise tax.

Income Tax

All businesses, except partnerships, must file an annual income tax return. Partnerships file an informational return. Each partner is given a form showing his or her share of the profits or losses and then reports these amounts on Form 1040 (schedule E).

An employee usually has income tax withheld from his or her pay. If you do not pay your tax through withholding, or do not pay enough tax that way, you might have to pay estimated tax. If you are not required to make estimated tax payments, you must pay any tax due on the date your tax return is due. (For additional

information refer to IRS Publication 583, Starting a Business and Keeping Records at www.irs.gov.)

Self-Employment Tax (SE)

Self-employment tax is a Social Security and Medicare tax primarily for individuals who work for themselves. Your payments of SE tax contribute to your coverage under the social security system. Social security coverage provides you with retirement benefits, disability benefits, survivor benefits, and hospital insurance (Medicare) benefits.

You must pay SE tax and file Schedule SE (Form 1040) if you have earnings as a sole proprietorship or receive compensation as a general partner of a partnership. (For additional information, visit www.irs.gov and search for self-employment tax.)

Employment Taxes

Employees and taxes go hand in hand. When hired, your employees need to complete a federal W-4 form and an Immigration and Naturalization Service Form I-9. As the employer you will also have certain employment taxes that you must pay and forms you must file. Employment taxes include the following:

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- Social security and Medicare taxes
- Federal income tax withholding
- Federal unemployment tax
- State unemployment tax

In general, you must deposit income tax withheld and both the employer and employee social security and Medicare taxes (minus any advance earned income credit payments) by mailing or delivering a check, money order, or cash to a financial institution that is an authorized depository for

Federal taxes.

Because payroll and employee withholding is such a complex area, it is advisable to use a professional payroll service if you have more than two employees.

Unemployment Compensation Tax

The Federal Unemployment Tax Act provides for cooperation between state governments and the federal government in the establishment and administration of the Unemployment Compensation Program. Under this dual system, the employer pays payroll taxes levied by both the state and federal governments.

(Florida Department of Revenue).

Unemployment compensation provides partial, temporary income to workers who lose their jobs through no fault of their own, and are able and available for work. The objective is to provide a cushion to absorb some of the shock of unemployment to jobless workers, their families, and the business community.

The employer pays for unemployment compensation through a tax administered by the Florida Department of Revenue. It is one of your business costs.

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Payment and reporting of taxes are often a daunting prospect so it is recommended that you work with a professional accountant who is able to explain complicated tax information so that you have a clear understanding of the process. The information contained here is just a brief overview of some of the taxes your business may owe.

MGT Electronics, LLC

MGT Electronics, LLC, is a small, woman-owned distribution business of electronic connectors, wire, cable, heat shrink tubing and molded shapes, many material is sold to the government for use in the military.

Mary Glynn Toomey began the business three years ago when she was offered the opportunity to start her own business and to go after the set aside business

though the U.S. Government. She performed research on the niche and decided there was enough potential business available to be successful.

Being a woman owner has not been a problem for Mary. She says, "I think it affects me in a positive ways as it has given me more opportunity to bid on certain contracts because I am a small woman owned



business. It is still hard being a woman in a man's world."

Mary offers the following advice to women: "Use all the resources given to you. Whether it is through the SBA or other centers at Colleges and Universities. Just keep learning and studying to advance yourself. Taking a risk is the greatest reward."



Mary Glynn Toomey
MGT Electronics, LLC
1754 Costa Del Sol
Boca Raton, FL 33432-1747

Starting a Business in Florida: Tips for Women

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Workers do not pay any part of the unemployment tax and employers must not make payroll deductions for this purpose. Your payments go into a reserve fund from which benefits are paid to eligible claimants. After a qualifying period, employers with a stable employment history will receive credit for this in a reduced tax rate.

New businesses are required to report their initial employment in the month following the calendar quarter in which employment begins. You can register to pay unemployment tax via the Department's Internet site. Go to www.myflorida.com/dor and click on e-Services.

You must also pay federal unemployment taxes if you paid wages of \$1,500 or more in any quarter, or if you had at least one employee for twenty calendar weeks. The federal tax amount is 0.8% of the first \$7,000 of wages paid each employee of wages paid each employee. At the end of each year, you must file Form 940 for Form 940EZ. This is your annual report of Federal unemployment taxes.

For more information on unemployment

FLORIDA WOMEN MEAN BUSINESS!

compensation in Florida, contact:
Florida Department of Revenue
Tax Information Services
5050 West Tennessee Street
Tallahassee, FL 32399-0100
(850) 922-4825 or dial toll-free
1 (800) 482-8293
www.myflorida.com/dor/taxes/

Additional Tax Education
The IRS conducts workshops to inform businesses about the tax laws, in general. Contact your local IRS office for more information.

In addition to state workshops, visit the Small Business/Self Employed online classroom where you may view a streaming video of an IRS Small Business Workshop, take an IRS course, or complete an online self-directed version of a workshop taught live around the country.

Florida's Corporate Income Tax

Corporations and artificial entities that conduct business, or earn or receive income in Florida, including out-of-state corporations, must file a Florida corporate income tax return unless specifically exempt. The return must be filed, even if no tax is due.

Sole proprietorships,

individuals, estates of decedents, and testamentary trusts are specifically exempted and are not required to file a return.

Florida Sales Taxes

Before you open a business in Florida, you must first find out whether your business activity, product use, or consumption will be subject to Florida sales tax. Some government agencies require you to register with the Department of Revenue before they will issue a license.

Following are some examples of business activities, product uses, and consumptions requiring the collection of sales tax or the payment of use tax:

- Sales of taxable items at retail.
- Repairs or alterations of tangible personal property.
- Rentals, leases, or licenses to use real property (for example, commercial office space, mini-warehouses, or short-term living accommodations).
- Rental or lease of personal property (for example, vehicles,

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- machinery, equipment, or other goods).
- Charges for admission to any place of amusement, sport, or recreation.
- Operating private membership clubs that provide recreational or physical fitness facilities.
- Manufacturing or producing goods for sale at retail.
- Importing goods from any state or foreign country, for sale at retail or for use in the business.
- Selling service warranty contracts.
- Ordering and using, on a regular basis, mail-order products on which no sales tax was charged.
- Operating vending or amusement machines.
- Providing taxable services (for example, investigative and crime protection services, interior nonresidential cleaning services, and nonresidential pest control services).

If you are unsure whether your business is required to register to collect sales tax, contact Taxpayer Services at www.myflorida.com/dor/.

You can register to collect and/or report tax via the Department's Internet site. Go to www.myflorida.com/dor and click on e-Services. If you do not have Internet

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Quarterlies should be paid by any business that expects to pay at least \$500 in taxes for the year.

Studio 42 Hair Salon



It means a lot to Ramona Contreras to be a woman in business as it was not an easy journey. She started working at age 11 in Santo Domingo. She moved to Puerto Rico when she was 18 years old and got married during the same year. Although Roman had always dreamed of going to cosmetology school, she had two children and school would take three years to complete. She then made the difficult decision to send her children to live in Santo Domingo with her relatives.

It was difficult. Ramona even had to rely on public

transportation to attend classes. Eventually, she was able to start a home-based styling business. Some years later, she opened her first salon and spent 15 years in this business in Puerto Rico.

After she moved to Miami she had to begin her business journey once again. She returned to school to get a state license and then began a home-based salon. She even worked part-time through the years while raising her children.

It has now been two years since she opened Studio 42

in Hallandale. The business is good, however. She often sees her self as more of a counselor than a hair stylist, as many of her clients share their personal problems while at the salon.

“As a businesswoman I have two lives,” says Ramona. “I am also a mother and a wife. I still try to balance my life as a businesswoman and my personal life. Today, I can say that I am successful; however, success comes from hard work.”



Ramona Contreras
Studio 42 Hair Salon
 311 East Hallandale
 Beach Blvd
 Hallandale Beach, FL
 33009

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access, you can complete an Application to Collect and/or Report Tax in Florida (Form DR-1) that can be obtained from your local DOR.

After your registration application is approved, you will receive a Certificate of Registration (Form DR-11), an Annual Resale Certificate (Form DR-13), and your tax return forms. The Annual Resale Certificate may be used for tax-exempt purchases or rentals of property or services that you intend to resell or rent as part of your business. If the goods purchased for resale are later used (not resold), you must report and pay use tax on those items, plus any applicable penalties and interest. There are additional liabilities for intentional misuse of an annual resale certificate.

Information and forms are available on our Internet site at <http://www.state.fl.us/dor/>

FLORIDA WOMEN MEAN BUSINESS!

[taxes/sales_tax.html](#).

You are required to collect sales and use taxes for all sales you make unless you have documentation on file proving that a purchase was exempt from the tax. A purchaser who claims to be exempt should give you a signed copy of their form D-13. Each year you need to obtain a copy of their new form DR-13.

To speak with a Department of Revenue representative, call Taxpayer Services, at 800-352-3671 or 850-488-6800.

For a written reply to your tax questions, write:
Taxpayer Services
Florida Department of Revenue
1379 Blountstown Hwy
Tallahassee, FL 32304-2716

Florida Use Tax

Use tax complements and is applied in the same manner as sales tax. The use tax rate and sales tax rate are the

same, including discretionary sales surtax, if applicable.

Use tax is due on purchases made out of state and brought into Florida within 6 months of the purchase date. Also, if you purchase a product tax-exempt that you plan to sell at retail, but end up using it at your place of business, the "use" of the product is subject to tax. If you purchase materials that are "consumed" in a manufacturing process to create your end product but are not part of the end product, those materials are subject to tax.

The "use" component of the sales and use tax provides uniform taxation on items that are purchased outside Florida but are used or stored in the state. If the item brought into Florida is subject to tax, a credit for lawfully imposed taxes paid to another state, a U.S. territory, or the District of Columbia is permitted. Credit is not given for taxes paid to another country.

The Florida Department of Revenue provides **FREE** Taxpayer Education seminars, workshops and presentations on Florida State Laws and Taxes that will help you as a new and existing business owner better understand your tax reporting and compliance responsibilities. Specific Industry groups and associations can also request seminars.

The classes cover:

- Sales and Use Tax
- Discretionary Sales Surtax

- Unemployment Tax
- Communication Services Tax
- Intangible Tax
- Annual Legislative Review
- Other Taxes

Space for these tax seminars is limited. Visit <https://taxapp2.state.fl.us/gta/taxseminar/> for a schedule of classes.

In Their Words: Haitian Businesswomen



**Part I By: Commissioner Dominique Saliba, MD, MPH,
Florida Human Relations Commission**

I was born in Petionville Haiti in 1956. In 1957, my parents immigrated to the United States in search of a better life and I came along for the ride. It was not an easy transition. They did not yet speak the language and the American culture was far different than the one they had left behind. They struggled and with time and the support of family, my parents were proud to call themselves Americans in every sense of the word.

My parents made my education a priority. They sent me to the best schools New York could offer and they sacrificed much of their free time making sure I was never at a loss for anything. I cannot remember them ever missing a recital or a competition. This unconditional love instilled in me the self esteem necessary to succeed as well as the passion to use my success to serve.

After four years of College at New York University, I moved to Haiti and began

medical school. I did not speak the language nor did I understand the culture. I did not have time to dawdle and quickly engulfed myself into my new life. Becoming a physician was hard work, but implementing my new-found medical knowledge was the real challenge. The clinical experience I gained at l'Hopital General helped me to achieve my diploma, but it also opened my eyes and heart to the plight of the poor in the Haitian community. I decided to serve that community. I acquired a specialty in Ophthalmology and practiced for two years in Cite Soleil. During this time, I became aware of a special program offered at the Dana Center at the John's Hopkins School of Public Health. It combined a degree in Preventive Ophthalmology and a Masters in Public Health. I was accepted into the program and moved to Maryland. As my thesis, I wrote a surgical cataract and glaucoma project for Cite Soleil and returned to Haiti in 1991 to find

funding for the grant and to implement the program. While at a joint American and PanAmerican Ophthalmology Academy meeting in California in 1991, I was asked not to return to Haiti. The political climate in Haiti had become so unstable an evacuation plan was put into motion. My husband and I were stranded in the USA with no money and two suitcases. As time passed by it was evident that the situation in Haiti was a long way off from resolving itself. We made the painful decision to leave Haiti and start a new life in the USA. I could not work as a physician in the USA without an American license and began the daunting task of passing the medical boards and redoing my residency. I chose to apply to University of Miami/ Jackson Memorial Family Medicine residency program and was accepted. Residency at my advanced age really took a toll on me, but I have no

(Continued on page 64)



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Human Relations
Commission
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33029**

References

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Insurance Information Institute. 110 William Street New York, NY 10038. www.iii.org

My Own Business, Inc., 13181 Crossroads Parkway North Suite 190 City of Industry, CA 91746
www.myownbusiness.org

"Certification Overview" One Florida Initiative, <<http://www.osd.dms.state.fl.us/>>

Small Business Administration, 409 Third Street, SW Washington, DC 20416, 1-800-U-ASK-SBA

Strauss, Steven D. *The Small Business Bible*. Hoboken, NJ: John Wiley & Sons, Inc., 2005.

Vogel, Mike. "The Mega-Trends: Good Migrations" *Florida Trend Magazine On-line*. April 2006. <<http://www.floridatrend.com>>.

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Additional Resources

SBA Women's Business Center Program

Women's Business Centers (WBCs) represent a national network of more than 100 educational resource centers designed to assist women in starting and growing small businesses. WBCs operate with the mission to level the playing field for women entrepreneurs, who still face unique obstacles in the world of business.

Alliance Women's Business Center

625 East Colonial Drive
Orlando, FL 32803
Telephone: 407-398-0743
Fax: 407-895-3663
www.Allianceflorida.com
Dedicated to offering training and technical assistance to new and novice women entrepreneurs. The program places particular emphases on reaching out to socially and economically disadvantaged populations.

The Center of Technology, Enterprise and Development, Inc.

33 SE First Avenue
Suite 102
Delray Beach, FL 33444
Telephone: 561-265-3790

The Florida Women's Business Center provides training, resources, referrals, support and advocacy to those seeking to create, sustain, or grow micro

businesses. Training is provided on a variety of business topics and includes workshops and seminars on business topics such as how to start a business, business plan development, securing loans marketing and financial management.

Jacksonville Women's Business Center program for the Jacksonville Regional Chamber of Commerce
5000-3 Norwood Avenue
Jacksonville, FL 32208
Telephone:
904-924-1100 X 224
Fax: 904-765-8966
www.JaxWbc.com

The Jacksonville Women's Business Center (JWBC), a program of the Jacksonville Regional Chamber of Commerce, provides services to advance the success of women entrepreneurs. As the business organization of influence, the Jacksonville Regional Chamber of Commerce leads regional economic development, fosters a positive business climate and leverages essential resources that create, enhance and expand First Coast businesses.

Enterprise Florida
Headquarters
Suite 1300
390 North Orange Avenue
Orlando, FL 32801
Phone: (407) 316-4600

Fax: (407) 316-4599
www.eflorida.com

Disney/SBA National Entrepreneur Center
Landmark Center
315 E. Robinson St., Suite 100
Orlando, FL 32801
www.floridanec.org
(407) 420-4848

Whether you are thinking about starting a business of your own, expanding your business, or looking for some guidance with the management of your organization, we can put you in touch with a variety of experts who can assist. NEC counselors can help you:

- **Write** a business plan
- **Form** your business
- **Identify** funding options
- **Develop** marketing programs
- **Establish** an accounting system

Counselors will share with you their business experience and their extensive knowledge of both available resources and the requirements for conducting business. The best part is counseling is typically free of charge.

(Source:
www.floridanec.org)

From
www.floridasbdc.com

Florida Small Business Development Centers

SBDC at the University of
West Florida
401 E Chase St, Ste 100
Pensacola, FL 32502-6160
850.473.7830
www.sbdc.uwf.edu

SBDC at the University of
South Florida
7402 N 56th St, Ste 425,
Bldg 400
Temple Terrace, FL 33617-
7743
813.914.4028
http://sbdc.usf.edu

SBDC at the University of
West Florida
922 Mar Walt Dr, Ste 203
Fort Walton Beach, FL
32547-6703
850.833.9400
www.sbdc.uwf.edu

SBDC at Central Florida
Development Council of
Polk County
600 N Broadway Ave, Ste
300
Bartow, FL 33830-3804
863.534.2503
www.smbdc.org

SBDC at Gulf Coast
Community College
2500 Minnesota Ave
Lynn Haven, FL 32444-4815
850.271.1108
www.northfloridabiz.com

SBDC at the University of
South Florida

Heartland Career
Connection System
2730 US Highway 27 N
Sebring, FL 33870-1623
863.385.3672 x240
http://sbdc.usf.edu

SBDC at Florida A&M
University
1363 E Lafayette St
Tallahassee, FL 32301-4799
850.599.3407
www.sbdcatfam.org

SBDC at Manatee
Community College
Lakewood Ranch
7131 Professional Pkwy E
Sarasota, FL 34240-8453
941.363.7000
http://www.mccfl.edu/
pages/324.asp

SBDC at North FL
Community College
1000 Turner Davis Dr, Bldg
#13
Madison, FL 32340-1602
850.973.1629
www.sbdcatfam.org

SBDC at Manatee
Community College
Business Resource Center
8000 Tamiami Trail S
Venice, FL 34293-5113
941.408.1412
http://www.mccfl.edu/
pages/324.asp

SBDC at Florida A&M
University

Taylor County Chamber of
Commerce
428 N Jefferson St
Perry, FL 32347-2510
850.584.5366
www.sbdcatfam.org

SBDC at Florida Gulf Coast
University
12751 Westlinks Dr
Ste 8, Bldg 3
Ft. Myers, FL 33913-8615
239.225.4220
http://cli.fgcu.edu/sbdc

SBDC at the University of
North Florida
COB, University Center
12000 Alumni Dr
Jacksonville, FL 32224-2677
904.620.2476
www.sbdc.unf.edu

SBDC at Florida Gulf Coast
University
Charlotte County COC
2702 Tamiami Trail
Port Charlotte, FL 33952-
5129
941.627.2222
http://cli.fgcu.edu/sbdc

SBDC at the University of
North Florida
2153 SE Hawthorne Rd, Ste
126
Gainesville, FL 32641-7577
352.334.7230
www.sbdc.unf.edu

SBDC at Florida Gulf Coast
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<p>University 1020 Cultural Park Blvd Cape Coral, FL 33990-1229 239.573.2737 http://cli.fgcu.edu/sbdc</p>	<p>SBDC at Florida Atlantic University 500 NW California Blvd Rm 125A Port St Lucie, FL 34986-2601 772.873.3428 www.fausbdc.com</p>	<p>SBDC at Florida Atlantic University Broward County Main Library 100 S Andrews Ave, Floor 5 Fort Lauderdale, FL 33301-1830 954.357.8068 www.fausbdc.com</p>
<p>SBDC at the University of North Florida 110 E Silver Springs Blvd Ocala, FL 34470-6613 352.622.8763 www.sbdc.unf.edu</p>	<p>SBDC at Seminole Community College 1445 Dolgner Place Sanford, FL 32771-9204 407.321.3495 http://sbdc.scc-fl.edu</p>	<p>SBDC at the University of South Florida 1101 Channelside Dr, Ste 210 Tampa, FL 33602-3613 813.905.5800 http://sbdc.usf.edu</p>
<p>SBDC at Florida Gulf Coast University Career Service Center of Collier County 750 S 5th St, Ste 710 Immokalee, FL 34142-4301 239.658.3327 http://cli.fgcu.edu/sbdc</p>	<p>SBDC at Florida Atlantic University 1515 W Commercial Blvd, Rm 111-112 Fort Lauderdale, FL 33309-3009 800.801.6520 www.fausbdc.com</p>	<p>SBDC at Florida Atlantic University Festival Plaza 8500 SW 8th St, Ste 224 Miami, FL 33144-4002 786.388.9040 www.fausbdc.com</p>
<p>SBDC at the University of Central Florida Disney/SBA National Entrepreneur Ctr 315 E Robinson St, Ste 100 Orlando, FL 32801-1698 407.420.4850 www.sbdcorlando.com</p>	<p>SBDC at the University of Central Florida Kissimmee/Osceola County COC 1425 E Vine St Kissimmee, FL 34744-3621 407.847.2452 www.bus.ucf.edu/sbdc</p>	<p>SBDC at the University of South Florida Young-Rainey STAR Center 7887 Bryan Dairy Rd Largo, FL 33777-1445 727.549.6393 http://sbdc.usf.edu 32 *SBDC at Florida Atlantic University</p>
<p>SBDC at Florida Atlantic University 777 Glades Rd, Bldg T-10 Boca Raton, FL 33431-6424 561.297.1140 www.fausbdc.com</p>	<p>SBDC at Florida Atlantic University 220 SE 2nd Ave Fort Lauderdale, FL 33301-2206 954.762.5145 www.fausbdc.com</p>	<p>Florida Keys Community College 5901 College Rd, Ste C-226 Key West, FL 33040-4315 305.292.2396 www.fausbdc.com</p>
<p>SBDC at Daytona Beach Community College 1200 W International Speedway Blvd Rm 223, Bldg 110 Daytona Beach, FL 32114-2817 386.506.4723 http://go.dbcc.edu/sbdc</p>	<p>SBDC at Brevard Community College 3865 N Wickham Rd Rm 122, Bldg 10 Melbourne, FL 32925-2310 321.433.5570 www.bcctraining.com</p>	

State of Florida Agency Listing

From: www.myflorida.com

Governor's Office
The Capitol
Tallahassee, FL 32399-0001
(850) 488-4441
www.myflorida.com

Florida Senate
The Capitol
Tallahassee, FL 32399-1100
(800) 342-1827
www.flsenate.gov

Florida House of
Representatives
The Capitol
Tallahassee, FL 32399-1300
(850) 488-6026
www.myfloridahouse.gov

State Board of
Administration
P.O. Box 13300
Tallahassee, FL 32317-3300
(850) 488-4406
www.sbafla.com

Department of Agriculture
and Consumer Services
The Capitol, Plaza Level 10
Tallahassee, FL 32399-0810
(850) 488-3022
doacs.state.fl.us

Department of Business and
Professional Regulation
1940 N. Monroe St.
Tallahassee, FL 32399-1027
(850) 487-1395
www.myflorida.com/dbpr

Department of Children and
Families
1317 Winewood Blvd.
Tallahassee, FL 32399-0700
(850) 487-1111
www.state.fl.us/cf_web

Department of Citrus
P.O. Box 148
Lakeland, FL 33802-0148
(863) 499-2500
www.floridajuice.com

Florida Division of Colleges
and Universities
325 W. Gaines St.
Tallahassee, FL 32399
(850) 245-0466
www.fldcu.org

Department of Community
Affairs
2555 Shumard Oak Blvd.
Tallahassee, FL 32399-2100
(850) 488-8466
www.dca.state.fl.us

Department of Corrections
2601 Blair Stone Road
Tallahassee, FL 32399-2500
(850) 488-7480
www.dc.state.fl.us

Department of Education
325 W. Gaines St.
Tallahassee, FL 32399
(850) 245-0505
www.fldoe.org

Department of Elder Affairs
4040 Esplanade Way
Tallahassee, FL 32399-7000
(850) 414-2000
elderaffairs.state.fl.us

Department of
Environmental Protection
3900 Commonwealth Blvd.,
M.S. 49
Tallahassee, FL 32399-3000
(850) 245-2118
www.dep.state.fl.us/

Department of Financial
Services
200 E. Gaines St.
Tallahassee, FL 32399
(850) 413-3100
www.fldfs.com

Florida Fish and Wildlife
Conservation Commission
620 S. Meridian St.
Tallahassee, FL 32399-1600
(850) 488-6551
www.MyFWC.com

Agency for Health Care
Administration
2727 Mahan Drive
Tallahassee, FL 32308
(888) 419-3456
www.fdhc.state.fl.us

Department of Health
2585 Merchants Row Blvd.
Tallahassee, FL 32399
(850) 245-4444
www.doh.state.fl.us

Department of Highway
Safety and Motor Vehicles
2900 Apalachee Pkwy.
Tallahassee, FL 32399-0500
(850) 922-9000
www.hsmv.state.fl.us

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Department of Law Enforcement
2331 Phillips Road
Tallahassee, FL 32308
(850) 410-7000
www.fdle.state.fl.us

Department of Legal Affairs
Office of the Attorney General
The Capitol, Plaza Level 01
Tallahassee, FL 32399-1050
(850) 414-3300
www.myfloridalegal.com

Department of the Lottery
250 Marriott Drive
Tallahassee, FL 32301
(850) 487-7727
www.flalottery.com

Department of Management Services
4050 Esplanade Way, Suite 250
Tallahassee, FL 32399-0950
(850) 488-2707
www.dms.florida.com

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(800) 342-3552
www.floridapsc.com

Department of Revenue
5050 W. Tennessee St.
Tallahassee, FL 32399-0100
(850) 488-6800
www.myflorida.com/dor

Department of State
The Capitol, Plaza Level 02
Tallahassee, FL 32399-0250
(850) 245-6500
www.dos.state.fl.us

Department of Transportation
605 Suwannee St., M.S. 59
Tallahassee, FL 32399-0450
(850) 414-4100
www.dot.state.fl.us

Department of Veterans Affairs
11351 Ulmerton Road
Largo, FL 33778
(727) 518-3202
www.floridavets.org

Workforce Florida Inc.
1974 Commonwealth Lane
Tallahassee, FL 32303
(850) 921-1119
www.workforceflorida.com

Agency for Workforce Innovation
107 E. Madison St.
Caldwell Building
Tallahassee, FL 32399-4120
(850) 245-7105
www.floridajobs.org

Swezy Realty

Swezy Realty was established in South Florida in 1959 to represent local and foreign investors in the ownership and management of Commercial, Industrial and Residential property. Swezy Realty is an experienced leader in HUD development, commercial

office buildings, site development, shopping centers, warehouses, land sales, multi-family complexes, subdivisions and residential property sales. Swezy Realty currently owns and manages in excess of 1,000 rental units, office buildings and commercial



properties.

Ruby began as a teacher in Miami-Dade schools and also served as an elected official in the City of Hialeah. She takes pride in being a champion for 'unrepresented' and less fortunate people."



Ruby Swezy
Swezy Realty, Inc.
168 Hialeah Drive
Hialeah, Florida 33010

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regrets. I graduated from the program and began to work in various settings where I encountered many members of the Haitian community. At this time in my medical career I can happily say I have found a way to return to the Haitian community all the love and gratitude they have shown to me. I have

recently accepted a position that gives me the opportunity to provide health care in Little Haiti two days a week.

The Haitian motto “Honor, Respect and Integrity” was instilled in me by my parents as a guide to how to live my life since childhood. As a member of the Florida Commission on Human Relations I have

found another way to serve the Haitian community and keep the above tradition alive. There is still much to be done. The Haitian people hold a special place in my heart. I cannot solve all the many diverse issues confronting them, but I am willing to work together with all those of good faith to improve their situation. As a physician and wife of Businessman, the Business

Part 2 by: Georgia Thomas, Esq., The Thomas Law Firm

of Health care means, “Service to the Community.” Being a Haitian Woman in business has been and continues to be a challenging and rewarding experience. Three years ago, after working for a couple of law firms, I decided to strike out on my own, setting up my own business out of my apartment. It was time to follow the advice that I have given to others over the years: “Follow Your Dream.” And by becoming an attorney practicing in her own law firm I have indeed realized a childhood dream.

Growing up in Haiti, women in business were rarely acknowledged. Most women that I know were confined in the traditional boundaries of wife, mother,

or homemaker. I wanted another lifestyle, one not necessarily better or worse, just a different one. I wanted to be financially independent and be my own boss, thus the launching of my law firm. This short piece will discuss the biggest challenge I faced and the support group I wished I had.

CHALLENGE

The main challenge that I faced with my firm was cash flow. One of the biggest risks for service-oriented small businesses like mine is indeed the fact that some clients may not be able to pay for services rendered. This factor was very relevant in my case since I had invested my savings into this new venture. Another aspect of this problem is the constant bargaining sessions that

clients hold with you in other to pay almost nothing for their respective cases. Ironically enough, my Haitian clients—I have an equal number of Latinos and Caribbean clients—seem to make it a “Must” to bargain with me. Apparently, this problem seems to be a recurrent one facing the Haitian Women attorneys that I talked to. Fortunately, I have since learned the warning signs of the potential “delinquent” clients and can stop cash flow problem before they begin. Cash flow is key to any small business success; I am glad that I was given this valuable advice.

SUPPORT GROUP

Haitian business women like me are still in a distinct minority among those who

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work in our legal sector. At networking functions, luncheons or seminars that I attend regularly I am always amazed at being one of the few black people there and too often the only Haitian business woman there. More organizations should be formed to reach out to those who are not attending these events for lack of notice of same or contact with the right people.

Additionally organizations should be created solely to identify the critical needs of

Haitian Women in the workforce as these needs relate to their struggles and successes in climbing the corporate ladder. Reports on those "faux pas" too often performed by novice Haitian Business Women would allow the next generation of Haitian Business Women to achieve success quicker and avoid failures.

I am privileged to have been a member of the Haitian Lawyers Associations (HLA) prior to opening my firm. Many excellent attorneys from HLA provided me

invaluable tips on how to have a successful practice gave up their time to assist me whenever necessary and more importantly shared their experiences with me. Unfortunately, finding knowledgeable people who are willing to mentor newcomers is not always as simple as it may sound. I recalled being blatantly told that I would not receive any assistance from "this group" because I was the competition. I had to accept the fact that doors do not open just because you knock.



Georgia Thomas, Esq.
The Thomas Law Firm
1100 NE 163rd Street,
Suite 300
North Miami Beach, FL
33162

CityMasala

Chhaya Sanghavi and Shaphali Jain forged the idea to begin CityMasal Magazine less than one year ago in order to satisfy the dearth in the area for a publication that meets the needs of the vibrant south Asian community. Extensive research was done to create an effective marketing strategy and to bring about a distribution strategy for the magazine that would have the most impact on readers and advertisers.

The partners do not feel their business was impacted

negatively or positively by being women. They received, and are continuing to receive, an overwhelming positive response to their publication. "Our community is full of individuals who have achieved great feats and are very keen to give back to the community and to their adopted country as a whole. This is what we had envisioned for CityMasala – to bring about a community that brings back the togetherness of a country left behind and a feeling of belonging for the country



that is now home to this South Asian population," says Chhaya and Shaphali.

They offer the following advice to women looking to open a business: "Examine your core skills, enlist all the advice and information that you can get – people everywhere are more than willing to help and *research, research and research* before you go into business. There is nothing a woman cannot do if she is educated, well informed and confident."



Chhaya Sanghavi



Shaphali Jain

CityMasal
4211 Elba Place
Valrico, FL 33594
www.citymasala.com

Glossary of Common Business Terms

<http://www.allbusiness.com/glossary/glossary.asp>
AllBusiness
650 Townsend Street, Suite 675
San Francisco, CA 94103
Phone: (415) 694-5000
Fax: (415) 694-5001

A

Acceleration. A contract clause that requires payment of the full amount of the debt owed if a payment is missed or another triggering event (such as bankruptcy of the debtor) occurs. This type of clause often appears in promissory notes or loan agreements.

Accounts Payable. Trade accounts of businesses representing amounts owed for goods or services received.

Accounts Receivable. Trade accounts of businesses representing amounts due for goods sold or services rendered.

Accounting. The recording, classifying, summarizing, and interpreting of events of a financial character. These events can include income, expenses, and cash flow.

Accrual-Basis Accounting. An accounting system in which income is recorded when it is earned rather than when it is paid, and expenses are recorded when an obligation is established rather than when the money is paid.

Addendum. An attachment or

exhibit to a written document, such as a contract.

Agent. A person granted the authority to act on behalf of another person or entity, known as the "principal." The actions and decisions of the agent can be binding on the principal.

Age Discrimination in Employment Act (ADEA). A federal law that prohibits employers from discriminating against individuals age 40 or more. This law generally applies to companies with 20 or more employees.

Alternative Dispute Resolution (ADR). An approach to conflict resolution designed to avoid court proceedings. ADR traditionally encompasses two main forms: arbitration and mediation.

Americans with Disabilities Act (ADA). A federal law that prohibits discrimination against those with physical or mental disabilities in employment, public services and public places, such as restaurants, hotels and shops. The ADA requires companies with 15 or more employees to make reasonable accommodations to enable qualified disabled employees to perform their job.

Amortization. Paying off debt in regular installments over a period of time, or deducting certain capitalized expenditures over a specified period of time.

Appreciation. The increase in the value of an asset.

Arbitration. A form of alternative dispute resolution in which a neutral third party (an arbitrator) considers the competing parties' arguments and evidence and renders a decision or award. Arbitration can be binding or non-binding.

Asset. Anything that an individual or an entity owns that has value. Cash, equipment and stocks are all considered assets.

At-Will Employment. The policy allowing employers or employees to end an employment relationship at any time for any reason — or for no reason at all. In some states, the law may place practical limits on this policy.

B

Balance Sheet. A financial statement that includes a company's assets and liabilities. A company's net worth is equal to its assets minus its liabilities.

Bankruptcy. A condition in which a business cannot meet its debt obligations and petitions a federal district court for either reorganization of its debts (Chapter 11) or liquidation of its assets (Chapter 7). In the action the property of a debtor is taken over by a receiver or trustee in bankruptcy for the benefit of the creditors. The action may

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be voluntary or involuntary.

Bonus. A cash award granted to employees by the employer, usually based on personal and/or company performance. Bonuses can also come in the form of extra vacation time, gifts and other non-monetary awards.

Boutique. A small company or firm that specializes in a particular industry or provides a limited service, such as investment banking firms that concentrate solely on technology companies.

Breach of Contract. A violation of or failure to perform according to the terms and conditions of an agreement.

Browser. Software that lets you view Web sites. Most browsers display text, images, graphics, animation and other online content. Popular browsers include Netscape Navigator and Microsoft Internet Explorer.

Business Plan. A planning document that describes a company, its market, its management team, its potential, its competitors, and all other relevant information about its business and its prospects.

C

Cafeteria Plan. An employee benefit plan where employees use pretax salary or wages to create their own customized benefits package. Employees may be able to take cash (which becomes taxable) for

unused credits or convert more pretax dollars to pay for more benefits. Also known as a flexible benefits plan.

Cancellation Fee. A fee for breaking a contract. Many cellular phone service contracts impose a cancellation fee for ending the contract before the end of its term.

Capital. (1) Assets less liabilities, representing the ownership interest in a business, (2) a stock of accumulated goods, especially at a specified time and in contrast to income received during a specified time period, (3) accumulated goods devoted to the production of goods, and (4) accumulated possessions calculated to bring income.

Capital Expenditures. Business spending on additional plant equipment and inventory.

Cash Flow. An accounting presentation showing how much of the cash generated by a business remains after both expenses (including interest) and principal repayment on loans are paid. A projected cash flow statement indicates whether the business will have cash to pay its expenses, loans, and make a profit. Cash flows can be calculated for any given period of time, normally done on a monthly basis or yearly basis.

Collateral. Something of value pledged to support the repayment of an obligation or loan. Examples include real estate and certificates of deposit.

Collateral Document. A legal document covering the item(s) pledged as collateral on a loan.

Common Law. Law made by judges in individual cases, rather than by the legislature.

Contingency Fee. A common legal fee arrangement that relies on the collection of monetary damages for the plaintiff before any legal fees are owed. Most common in litigation (such as in personal injury lawsuits), it allows the client to receive legal services while paying the attorney little or no money up front.

Copyright. An exclusive ownership interest in an artistic or literary work. The term "literary work" includes computer software and other information stored in electronic form. Copyright is often noted by the following example: "Copyright© 2003 by AllBusiness.com."

Corporation. A form of organization that provides its owners and shareholders with certain rights and privileges, including protection from personal liability, if proper steps are followed. Corporations may take a number of forms, depending on the goals and objectives of the founders. Types include C, S and nonprofit corporations. Corporations are regarded as "persons" in the eyes of the law and may thus sue and be sued, own property, borrow money and hire employees.

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Cost of Goods Sold. This term represents the cost of buying raw materials and producing the goods that a company sells. It also includes the cost of the company's labor force and overhead costs.

Current Ratio. The ratio of the company's current assets to its current liabilities. A current ratio of less than 1-to-1 typically indicates a poor credit risk. A current ratio of greater than 2-to-1 typically indicates a good credit risk.

Customer. Someone who has bought or made the decision to buy a product or service.

Cyclical Industry. An industry that has natural high and low sales periods based on the time of year, season or other factors.

C Corporation. A corporation where the entity is taxed separately from its owners under subchapter C of the Internal Revenue Code.

D

Damages. A cash compensation ordered by a court or arbitrator to offset losses or suffering caused by another's fault or negligence. Damages are a typical request made of a court or arbitrator when persons sue for breach of contract or tort.

Debt Financing. The provision of long term loans to small business concerns in exchange for debt securities or a note.

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Demand Letter. A letter from a lawyer on behalf of a client that demands payment or some other action. Demand letters often threaten litigation if the other party does not perform.

Depreciation. An accounting procedure that spreads the cost of purchasing an asset over the useful lifetime of the asset.

Direct Mail. Marketing or advertising materials sent directly to a prospective customer via the US Postal Service or a private delivery company.

Direct Marketing. The process of sending promotional messages directly to individual consumers, rather than via a mass medium. Includes methods such as direct mail and telemarketing.

Doing Business As (DBA). A situation in which a business owner operates a company under a different name than the one under which it is incorporated. The owner typically must file a fictitious name statement or similar document with the appropriate county or state agency.

E

EBITDA. Earnings before interest, taxes, depreciation, and amortization.

E-Check. A method of automatically paying for goods or services that works much like direct deposit in reverse. Companies keep a customer's voided check on file, which

allows them to debit the customer's bank account for the amount owed.

Employee Retirement Income Security Act (ERISA). A broad-reaching law that establishes the rights of pension plan participants, standards for the investment of pension plan assets, and requirements for the disclosure of plan provisions and funding.

Employee Manual. A handbook that describes a company's personnel procedures, policies and benefits.

Employer ID Number (EIN). An identification number assigned to businesses for taxpaying purposes by the IRS or state taxing authorities. An Employer ID Number is required for partnerships, corporations, and trusts, and it may be required for sole proprietorships that have employees. Also called a Federal ID Number or Taxpayer ID Number.

Employment Agreement. An agreement that sets forth the rights and obligations of employees and employers. Typical employment agreements oblige employees to keep trade secrets confidential and to not solicit other employees after their departure.

Entrepreneur. One who assumes the financial risk of the initiation, operation, and management of a given business undertaking.

Equal Employment Opportunity

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(EEO). Federal legislation prohibiting employment discrimination based on age, race, sex, religion or ethnic background.

Equal Employment Opportunity Commission (EEOC). The federal agency responsible for handling workplace discrimination complaints. Many states have comparable agencies.

Equal Pay Act. Federal legislation that prohibits certain employers from paying different wages to men and women who perform the same work in similar working conditions.

Equity. An ownership interest in a business. For example, stock in a corporation represents equity in the corporation.

Equity Financing. The provision of funds for capital or operating expenses in exchange for capital stock, stock purchase warrants, and/or options in the business financed, without any guaranteed return, but with the opportunity to share in the company's profits.

ESOP (Employee Stock Ownership Plan). A retirement-type plan in which a trust holds stock in the employees' names. Employees receive cash from the stock only when they leave the company or perhaps when the company is sold.

Exempt Employee. Employees who are not bound to overtime

regulations and minimum wage laws. Who is exempt depends on level of responsibility or professional status.

Exit Interview. An interview conducted at the end of an employee's term of employment to obtain employment feedback and to remind the employee of his or her confidentiality obligations.

E

Fair Labor Standards Act (FLSA). A federal law that defines the 40-hour workweek, the federal minimum wage, overtime pay, record keeping and child labor standards affecting private sector, federal, state and local government workers.

Fair Use. A legal doctrine that authorizes use of copyrighted materials for certain purposes without the copyright owner's permission.

Family and Medical Leave Act (FMLA). A federal law requiring employers to provide eligible employees with unpaid leave during a year's time for the birth or adoption of a child, family health needs or personal illness. The FMLA generally applies to all public agencies, including state, local and federal employers; private companies that employ 50 or more people; and public schools.

FICA (Federal Insurance Contributions Act). A payroll deduction for Social Security required by the federal government.

Financial Reports. Reports concerning the financial aspects of a business, such as: (1) Balance Sheet - A report of the status of a firm's assets, liabilities and owner's equity at a given time. (2) Income Statement - A report of revenue and expense which shows the results of business operations or net income for a specified period of time. (3) Cash Flow - A report which analyzes the actual or projected source and disposition of cash during a past or future accounting period.

Fixed Costs. Costs of doing business, such as rent and utilities that remain generally the same regardless of the amount of sales of goods or services.

Foot Traffic. Consumer activity produced by visitors at stores, trade show exhibits or by popular retail locations.

Foreclosure. The act by the mortgagee or trustee upon default, in the payment of interest or principal of a mortgage of enforcing payment of the debt by selling the underlying secured property.

Form W4, Employee's Withholding Allowance Certificate. An IRS form completed by the employee and used by the employer to determine the amount of income tax to withhold.

Franchising. A relationship in
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which the franchisor provides a licensed privilege to the franchise to do business and offers assistance in organizing, training, merchandising, marketing, and managing in return for a consideration. Examples of franchises include Burger King and Taco Bell.

G

Guarantee. A promise to step in and perform another's obligation if that person should fail or default.

Guarantor. A person who makes a legally binding promise either to pay another person's obligation or to perform another person's duty if that person defaults or fails to perform.

H

Hard Sell. Aggressive, high-pressure sales techniques.

I

Incentive Stock Options (ISOs). Stock options granted to employees that are taxed as capital gains rather than income if the employee meets the required holding period before selling them. Also called statutory stock options and qualified stock options.

Income Statement. A record of the financial performance of a company over a period of time. It records all the income generated by the business during the period and deducts all its expenses for the same period to arrive at net income,

or the profit for the period.

Independent Contractor. A worker who works on a specific project for a specified period of time. Independent contractors are not subject to tax withholdings and usually don't receive benefits granted to full-time employees.

Internal Revenue Service (IRS). The federal agency that collects income taxes in the United States.

INS Form I-9. The form used by the Immigration and Naturalization Service to verify an employee's eligibility to work in the United States.

Insolvency. The inability of a borrower to meet financial obligations as they mature, or having insufficient assets to pay legal debts.

Interest. (1) An amount paid a lender for the use of funds, or (2) cost of using credit or another person's or company's money. Interest is usually calculated as a rate per a period of time, typically a year.

Interest Rate. Percentage of a sum of money charged for the use of the money. Borrowing \$100 for one year at a 10 percent simple interest rate would cost \$10.

Invoice. A bill prepared by the seller of goods or services. Invoices tell purchasers how much they owe.

IRS Form 1099-MISC. The tax form sent to the IRS and the independent contractor at the

end of the year when an independent contractor's annual wages meet or exceed \$600.

IRS Form W-4. The IRS form used to record filing status and withholding allowances. Also known as the Employee Withholding Tax Certificate.

J

Joint Venture. An agreement between two or more partners ("joint ventures") to pursue collaboratively a particular project or business, with a sharing of profits or losses.

Judgment. Judicial determination of the existence of an indebtedness or other legal liability.

L

Lead. A new prospect or client previously unknown to a salesperson or company.

Lease. A contract by which a tenant (the "lessee") takes possession of office space, furniture, equipment or other property for a specified rent and specified amount of time. At the end of a lease, the property reverts back to its owner (the "lessor").

Lessee. The renter or tenant.

Lessor. The landlord or owner.

Letter of Credit. A document issued by a bank guaranteeing payment of a customer's debt up to a set amount over a set period of time. Letters of credit are used extensively in international trade.

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Letter of Intent (LOI). An agreement, usually nonbinding, documenting the general terms of a proposed business relationship. Often used as a prelude to a binding, definitive agreement.

Liability. Any debt or obligation due now or potentially in the future. Liability is synonymous with legal responsibility.

Lien. A charge upon or security interest in real or personal property maintained to ensure the satisfaction of a debt or duty ordinarily arising by operation of law.

Limited Liability Company (LLC). A flexible business structure, popular with small businesses, offering owners the advantage of limited personal liability and the choice of being taxed like a partnership or a corporation.

Limited Liability Partnership (LLP). A type of partnership recognized in many states that protects individual partners from personal liability for negligent acts committed by other partners and employees not under their direct control. Some states restrict this type of partnership to professionals, such as lawyers, accountants and architects.

Litigation. Lawsuits instituted through the judicial process.

Loan Agreement. An agreement for the borrowing of money, typically containing pertinent terms, conditions,

covenants and restrictions.

Long-Term Debt. Obligations or liabilities that a company owes in one year or more.

M

Marketing Plan. A company plan for marketing products and services and increasing sales.

Market Share. The percentage of a product category's sales, in dollars or units, that a particular brand, product line or company controls.

Maturity. In general, the period and date when payment of a loan is due. As applied to securities and commercial paper, the period and date when payment of principal is due.

Mediation. A form of alternative dispute resolution in which a neutral party (a mediator) seeks to promote and negotiate a settlement between opposing parties in a dispute. There is no mechanism to compel the parties to settle; they must voluntarily agree to any settlement.

Merger. Typically, a combination of two or more corporations into one corporation.

Mortgage. An instrument giving legal title to secure the repayment of a loan made by the mortgagee (lender).

N

Negligence. An action or omission falling below the

standard of care that a reasonable person would exercise in the same situation.

Nondisclosure Agreement (NDA). A contract in which a person or business agrees to maintain the confidentiality of proprietary information or trade secrets and not disclose such information without authorization. Employees, consultants, business partners and investors are often asked to sign nondisclosure agreements.

Nonexempt Employee. Employees who are protected by wage laws that mandate payment for every hour of overtime worked.

Nonprofit Corporation. A form of corporation in which no stockholder or trustee shares in profits or losses and which usually exists to accomplish some charitable or educational function. These organizations are exempt from corporate income taxes, and donations to these groups may be tax deductible.

Nonqualified Stock Options (NSOs). Nonqualified stock options may be granted to employees, consultants, contractors and others. When nonqualified stock options are exercised the holder must pay ordinary income tax on them, even if the shares have not yet been sold.

O

Occupational Safety and Health Administration (OSHA). A federal organization established to promote healthy and safe work environments.

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OSHA requires employers to inform employees of potential hazards, provide safety training and report workplace injuries. Many individual states have similar agencies.

Operating Expenses. In real estate, the costs of maintaining a property, such as utility charges and property taxes.

P

Parent Company. A company that owns a majority stake (51 percent or more) of another company's shares. It may have its own operations, or it may have been set up solely for the purpose of owning the operating company.

Partnership. A legal relationship existing between two or more persons or entities contractually associated as joint principals in a business.

Patent. A patent secures to an inventor the exclusive right to make, use and sell an invention for a designated period of time. See information at www.uspto.gov.

Performance Review. A mechanism for regular discussion and evaluation of an employee's job performance.

Power of Attorney. A written authorization that lets one person act as an agent for another and to make binding decisions for the principal. A power of attorney can be limited to specific types of

decisions or it can be general.

Preferred Stock. A class of stock with a liquidation preference before payment is made to the common stock holders. Preferred stock is the security most used by venture capital investors.

Prime Rate. Interest rate which is charged business borrowers having the highest credit ratings, for short term borrowing.

Profit Sharing. Employee incentives in which a company distributes or receives a portion of the business's profits to employees.

Proprietorship. The most common legal form of business ownership; about 85 percent of all small businesses are proprietorships. The liability of the owner is unlimited in this form of ownership.

Public Domain. A copyright term that means a particular work is free for all to use without permission. Works in the public domain include those that were never copyrighted, those for which the copyright has expired and public documents.

Public Relations. Communication with various sectors of the public to influence their attitudes and opinions in the interest of promoting a person, product or idea.

Purchase Order. A form that contains pricing, quantity and

other purchasing information.

R

Rentable Square Feet. The total square feet available for lease. Typically, when landlords quote a price per square foot, they are talking about rentable square feet.

Return on Investment. The amount of profit (return) based on the amount of resources (funds) used to produce it. Also, the ability of a given investment to earn a return for its use.

Retainer. A contract between a lawyer and a client in which the lawyer agrees to provide certain legal services for money. The agreement formalizes the lawyer-client relationship and explains the relative duties of lawyer and client toward one another.

Right of First Refusal. The right to be the first person allowed to purchase a certain item (such as stock or real estate) if it is ever offered for sale.

S

SBA. The US Small Business Administration (SBA), created by Congress in 1953 to help America's entrepreneurs form successful small business enterprises. See www.SBA.gov.

Salary. Regular compensation paid to an employee as a condition of employment. Salary is generally computed on an annual or a monthly basis.

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Sales Tax. A tax on retail products based on a set percentage of retail cost.

Security Deposit. Money that a lessee must give a lessor as a guarantee that the lessee will make payments.

Sexual Harassment. Uninvited sexual advances or related conduct that creates an intimidating, hostile or offensive work environment. Sexual harassment is prohibited by the federal Civil Rights Act of 1991 as well as by various state laws.

Shareholder Agreement. A written agreement between a corporation and its shareholders governing the nature of the relationship and the conduct of certain corporate activities (such as distribution of profits and resolution of shareholder disputes).

Sister Company. Sister companies share the same parent company or individual owner. Like a subsidiary, a sister company is typically a separately incorporated business.

Small Claims Court. A court intended to simplify and expedite the resolution of minor disputes (such as disputes involving \$5000 or less).

Social Security Tax. Provides benefits for retired workers and their dependents as well as for the disabled and their

dependents. Also known as "Federal Insurance Contributions Act" (FICA) tax.

Stock Option. A right to buy a given amount of company stock at a given price for a given period of time.

Sublease. The act of a tenant leasing the property it is leasing to yet another tenant, called a sub lessee.

Subsidiary. A company owned by a parent company, a subsidiary is a separate legal entity listed as a corporation or LLC that is required to file its own taxes.

S Corporation. A form of corporate organization where the profits of the entity pass through to shareholders and are taxed on their personal returns under subchapter S of the Internal Revenue Code.

I

Target Market. A specified audience or demographic group that an ad, product or service is intended to reach.

Tax Credit. A dollar-for-dollar reduction in the tax. Can be deducted directly from taxes owed.

Tax Deduction. A part of a person's or business' expenses that reduces income subject to tax.

Temporary Employee. An employee, often hired and paid by a third party, who fills in staffing shortages caused by special projects, seasonal coverage, leaves of absence or

other reasons.

Tenant Improvements. Refurbishing a rental space for a new tenant. Improvements may include repainting, recarpeting and moving walls. In high-vacancy markets, landlords often entice tenants with money for tenant improvements. In tight rental markets, tenants may be on their own.

Tort. A civil wrong or injury that results in a legal action for damages to rectify the wrong.

Trademark. A name, phrase, logo, image or combination of images used to identify and distinguish a business from others in the marketplace. The term is often used to include service marks, which apply to businesses providing services as opposed to selling products. Trademarks can be either registered or unregistered, with different levels of protection.

Trustee. A person or legal entity that holds money or property for the benefit of another. The owner of the money or property is known as the beneficiary. In most cases, the trustee and the beneficiary can be the same person.

U

Unemployment Compensation. Money paid to eligible people who have lost a job and are actively looking for work. Unemployment compensation is partially paid by the employer's unemployment insurance contributions.

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Unfair Competition. A broad term describing illegal commercial activity ranging from trademark infringement to false advertising. Federal and state laws regulate unfair competition, and the remedies available range from money damages to court injunctions.

Unsecured Debt. A debt that is not guaranteed by a specific piece of real or personal property. If the debtor defaults, the creditor does not have the right to seize specific property to satisfy the debt.

Usable Square Feet. The amount of space renters can actually use. Usable square footage is usually less than rentable square footage because it deducts common areas such as public corridors, elevators, lobbies and bathrooms.

V

VAR (Value Added Reseller). A company that modifies or improves a system in some way and then resells it. A VAR might, for example, integrate a software application with its clients' other systems or it might buy hardware components and build complete systems.

Venture Capital. Money used to support new or unusual commercial undertakings; equity, risk or speculative capital. This funding is provided to new or existing firms that exhibit above-average growth rates, a significant potential for market expansion and the need for additional financing for business maintenance or expansion.

Venture Capital Limited Partnership. Investment vehicles organized to raise capital for start-up companies or those in the early process of developing products or

services. The limited partners invest in the limited partnership to provide investment capital.

Vicarious Liability. When a person is held legally responsible for the actions of another even though that person did not directly cause the harm. For example, employers are sometimes held vicariously liable for the damages caused by their employees.

W

Workers' Compensation Insurance. Government-mandated insurance that covers a business' financial obligations for its employees' work-related injuries.

Working Capital. The difference between current assets and current liabilities. Working capital finances the cash conversion cycle of a business — the time it takes to convert raw materials to finished products to sell and receive cash.



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