

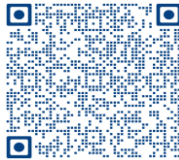


FOR THE LIFE OF YOUR BUSINESS

Charleston SC

# Starting a Business in the Lowcountry

SCORE – Charleston SC Chapter  
[www.charlestonsc.score.org](http://www.charlestonsc.score.org)



2023 SCORE Charleston SC

## Introduction

Are you ready to start a business? How much do you know about the process? Well, what you don't know CAN hurt you. Starting a business is a major challenge and should not be undertaken without considerable thought and planning. There are several issues to consider. This handbook was developed by the Charleston SC Chapter of **SCORE** as a reference guide for entrepreneurs who are seriously considering starting their own business. We challenge you to answer a few probing questions that will help you assess your readiness to start a business, and if you are, will give you a sense of direction and help assure your success.

## The Challenge

Starting a business is hard, success is elusive. The survival rate for a new business is a reminder that unless all the fundamental processes are used, the risk for failure increases dramatically. According to the U.S. Bureau of Labor Statistics and the Ewing Marion Kauffman Foundation, of the over 600,000 new businesses started each year only 56% survive 3 years, and just 33% survive 10 years. These are not encouraging odds given the dollars and energy required for a business start-up.

Surveys of business failure attribute the following explanations to a lack of success. Lacking uniqueness or value • Not in touch with customer

needs • Unprofitable business model • Leadership failure

To sum up, the critical factors you must take under serious consideration to ensure the success of your business and avoid failure are:

- Adequate capital or resources
- Management experience and ability
- Education/experience in the field
- Good work ethic and time management skills

- Ability to ask input of others and make appropriate changes.
- Willingness to test your idea
- Develop a business plan

## You - Do you have the right stuff?

When deciding whether to start a business the first key question to ask yourself is do you have the personality and skills required to start a business? Ask yourself these questions. It is a good idea to write down your response and explain your answer. So, are you:

- A self-starter and resourceful?
- Have a positive attitude toward people?
- Responsible and organized?
- Persistent, Trustworthy? Decisive?
- Not afraid to fail and take risks?

In addition to the traits you need, successful entrepreneurs must be clearly focused in order to reach their goals, possess the competence or skill needed to produce the products or services for their target customers; and, finally, have the passion or interest in starting and managing the business.

## What you need to succeed

- **Focus** – Being able to maintain interest and focus your time and energy on the important few essential tasks while avoiding the unimportant many. You simply cannot respond to every request or idea. Additionally, you must stick to your plan and execute it.
- **Competence** –Having the skills, knowledge, or experience in your proposed business is a major key to success. It is also very helpful for you to have an awareness of general business practices such as cash management, marketing and people management, etc. Knowledge of startup requirements such as funding sources will be of great help as well.

- **Passion** – No new endeavor succeeds without passion and drive, that energy that keeps you going when things get tough. So, it is important that you have a love for the business you plan to be in to keep you motivated when you have to work long hours with low to no monetary rewards.

## Your Dream – Is it realistic?

Once you have determined that you have what it takes to start a business you will need to test your idea to see if it is reasonable and has the potential for success. To test your idea, you must confirm that the product(s) or service(s) you are planning to offer will attract the kind of customers you are targeting. To “*test your concept*” you should:

- Try it out – If possible, go to work with a similar company. For instance, if you are thinking of opening a floral shop, go work with a florist for a few months to see what it is really like. Many times, the reality of actually running a business falls way short of fantasy.
- Talk to entrepreneurs in the same field – Find someone who is successfully doing what you want to do and interview them. Of course, it must be someone with whom you will not compete. Ask them what it is like, what were/are the challenges, what they like best, and the least about the business, what they wish they had known when they started that they know now. Also, find more than one person to talk with.
- Evaluate whether you enjoy the work and excel at it – Develop an understanding of the primary skills and work required to be successful in your proposed business. Ask yourself if you will be good at that and will enjoy doing it every day for a long time. Often, we plunge into pursuits without understanding exactly what is required for success and find that we are a complete misfit and are thus unhappy and unsuccessful.
- Judge your ability and desire to handle all aspects of the business. This is good to know so that you can plan on how to manage those areas that you are unqualified to handle. You can make plans to hire someone or outsource the work.

- Determine whether the business has a solid chance of turning a profit and exactly when; this will require forecasting of sales and expenses. If you do not have the skills to do this, find someone qualified to help you. Do a best case and a worst-case scenario. This can help you make a go/no-go decision and if you decide to proceed, you will need the forecast for your business plan as well.
- Evaluate the risk this business requires – Identify potential risks and a plan for reducing or eliminating them. Decide if you are prepared to take all of the associated risks.

## **The Market – Who is your target customer and who are your competitors?**

A clear understanding of your market is vital to business success. The value of knowing your target customer and your competition cannot be overemphasized. Defining your customer gives you the ability to estimate the size of your potential market and where and how to promote your business.

Think about the differences between middle-income women from 50-60 years old and lower income women from 25-40. What do they buy, how do they choose, what do they value and why, when do they buy and where do they buy? The differences between targets can be huge. Since it is impossible to be all things to all people, it is crucial to know exactly to whom you want to be important.

Your business can improve its odds of success if it has a unique niche that gives you an advantage over the competitors. Walmart developed their niche on price. For 99% of small businesses, using price to define your niche is usually not feasible. The following questions can help you develop your niche:

- What is unique about your product or service? Does it have a compelling difference? Domino's Pizza was built on the compelling difference of "Fresh, hot pizza in 30 minutes or less, guaranteed." They did not even say it was good. On the

difference of fast delivery, it became the largest pizza chain in the world. Find a way to make your product or service unique.

- What are the needs, desires, or values of your customers that your product or service will satisfy? Federal Express succeeded in the need for fast parcel delivery. Its early ad message was "When it absolutely, positively has to be there overnight". What customer needs are you fulfilling?
- What makes you and your business different? Why will customers do business with you rather than someone else? How will you be different than the competition?
- If you don't know your difference, you cannot market it. Just advertising "me too" will not likely cause anyone to buy from you. You must know your niche in order to market, promote and compete effectively.
- If your customers don't know what distinguishes you, they probably will leave you. If they cannot discern any difference between you and others' offerings, why will they continue to patronize you? There is no reason to.

## **Money – How much do you need and where to get it?**

Acquiring capital for a start-up can be a major hurdle for entrepreneurs. Preparing a business plan will require that you do financial forecasts so that you can determine your capital needs. Knowing how much you will need to open the doors to your business and how much you will need until you have a profit and positive cash flow is where you must start. At SCORE, we can help you with your business plan and forecasts.

But once you calculate your funding needs, where do you go to get it? Listed here are 10 likely sources of funding.

1. Your Assets - 68% of start-ups are financed with personal assets. This includes savings, retirement accounts, investments and liquidating assets such as cars, boats, motorcycles, jewelry, etc.
2. Angel Investors – These are wealthy individuals who will make an initial investment but in return will expect a 10-50% stake in your business.

3. Friends and Family – Make sure you are clear about whether money from this source is a loan (which you will have to pay back) or equity (which is ownership in your business). Be certain that you get a written agreement.
4. Credit Cards – We have all heard of the entrepreneur who started their business with credit cards. Spike Lee financed his first movie with credit cards. It is easy but the interest rates are very expensive.
5. Bank Loans – Loans are like mortgages in that they require monthly payments. They also require collateral (at least 20%) and a personal guarantee as well as a good business plan.
6. SBA Micro Loan (up to \$50,000) – The SBA provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance.
7. SBA 7(a) loans - SBA 7(a) loans are negotiated between a borrower and an SBA-approved lender and are guaranteed by the SBA. 7(a) loans have a maximum loan amount of \$5 million. The average 7(a) loan amount in fiscal year 2012 was \$337,730.
8. For those who don't qualify for a standard loan there is the possibility of using social lending and crowdfunding such as: RocketHub, Peerbackers, Kickstarter, SoMoLend, Endurance Lending Network, MicroVentures, Indiegogo (Best Overall), Mightcause (Best for Nonprofits), StartEngine (Best for Investing), GoFundMe (Best for Individuals), Patreon (Best for Creative Professionals)
9. Trade Credit – Trade credit is securing longer payment terms with your suppliers but getting trade credit is hard to establish. Most suppliers are not willing to take a chance on a business with no payment history.
10. Customers who are willing to extend credit to your business – This might take the form of a customer willing to prepay for products or services that will be delivered or used sometime in the future.

There are some grants available, but it depends upon the specific type of business and the ownership such as nonprofit aimed at a systemic community issue, biotech, “green” (recycling) or research oriented.

## **Business Structure – How you legally organize**

Your business structure will depend on several factors such as personal liability and tax consequences. SCORE recommends that you consult with an attorney to determine the best option for you and your business.

The following are business structures available to an entrepreneur:

- Sole Proprietorship – you own it all and personally have all the liabilities. The income is taxed personally.
- General Partnership – a single business where two or more people share ownership and the profits as well as any losses of the business.
- Limited Liability Partnership – for professional partnerships in which some or all partners (depending on the jurisdiction) have limited liabilities. In an LLP, one partner is not responsible or liable for another partner's misconduct or negligence.
- Limited Partnership - formed by two or more people, with at least one person acting as the general partner who has management authority and personal liability, and at least one person in the role of limited partner who is a passive investor with no management authority.
- Corporation - an independent legal entity owned by shareholders. The corporation itself, not the shareholders, is legally liable for the actions and debts the business incurs. More complex than other business structures, corporations are generally suggested for established, larger companies.
- Limited Liability Company (LLC) - a hybrid type of legal structure that provides the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership.

This is a very common structure for small businesses and can be used for companies with one employee or more.

- Statutory S Corporation – a closely held corporation that generally does not pay any federal income taxes. Instead, the corporation's income or losses are divided between and passed through to its shareholders. Shareholders have the same protection from liability as shareholders of a regular corporation.

## **Putting It All Together – Creating a road map: the business plan**

Now that you have answered the key questions about starting your business, it is time to put it all together and write a business plan. Having a business plan is essential to a start-up as well as an established business. The time you invest in your business plan will pay off many times. Some of the benefits you can get from creating a business plan are:

- A blueprint of your business to keep you focused and on track.
- Targets and timetables to track your performance against goals and make any needed corrections
- A description of your products and services
- A forecast of your sales, costs and profits
- A description of your target customers and their buying habits
- An objective analysis of your market
- An explanation and justification for your marketing strategies
- A list of your main competitors and how you expect to outperform them.
- An explanation of your business model or how you plan to make a profit and stay in business.
- Anticipation of potential challenges or hurdles you might face and what you will/can do about them.
- A summary document that you can use to explain your business to suppliers and lenders as well as key employees.

## **Key Business Plan Elements**

A business plan can take many forms and generally the more complex the business the more detail and explanation required for a complete plan. But whether you are starting a home business or a complicated high tech, manufacturing concern, your plan will include these three key elements.

1. Business Concept/Idea
  - Business Vision
  - Key Success Factors
2. Marketing Plan
  - Target Customer Groups
  - Products/Services Prices/Margins
  - The Value Proposition
  - Advertising Techniques Employed
3. Financial Plan
  - Projected Income Statement
  - Startup Costs
  - Financing Needs

Many business plan templates require the entrepreneur to create a 20 – 30 page report. A successful business plan does not depend on the number of pages it has, the color images or the number of charts and graphs. For many businesses, a 1-page business plan may be all that is required as long as it addresses these issues:

- Customer Problem and the Solution
- Business Model-how you make money.
- Target Market and Competitive Advantage
- Management Team
- Financial Summary and Funding

## **Conclusion – Are You Ready To Start?**

This handbook has given you an overview of the elements of starting a business. In summary, do you have the personality and skills of an entrepreneur and do you have the determination and perseverance to successfully complete the process of starting a business? If you can

answer yes, then you are ready. Working with **SCORE** or an organization like **SCORE**, where skilled and experienced mentors can provide direction and support will improve your chances of success. You not only will need assistance from **SCORE** but also from professionals like attorneys and accountants and others who support the small business community.

## About SCORE

**SCORE**, founded in 1964 as a resource partner of the Small Business Administration (SBA), is a national, volunteer, non-profit organization of more than 10,000 business professionals who provide, confidential mentoring and counseling to aspiring and established entrepreneurs. The Charleston SC Chapter has been helping local area businesses for over 45 years.

In support of business, **SCORE** offers online and local workshops, webinars, templates, tools, sample business plans, and free access to a team of experienced mentors to help you.



If you are in business, visit [www.charlestonsc.score.org](http://www.charlestonsc.score.org) click on **Find Your Mentor** button located in the center of the header to secure an appointment with one of our mentors. A mentor will then contact you and schedule a free and confidential counseling session at a mutually convenient site, online or by phone.

If you are not yet in business and need help getting started, visit [www.charlestonsc.score.org](http://www.charlestonsc.score.org) to register for our free **“Are Your Ready to Start a Business?”** workshop under the **Take A Workshop** tab. This workshop is led by a certified SCORE mentor and will likely answer many of your questions and prepare you to have a more productive first meeting with your mentor.

## **Advice You Can Trust - Experience You Can Use**

From the initial stages of starting a business and throughout the life of your business **SCORE** can help you:

- Determine if you are ready to start a business.
- Start a new business or open a franchise.
- Buy an existing business.
- Grow or expand your business.
- Take your business to the next level.
- Solve a particular problem in your business.
- Sell your business.

## **Current List of Workshops**

- Are You Ready to Start a Business?
- Digital Marketing
- Employees Problems and How to Solve Them
- Accounting & Finance Basics
- Financing Your Business – Funding Sources and How to Apply
- Federal Government Contracting
- How to Write a Business and Marketing Plan
- QuickBooks – Level 1 and 2
- Business Legal Considerations
- Website Design & Development

## About Our Mentors

Mentors' Industry Experience	Areas of Mentors' Expertise
Aerospace	Advertising
Auto Repair / Maintenance	Accounting & Finance
Banking	Bank Loans / Financing
Education	Legal Structures
Engineering	Business Start Up Planning
Finance	Business Plan Development
Food Service	Cash Flow - Forecasting and Analysis
Franchising	Competitive Analysis
Fundraising	Contracts
Government Contracting	Government Regulations
Health Care	Human Resources
Human Resources	Legal
Import / Export	Marketing Plan Development
Insurance	Organization and Management
Law	Patent Development
Manufacturing	Payroll, Workers Comp, Insurance
Non-Profits	Pricing Strategy
Printing / Direct Mail	Sales and Sales Management
Property Management	Social Media
Product Development	Strategic Planning
Real Estate	QuickBooks
Retail	Web/Graphic Design
Social Media	
Restaurants and Food Service	
Technology	
Tourism / Hospitality	

## Business Start-up Resources

### Local Requirements – Greater Charleston, SC Area

- City Business License:** Most municipalities in South Carolina require a business license in order to conduct business. License fees vary and are based on sales tax revenues. If you do not see the municipality where you plan to conduct business listed below, call the town hall of the municipality of interest for information regarding business licenses (all area code 843 unless otherwise specified)

Charleston 2 George St 724-3711	North Charleston 2500 City Hall Lane 740-2634	Mt. Pleasant 100 Ann Edwards Lane 849-2786	Summerville 200 South Main Street 695-6508
Hanahan 1255 Yeamans Hall Rd. 576-5259	Sullivan's Island 2056 Middle St. 883-5727	Isle of Palms 1207 Palm Blvd. 886-9912	Goose Creek 519 N. Goose Creek Bl. 797-6220 x1100

Other municipalities in Berkley, Dorchester and Charleston County  
(Contact these offices for licensing requirements in their areas)

Awendaw	928-3100	McClellanville	887-3712
Bonneau	825-3385	Meggett	889-3622
Edisto Beach	869-2505	Moncks Corner	719-7900
Folly Beach	588-2447	Ravenel	889-8732
Harleyville	462-7676	Reevesville	563-9122
Hollywood	889-3222	Ridgeville	871-7960
Jamestown	257-2233	Seabrook Island	768-9121
Kiawah Island	768-9166	St. George	563-3032
Lincolville	873-3261	St. Stephen	567-3597

- **County Business License:** If you plan to conduct business outside city limits but within the county you must obtain a license for the entities listed below:

<b>Charleston County</b> 202-6080	<b>Dorchester County</b> 832-0018	<b>Berkeley County</b> Not required
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- **Boards of Architectural Review:** If you plan to do physical renovation to your facility, a board in the following communities must first approve them:
  - Downtown Charleston: 75 Calhoun Street 724-3779
  - Summerville: 200 South Main Street 871-6000
  - Mount Pleasant Commercial Design & Review Board  
100 Ann Edwards Lane 884-1229

**Planning & Zoning:** For information pertaining to whether your business can operate in the chosen location, you must check your local zoning ordinances. This can be done at the addresses listed below. This includes Home Business Requirements.

Charleston 2 George St. 973-7230	N Charleston 2500 CityHall Ln 740-2622	Mt. Pleasant 100 Ann Edwards Ln 884-1229	Summerville 200 S Main St. 851-5200
Hanahan 1255 Yeamans Hall Rd. 576-5259	Sullivan's Island 2056 Middle St. 883-5732	Isle of Palms 1207 Palm Blvd. 886-9912	Goose Creek 519 N. Goose Creek 863-5212

- **Restaurants:** Must submit a seating layout to building inspections for Certificate of Occupancy Approval; and, commercial kitchen approval from South Carolina DHEC.
- **Building & Fire Inspections:** Before you can operate in a specific business location you must obtain a Certificate of Occupancy issued

by the local building inspections department. Application is made through the Business License Office. A Building Inspector and Fire Inspector will come and look at the business location.

Charleston 80 Broad St. 724-7433	N Charleston 2500 City Hall Ln 740-2673	Mt. Pleasant 100 Ann Edwards Ln 884-5184	Summerville 200 S. Main St 871-6000
Hanahan 1255 Yeamans Hall Rd. 529-3409 x122	Sullivan's Isl 1610 Middle St. 883-3198	Isle of Palms 1301 Palm Blvd. 886-9912	Goose Creek 519 N. Goose Creek Bl. 863-5213

- **DHEC:** If your business will be involved in food handling you must contact the county health department in the county where you will do business for requirements on permits. See the following info online about DHEC's role. <https://scdhec.gov/food-safety/retail-food-industry/food-safety-education/food-safety-dhecs-role>

Charleston County 4050 Bridgeview Dr. Charleston 202-7020	Berkeley County 109 W Main St Moncks Corner 719-4600	Dorchester County 105 School St. Ridgeville 821-9524
City of Charleston Commissioner of Public Works 103 St. Philips St. 727-6800	City of Charleston City Sanitation Dept. 1950 Milford St. 727-7364	

- **Signage:** Must be approved by local zoning and building inspection divisions.
- **Construction of a building for business:** Requires a **Construction Certificate of Occupancy** that differs from a Certificate of Occupancy.

## Federal Requirements

### Internal Revenue Service

- Charleston Office: 4400 Leeds Ave , Charleston, SC 29405....(843) 566-0209
- Information on federal tax regulations ..... 1-800-829-1040
- IRS web Site ..... [www.irs.gov](http://www.irs.gov)

Employers are typically responsible for three types of federal collections and payments:

- Income tax withheld from employee wages. Proprietorships, partnerships and corporations with employees are required to file federal tax reports.
- (FICA) Employer and Employee Social Security Taxes. Every business with one or more employees is required by law to withhold Federal Income Tax and Social Security Taxes from the wages paid to employees
- (FUTA) Federal Unemployment Tax

### Employer Identification Number: (EIN)

To obtain an EIN call the IRS at 1-800-829-4933. Representatives are available Monday through Friday from 7:30 AM to 5:30 PM., or go to [www.irs.gov](http://www.irs.gov).

**U.S. Dept. of Labor:** Minimum wage is currently \$7.25 per hour. For additional information on covered employees, child labor, training, wages, tipped employees, polygraph testing, Employment Standards Division, U.S. Labor Dept., Landmark Center, 3600 Forest Drive, PO Box 11329, Columbia, SC 29211 ..... (803) 896-4300

- Substance abuse or hiring and firing contact: [www.dol.gov](http://www.dol.gov) or
- Social Security Administration: To verify your employees have valid SS#s, log on at [www.socialsecurity.gov/bsowelcome.htm](http://www.socialsecurity.gov/bsowelcome.htm) and check out the SSA's business services online.

**Immigration and Naturalization Service:** Every employer must have an Eligibility Verification Form (I-9) completed and on file for each employee. For assistance or copies of this form call INS at:

**1-800-870-FORM (3676) or go to [www.uscis.gov](http://www.uscis.gov)**

**Occupational Safety & Health (OSHA):** OSHA requires that if your firm employs more than 10 people, you must maintain a record of on the job injuries on OSHA Form 200, which must be available for inspection and retained for five years. For more information contact: [www.osha.gov](http://www.osha.gov) or

OSHA, US Dept. of Labor, 200 Constitution Ave, NW, Room S1212, Washington DC, 20210; Columbia, SC office: 803-734-9631

## General Business Information

### Personal Credit:

Before approaching a bank or investor for a loan, it is advisable to know the condition of your credit report. To check on your personal credit use one of the telephone numbers listed below:

Experian 1-800-303-1640 <a href="http://www.experian.com">www.experian.com</a>	Trans Union 1-800-916-8800 <a href="http://www.transunion.com">www.transunion.com</a>
Equifax 1-888-378-4329 <a href="http://www.equifax.com">www.equifax.com</a>	

Once a year you can obtain a free credit report by logging on to [www.annualcreditreport.com](http://www.annualcreditreport.com) Or call 1-877-332-8228

Another free source is [www.creditkarma.com](http://www.creditkarma.com)

**Credit Card Merchants:**

If you plan to accept credit cards from your customers, contact your bank's Merchant Bankcard Services, Retail Banker. Your banker will instruct you on how to accomplish this. Many sales are lost each year by retailers who do not accept credit cards.

**Better Business Bureau, Inc.**

Provides reports on businesses and charities to help consumers and donors make informed decisions and helps resolve consumer complaints and promotes ethics in business. For more information go online at [www.bbb.org](http://www.bbb.org) or contact them at 2442 Devine St , Columbia, SC 29202...(803) 254-2525

**Barcode or Universal Product Code (UPC)**

- To obtain an application for a barcode contact the ***Uniform Code Council*** at (937) 435-3870
- Fill out the application completely and return to the Uniform Code Council with the required fee.
- The fee is dependent on your annual sales. The minimum fee for new products is \$300.
- Processing of the application takes approximately 10 – 15 days upon receipt of application and fee.
- You will be issued a bar code and instructions for getting the bar code on your product.

## Charleston Area Business Assistance Resources

- BCD (Berkeley, Charleston, Dorchester) Council of Governments, BCDCOG, is located at 5790 Casper Padgett Way, N Charleston, 29406 [www.bcdcog.com](http://www.bcdcog.com) 843-529-0400.
- BCDCOG also operates three SC Works offices throughout the Tri-county area. The Berkeley County SC Works office is located at 325 E. Main St. in Moncks Corner. The Charleston County SC Works office is located at 1930 Hanahan Road, Suite 100, N Charleston. The Dorchester County SC Works office is located at 1325 Boonehill Rd, Suite #A in Summerville.
- Berkeley County Chamber of Commerce  
1004 Highway 52, Moncks Corner, SC 29461  
[www.Berkeleysc.org](http://www.Berkeleysc.org) (843) 761-8238
- Charleston County Public Library, Business Reference Desk  
68 Calhoun St., Charleston, SC 29401  
[www.ccpl.org](http://www.ccpl.org) 843-805-6930
- Climb Fund  
2 Race St., Charleston, SC 29403  
[www.climbfund.com](http://www.climbfund.com) 843-973-7298
- Charleston Metro Chamber of Commerce  
4922 O'Hear Ave, Suite 101, N Charleston, 29405  
[charlestonchamber.org](http://charlestonchamber.org)
- Charleston Minority Business Enterprise Office  
80 Broad St., Charleston, SC 29401  
[www.charleston-sc.gov/127/Minority-Women-Owned-Business-Enterprise](http://www.charleston-sc.gov/127/Minority-Women-Owned-Business-Enterprise) 843-724-7311
- 
- College of Charleston/Tate Center for Entrepreneurship  
66 George St., Charleston, SC 29404

[www.cofc.edu](http://www.cofc.edu) 843-805-5507

- The Harbor Entrepreneur Center  
22 WestEdge St., Charleston, SC 29403(843) 760-3208  
[www.scra.org/resource/the-harbor-entrepreneur-center](http://www.scra.org/resource/the-harbor-entrepreneur-center)
- IHOPE Women’s Business Center  
8570 Rivers Ave, Suite 120, N Charleston, SC 29406 843-408-0343  
[www.increasinghope.org/womens-business-center](http://www.increasinghope.org/womens-business-center)
- **SCORE – Charleston SC Chapter**  
4045 Bridge View Drive, B151, North Charleston, SC 29405  
[www.charlestonsc.score.org](http://www.charlestonsc.score.org) 843-727-4778
- South Carolina Commerce Department Resource Guide  
Small Business Information and Help  
1201 Main Street, Suite 1600, Columbia, SC 29201-3200  
[www.sccommerce.com](http://www.sccommerce.com) 803-737-0400
- Small Business Development Center (SBDC)  
6296 Rivers Ave #300, North Charleston, SC 29406  
[www.scsbdc.com](http://www.scsbdc.com) (843) 740-6160
- Greater Summerville/Dorchester County Chamber of Commerce  
402 North Main Street, Summerville, SC 29483  
[www.greatersummerville.org](http://www.greatersummerville.org) 843-873-2931

## Essential Business Planning Documents

### If You Need to Borrow Money You Will Need To:

1. Begin researching trade magazines and trade organizations for financial and marketing information.
2. Obtain credit reports on all borrowers.
  - a. Equifax 1-888-378-4329      [www.equifax.com](http://www.equifax.com)
  - b. Experian 1-800-303-1640      [www.experian.com](http://www.experian.com)
  - c. Tran Union 1-800-916-8800      [www.transunion.com](http://www.transunion.com)
3. Write a business plan (**SCORE** will assist you)
4. Make financial projections of income, expenses and cash flow for the business for two years.
5. Make a list of start-up costs: *equipment, inventory, furniture, fixtures, working capital, personal expenses, remodeling, etc.*
6. Provide past three years personal tax returns on all borrowers.
7. When applicable, obtain three years of signed and dated tax returns on the business.
8. Compile a resume or statement of personal history on all borrowers.
9. Complete a personal signed financial statement (less than 90 days old) on all borrowers.
10. Verify zoning regulations for your business locations.
11. Complete collateral description, franchise agreements and leases, if applicable

## **Answer These Questions Before Starting Your Business**

**What products or services will your business provide?**

**How will your products or services be different from others in the market?**

**Who is your ideal or target customer?**

**How do you make money?**

**What are your specific skills or experience that equip you to be successful?**

**Where will your business be located?**

**How much money do you need to get started?**

**How much money do you have?**

**How will you finance the balance?**

**How long do you have until you start making a profit?**

**Who is your competition?**

**What is your competitive advantage?**

**How will you price your product compared to your competition?**

**How will you set up the legal structure of your business?**

**How will you manage your business?**

**How will you advertise your business?**

# **FAQs**

*Clients' Frequently Asked Questions*

*Collected and Compiled by SCORE Charleston, SC*

## 1. What business structure should be used, an LLC, Corporation or other?

It depends on the type of services or products the business will provide. If the business will engage in risky activities, you'll want personal liability protection ("limited liability"), which shields your personal assets from business debts and claims. A corporation or a limited liability company (LLC) is probably the best choice for you.

If starting a business on a shoestring a sole proprietorship (for one-owner businesses) or a partnership (for businesses with more than one owner) is probably best. Unless yours is a particularly risky business, the limited personal liability provided by an LLC or a corporation may not be worth the cost and paperwork required to create and run one. These structures don't require you to file any special forms or pay any fees to start your business. Plus, you don't have to follow any special operating rules.

To form an LLC or corporation, you must file an Application for a Certificate of Authority to Transact Business with the South Carolina Secretary of State and pay a **\$110** filing fee. In addition, owners of corporations and LLCs must elect officers (usually, a president, vice president, and secretary) to run the company. They also have to keep records of important business decisions and follow other formalities.

Owners of sole proprietorships, partnerships, and LLCs all pay taxes on business profits in the same way. These three business types are "pass-through" tax entities, which means that all of the profits and losses pass through the business to the owners, who report their share of the profits (or deduct their share of the losses) on their personal income tax returns.

Owners of unincorporated businesses must pay income taxes on all net profits, regardless of how much the owners take out of the business each year. Even if all of the profits are kept in the business checking account to meet upcoming business expenses, the owners must report their share of profits as income on their tax returns.

## 2. Do I need an attorney to file for my business structure?

Not for an LLC. Go to

<http://www.sos.sc.gov/forms/LLC/Domestic/ArticlesofOrganization.pdf>

and follow the instructions.

## 3. What licenses and permits do I need? Where do I get them?

Local Requirements: page 15; Federal Requirements: page 18

## 4. What insurance do I need? Where/how do I get it?

### Types of Insurance a Small Business Owner Should Have

**1. General Liability Insurance:** Provides both defense and damages if you, your employees or your products or services cause or are alleged to have caused Bodily Injury or Property Damage to a third party.

**2. Property Insurance:** Protects person and business property, including office equipment, computers, inventory or tools if you should have a fire, vandalism, theft, smoke damage etc.

**3. Business owner's policy (BOP):** Often, BOP's will include business interruption insurance, property insurance, vehicle coverage, liability insurance, and crime insurance. Based on your company's specific needs, you can alter what is included in a BOP.

**4. Commercial Auto Insurance:** Protects your company's work cars, SUVs, vans and trucks from damage and collisions with company's vehicles. If employees drive their own cars on company business, you should have non-owned auto liability to protect the company in case the employee does not have insurance or has inadequate coverage. Many times, the non-owned can be added to the BOP policy.

**5. Worker's Compensation:** Provides wage replacement and medical benefits to those who are injured while working. In exchange for these benefits, the employee gives up his right to sue his employer for the incident. As a business owner, it is very important to have worker's compensation insurance because it protects yourself and your company from legal complications.

**6. Professional Liability Insurance:** Also known as **Errors and Omissions Insurance** which provides defense and damages for failure to or improperly rendering professional services.

**7. Directors and Officers Insurance:** this type of insurance protects the directors and officers of a company against their actions that affect the profitability or operations of the company.

**8. Data Breach:** If the business stores sensitive or non-public information about employees or clients on their computers, servers or in paper files they are responsible for protecting that information. If a breach occurs either electronically or from a paper file a Data Breach policy will provide protection against the loss.

## 5. Do I really need to write up a business plan?

Thoughts on that question differ but developing concrete plans helps you direct your company in a positive direction and prevents going down expensive roads to nowhere. You'll need to plan in more detail if you're raising capital or taking on a lot of risk—like investing your savings or leaving a job. Less detail is fine if you aren't raising money or taking on much risk. Regardless, some of the benefits from creating a business plan are:

**1. Avoiding big mistakes:** Developing and sharing a business plan can help ensure that you are taking the right steps.

**2. Having a counterbalance for your emotions:** When your emotions get the best of you, having a business plan lets you step back, and take an objective look at what you are doing and

why, what you know for a fact and what you are trying to figure out.

**3. Help you develop a game plan:** At a start-up, execution is most important, but you also need to identify and address key questions like, "What features do customers really want?" "Will customers buy our product and how much will they pay?" etc. A business plan can help you do that.

**4. Help you raise capital.** If you raise or borrow money—even from friends and family—you'll need to communicate your vision in a clear, compelling way. A good business plan will help you do just that.

An October 2007 study by Babson College found that start-ups with a business plan raised twice as much capital as those without a business plan within the first 12 months.

## **6. Can I name my business XXX? How do I find out if the name has been used?**

First, if you are filing for "doing business as," a term that indicates an informal business name that's not your legal business name -- check with local county clerk's office. Or, if you want a name for your corporation or limited liability company, check with Secretary of State, [www.scbos.gov](http://www.scbos.gov).

Second, depending on your plans for your business, you may also want to do a trademark search. There may be no one in your state using the name but someone in another state may be using it as a trademark. If you have plans for expansion, you could run into conflict and possibly be prevented from using your mark.

You can also check the Trademark Electronic Search System from the U.S. Patent and Trademark Office known as the TESS database, but your findings aren't likely to provide a full picture of who else might be using the name.

## **7. Do I need to protect the name of my business? How do I do that?**

Before you pick a name, use the U.S. Patent and Trademark Office's trademark search tool to see if a similar name, or variations of it is a registered trademark.

### **Pick a Name that is Web-Ready**

In order to claim a website address or URL, your business name needs to be unique and available. It should also be rich in key words that reflect what your business does.

To find out if your business name has been claimed online, do a simple web search to see if anyone is already using that name.

You'll also need to check whether a domain name (or web address) is available. You can do this using the WHOIS database of domain names. If it is available, be sure to claim it right away. This guide explains how to register a domain name.

### **Claim Your Social Media Identity**

It's a good idea to claim a Twitter name early in the naming process. A name for your Facebook page can be set up and changed, but you can only claim a vanity URL or custom URL once you've got 25 fans or "likes." This custom URL name must be unique, or un-claimed. Be warned, once set up, the URL can't be changed. Ask your friends to become fans of your page, even if it's only a shell at the start, so you can secure your custom URL sooner rather than later.

### **Apply for Trademark Protection**

A trademark protects words, names, symbols, and logos that distinguish goods and services. You can file for a trademark for less than \$300.

## **8. Where do I find a lawyer, accountant, insurance agent, banker, etc.?**

See our list of local professionals.

Some general thoughts about dealing with professionals.

**Big firm or small firm?** Generally speaking, the larger the firm or office, the greater the overhead, therefore it is likely that rates will be higher. Still, larger firms usually have more professionals and specialists.

**Does the professional have clients in your kind of business?**

The professionals you select should be somewhat familiar with your kind of business. Be wary, however, of professionals who represent one or more of your competitors. You do not want to risk an accidental leak of sensitive information to a competitor.

**Do they have time to teach?** You want a professional that will take the time to educate you about what they know and do that affects the way you do business so that you can learn to spot problems well in advance.

## 9. How do I go about applying for a loan?

From a bank, first, start with your personal bank. Make an appointment with the commercial lender and talk with them about your idea, the amount of money you are seeking, their requirements, etc.

For a brief, 30-minute tutorial about applying for a loan go to: <https://www.sba.gov/tools/learning-center-view-course/364091>

## 10. Where and how do I get set up for taking credit cards?

If you plan to accept credit cards from your customers, contact your bank's Merchant Bankcard Services, Retail Banker. Your banker will instruct you on how to obtain this service.

## **11. How do I determine start-up capital I will need?**

Estimate expenses (consulting and legal fees, for example) and capital expenditures (inventory, equipment, leasehold improvements) needed just to get your business open or operating. Don't be afraid to call around to get quotes on the items on your list. Renovations, incorporation fees, copy writing, insurance...get multiple quotes and then create a reasonable budget for each item.

See example on the next page.

<b>Projected Startup Costs</b>	
<b>Business Startup Year</b>	<b>2018</b>
<b>Assets</b>	
Inventory	\$25,000.00
Cash	\$24,000.00
FF&E	\$15,000.00
Leasehold Improvements	\$15,000.00
Insurance	\$1,000.00
Subtotal	\$80,000.00
<b>Expenses</b>	
Permits & Licenses	\$2,500.00
Lease Deposits	\$5,000.00
Marketing	\$12,000.00
Legal & Consulting	\$4,000.00
Miscellaneous	\$11,500.00
Subtotal	\$35,000.00
<b>Total Startup Costs</b>	<b>\$115,000.00</b>
<b>Financing</b>	
Owner Investment	\$25,000.00
External Investment	\$25,000.00
<b>Total Equity Financing</b>	<b>\$50,000.00</b>
Bank Loan	\$25,000.00
Line of Credit	\$40,000.00
<b>Total Debt Financing</b>	<b>\$65,000.00</b>
<b>Total Financing</b>	<b>\$115,000.00</b>

## 12. What tax requirements do I need to consider? Do I need a CPA?

**If you have employees**, you will need an Employee Identification Number (EIN). You can apply directly on line at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Do-You-Need-an-EIN>.

**If you are a sole proprietor or LLC** you will be taxed at your personal tax rate, which might be lower or higher than the corporate tax rate.

### **Self-Employment Tax**

Self-employment tax refers to Medicare and Social Security payments. In total, you will pay 15.3% in Social Security and Medicare taxes up to \$128,400

Self-employment tax is not paid quarterly but is submitted as a lump sum with your annual tax return using IRS schedule SE, Self-Employment Tax.

### **Business Tax Deductions**

You can deduct business expenses like a computer and office supplies and even health insurance and retirement benefits from your taxable income. Tax deductions absolutely do not make your business purchases free

### **Payroll Taxes**

If you hire even one employee or you structure your business as a C corporation (which makes you an employee you'll have to withhold federal and state income taxes and FICA (Social Security and Medicare) taxes on behalf of all employees. You'll also have to pay the matching portion of Social Security and Medicare for each employee.

Because of the extra complexity of hiring an employee consider engaging the services of a staffing firm. The employee of the staffing firm reports to you but you have no liability for workman's comp, payroll taxes and unemployment claims

### **Hiring an Accountant**

If you're not confident in your ability to understand the requirements and correctly prepare returns and calculate payments, it's worth the expense and the trouble to hire an accountant but even if you, you'll still need to keep meticulous records.

## **13. Can I use a bookkeeper without hiring a CPA?**

Yes but understand the difference between the two.

Bookkeepers perform the day-to-day accounting functions. They maintain accurate and complete sets of books, keeping track of accounts, verifying the accuracy of information, and ensuring that procedures are being followed. A bookkeeper does not have to have any certification to start their practice.

CPA stands for Certified Public Accountant, and one must pass stringent testing and educational requirements dictated by the state they wish to practice in. High-level undergraduate accounting coursework and a certain amount of work experience is required for an individual to become licensed as a CPA. CPAs provide services such as audits, consulting, tax preparation, and forensic accounting to name a few.

## **14. How do I interview and hire people?**

Hiring decisions take time, energy, and often money--so you want to do it right.

### **1. Identify Critical Traits**

Make a list of the traits the ideal candidate will have to be successful in the position. These might be concrete technological skills, or they might be softer ones--things like "the ability to work with demanding clients," "determination in the face of rejection," or "excellent mediation skills." Armed with this, you can go into an interview and distinguish between traits that are nice to have and those that are absolutely necessary.

## **2. Build Interview Questions Around the Critical Traits**

Create interview questions that will help you tell whether the interviewee has exactly what you're looking for. Since past success is the best predictor of future success use active, experienced based questions to determine if the candidate fits your written job requirements. Suppose a job requirement was "Works easily and productively with team members." Do not ask, "How well do you work in a team?" Ask instead, "Tell me about a time you successfully worked with a team." The first question is hypothetical, the latter is experienced based and provides much better insight into the candidate's qualifications and fit.

## **3. Dig Deep on References**

Listen with an open mind to what is said and not said. Since applicant only will give you "good" references ask the reference for the names and contact information of others who worked with the candidate. Look on LinkedIn to see if you are connected to any of the candidate's connections. Check Face Book.

## **4. Listen**

Finally, listen more than you talk when interviewing a candidate. The objective is to find out about them and their potential fit with you and your company. Use the above tips to create a standard hiring system for your company and improve your hiring success.

# **15. Where do I find demographic information for the Market Place I am interested in?**

Try the Chamber of Commerce or the Charleston County Public Library

<http://www.ccpl.org/content.asp?name=Site&catID=5399&parentID=5372>

## 16. Does the Chamber of Commerce offer new or small business help?

Yes, it offers both.

## 17. What classes or Workshops are available in the community that would help me with my business?

Check the following websites:

SCORE located at [Charlestonsc.score.org](http://Charlestonsc.score.org)

South Carolina Small Business Development Center  
<http://www.scsbdc.com/>

South Carolina Women's Business Center  
<http://www.c4women.org/scwbc/>

## 18. What is Crowdfunding and does my business fit that model?

Crowd Funding is the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the social media and the Internet. There are two main types of crowdfunding.

**Reward crowdfunding** gives those who make contributions some kind of gift or experience in exchange. The contributions are usually tiered\_starting with small contributions and rewards and expanding to large contributions and rewards.

**Equity crowdfunding** offers a percentage of the business or profits from the product in exchange for the contribution. If you're starting or running a non-profit or charity, there's also **donation-based crowdfunding**. Donation-based means backers do not receive any rewards or equity when contributing.

## 19. What Professional or Product Organizations are available for my Business and how do I join?

Go to <http://www.weddles.com/associations/>

## 20. How long do I have until I start making a profit?

This depends on your sales and your costs. The short answer is that you have as long as **you have cash**. A rule of thumb is that **you need to have sufficient savings to live for 6 to 12 months**.

## 21. What sites are best to create a website for free?

It's worth doing research before choosing which free online website builder is best for you. With a free website you won't get a proper domain name, because .com or .net domains always come at a cost. Most providers will give you a subdomain such as *yourname.providername.com*. This is not recommended for professional or commercial sites for the following reasons: It looks unprofessional. You're not doing yourself any favors in terms of search engine rankings. It's hard to remember such a long name. The website builders in this table only provide free sub-domains. If you're looking for a "real" domain name, you may want to take a look at One.com. Currently they offer the first year for free. It renews at a relatively affordable \$37 per year (including domain name, web space and web editor). Find out more at **One.com review**.

Here are some free plans offered by four of the best providers.

Provider	Ads	Domain	Storage	Overall impression
Jimdo	Logo in footer	Free subdomain	500 MB	Solid product with unlimited pages. Little advertising.
<u>Webnode</u>	Logo in footer	Free subdomain	100 MB	Could have more storage, otherwise very

				good. Unlimited pages.
Weebly	Logo & expandable sign-up form in footer	Free subdomain	Unlimited	Unlimited web space is a plus. The ad-bar at the bottom of the page is a bit too much.
Wix.com	Logo in footer and Header	Free subdomain	500 MB	Good product, but intrusive. Bandwidth limit 1 Gb per month.

## 22. What is the cost range and advantages of getting a website created for me?

Costs can vary depending on the breadth and depth of the website. Ask for quotes before making a final decision. Also ask for a contract outlining the terms and conditions. You will want to research sites so you know what you want and what you don't want. Having a set of requirements will help you and the developer create a winning site.

### Other Considerations

**Domain name** – \$10/year (or less)

**Hosting** – \$50 to \$100+ a year depending on traffic and hosting services. For example, you may want to pay extra for regular website backups and extra security features.

**License or cost of plugins:** There are thousands of extensions, plugins, widgets, modules and applications that can add great features to your website at a low cost.

**Continued website maintenance and upgrades:** \$1,000+ per year, depending on level of support and updates required.

**Stock art:** Royalty-free stock art photos and graphics can range from \$15 – \$100+ each depending on license fees and usage.

**Marketing Your Website Online / SEO** – \$750 a month and up to proactively market your website.

### **Benefits of custom web design**

**Unique design.** With a custom web design, it is created just for your business. Your website will be different from anyone else's. An expert web designer can construct your site, so it is search engine friendly. The background coding of your website will influence your success in the search engines.

**Scalability.** A good web designer can take your future website needs into consideration when they select the technologies to use to build your website.

## **23. How do I develop a Marketing Plan?**

A marketing plan is an essential marketing tool for every small business. For a good start answer these 10 questions:

1. **Marketing Strategy:** In general terms, what is your overall plan for winning in the marketplace?
2. **Target Market:** Who are you trying to reach with your marketing activities? Describe them?
3. **Competitive Analysis:** Who are you up against? What are their strengths and weaknesses?
4. **Unique Selling Proposition:** What makes your product or service unique? Why will people buy from you rather than one of your competitors?
5. **Pricing Strategy:** What will you charge, and why? How does that compare to your competitors?
6. **Promotional Plan:** How will you reach your target market/s? What media will you use?
7. **Sales Forecast:** Estimate dollar sales by product or product category.
8. **Marketing Budget:** How much money will you spend, and on what?

9. **Action List:** What tasks do you need to complete to reach your marketing goals?
10. **Metrics:** How will you measure success?

## 24. What is the best way to advertise my business?

### Print or Internet advertising?

It depends on whom your best prospects are and the best way to reach them. Is the decision maker the CTO of the company, the director of human resources, or a 37-year-old working mom? Will you find them on Twitter, Google Plus, Pinterest or Facebook? What about in-person networking at local business meetings? Will they be searching for your type of product on Google or Bing? Be as specific as possible about defining your ideal prospect. Write your answers down and refer to them before you start any promotions.

Here are a few strategies from Attard Communications that will help your business find new customers without spending a fortune. For full article go to

**[www.businessknowhow.com/marketing/24waysto.htm](http://www.businessknowhow.com/marketing/24waysto.htm)**.

Also, see entry below on using social media.

1. If you don't have a website, get one set up.
2. Set up a listing for your business in search engine local directories.  
To get listed on Google, go to Google My Business.  
To get listed on Bing, go to Bing Places for Business  
Yahoo charges for local listings, but you get listed on a lot more than Yahoo if you buy their service. The service, called Yahoo Localworks, costs \$29.99 a month and lists you in 50 directories.
3. Set your business profile or page up on LinkedIn, Facebook, Google Plus and Twitter.

4. Get a business card immediately and into the hands of anyone who can help you.
5. Attend meetings of professional groups, and groups such as the Chamber of Commerce, Rotary Club, or civic associations. Have business cards in a pocket where they are easily reachable.
6. Pay for membership in those groups that attract your target customers and become actively involved in 2 or 3 of these groups.
7. Network with others who are doing the same type of work you are. Let them know you are available to handle their work overloads.
8. If you are a woman-owned or minority-owned business look into getting certified by private, state or federal organizations.
9. If you use a car or truck in your business have your business name and contact information professionally painted on the side of the vehicle or use magnetic signs.
10. Get on the telephone and make "cold calls.
11. Offer a free, no obligation consultation.
12. Learn to ask for referrals and leads. Ask existing customers, prospects and casual acquaintances. When you get them, follow up on the leads.

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## **25. Do I need to use social media to draw customers? What social media sites should I use?**

It depends on your business and strategy. Some of the most popular social media sites are:

### **Facebook**

Facebook is the number one network for people all over the world to connect and share content. Brands that are active on Facebook get to update their followers on exciting news,

promote special deals and hold occasional online contests. They also create focused ad campaigns that target a carefully selected audience.

### **Google Plus**

Google Plus is Google's social network. While it's been a rocky start, things now seem to be picking up on Google Plus. Google is gaining traction on their social network also and its use impacts search results, and this is an incredible incentive to be active here.

### **Twitter**

A social network that uses a 180-character tweet. The updates posted here are short and clear. If you're trying to reach a broad audience that's receptive to marketing messages, Twitter might be the best bet for you. About 39% of the people who took one recent survey indicated that they'd rather hear from companies on Twitter than on any other social platform, beating out Facebook.

### **LinkedIn**

LinkedIn is a social platform connecting businesses professionals with potential partners and employees. While retail and leisure businesses might find it difficult to market themselves here, a wide variety of technology services, public management experts, self-employed creatives and consultants can benefit a lot from sustained activity on LinkedIn.

### **Pinterest**

A social network dedicated to the sharing and re-sharing of visual content. Pinterest encourages users to appreciate aesthetics. Many brands that have a strong visual appeal find Pinterest very useful for promoting their services and products. More than other social networks, Pinterest leads to spontaneous e-commerce shopping and is therefore of great value to online businesses.

## Instagram

Instagram is a video and photo sharing social media network owned by Facebook. It is an excellent choice to give visual emphasis to your product or service.

## 26. What license and permits do I need to make food products in my home?

South Carolina's cottage food laws were updated in 2021 and now allow producers to sell directly to consumers, online and at retail locations. The revised law removed the annual sales limit and does not require the producer to take a food safety course or secure a health department permit. For more info, [www.cottagefoodlaws.com/south-carolina](http://www.cottagefoodlaws.com/south-carolina).

Although there is no license for cottage food operations, all home-based food businesses in South Carolina must get a business license for tax purposes.

## 27. What license and permits do I need to make food products in a separate location?

<http://agriculture.sc.gov/wp-content/uploads/2014/07/SCDA-Registration-Application.pdf>

[http://www.carolinafarmstewards.org/wp-content/uploads/2012/10/CFSA\\_RegGuide-SC2012\\_08-webres2.pdf](http://www.carolinafarmstewards.org/wp-content/uploads/2012/10/CFSA_RegGuide-SC2012_08-webres2.pdf). See page 15 for more information

## 28. Where can I rent space in an approved kitchen?

Check out <http://www.culinaryincubator.com/index2.php>

SKR Inc Kitchen Services Moncks Corner, SC	Ghost Kitchen Charleston, SC
Colleton Commercial Kitchen Walterboro, SC <a href="http://www.colletonkitchen.org">www.colletonkitchen.org</a>	Charleston Commercial Kitchen North Charleston, SC

## 29. What labeling do I need on my food products?

### **Federal**

The Food and Drug Administration (FDA) is responsible for assuring that foods sold in the United States are safe, wholesome and properly labeled. The Federal Food, Drug, and Cosmetic Act (FD&C Act) and the Fair Packaging and Labeling Act are the Federal laws governing food products under FDA's jurisdiction. The FDA provides Guidance for Industry: A Food Labeling Guide to assist producers in navigating the complex rules that govern food labeling requirements. The complete guide can be found here:

**<http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodLabelingNutrition/FoodLabelingGuide/default.htm>**

### **South Carolina's Labeling Requirements**

Labeling requirements for all food products in South Carolina follow the FDA's Food Labeling Guide as discussed above.

Packages must be labeled with:

- The name of the product
- The name and address of the manufacturer
- The net weight of the product in U.S. and metric weight equivalents

- A complete list of ingredients used

The ingredients should be listed in order of weight of the raw material ingredients. Additional allergen labeling may also be required, as discussed above. Only those foods that are made to order for sale as a single unit (such as a wedding cake, an order of cookies for a restaurant, or a sandwich ordered from a food truck) may be exempt from individual labels.

A small-scale producer is exempt from nutrition label requirements if the food producer makes no nutritional claims on the products or in its advertising, sells directly to consumers and has annual gross sales of \$50,000 or less.

All required label information must be placed on the front label panel of the product. Intervening information, marketing information or images not required by the FDA labeling rules, may not be placed between required information on the display panel.