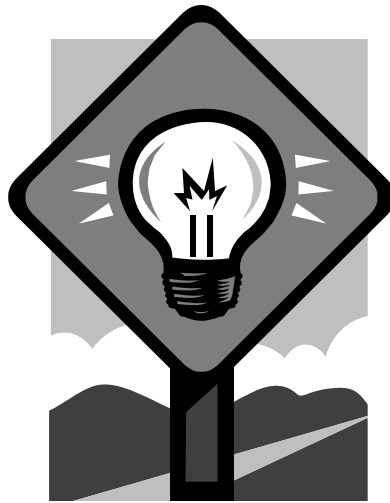


Starting A Business In Springfield, Missouri



**Published by the Small Business Council of the
Springfield Area Chamber of Commerce**

Table of Contents

Forward	3
Introduction	3
Business Plan Outline	4
Business Assistance	5
Licenses, Taxes & Permits	6
Business Structure	7
Home-Based Business	12
Financing	13
How to Write a Loan Proposal	13
Cash Flow	15
City of Springfield Enterprise Zone	17
Industrial Space	20
Cash Flow Chart	23

Forward

This booklet was produced by the members of the Springfield Area Chamber of Commerce Small Business Council in an effort to assist individuals in starting their own business. Use of this booklet, or any other "how to start a business" publication will not guarantee success, but will make the start-up easier, allowing you to avoid surprises and will start you on the road to a profitable business venture.

Introduction

Starting and managing a business takes motivation, desire and talent. It also takes research and planning. Like a chess game, success in small business starts with decisive and correct opening moves. Although initial mistakes are not fatal, it takes skill, discipline and hard work to regain the advantage. To increase your chance of success, take the time up front to explore and evaluate your business and personal goals. Use this information to build a comprehensive and well-developed business plan that will help you reach these goals. The process of developing a business plan will help you think through some important issues that you may not yet have considered. Your plan will become a valuable tool as you set out to raise money for your business and should also provide milestones to gauge your success.

List your reasons for wanting to start your own business. Common reasons include:

- You want to be your own boss.
- You want financial independence.
- You want creative freedom.
- You want to fully use your skills and knowledge.

Determine what type of business is right for you. Questions you should ask include:

- What do I like to do with my time? Do I have any hobbies or interests that are marketable?
- What technical skills have I learned or developed?
- What do others say I am good at?
- Will I have the support of my family?
- How much time do I have to run a successful business?

Identify the niche your business will fill. Questions you should research include:

- Is your idea practical, and will it fill a need?
- What is your competition?
- What is your advantage over existing firms?
- Can you deliver a better quality service?
- Can you create a demand for your business?

The final step is completing a pre-business checklist. Questions you ask include:

- What business are you interested in starting?
- What services or products will you sell?
- Where will you be located?
- What skills and experience do you bring to the business?
- What will be your legal structure?
- What will you name your business?
- What equipment or supplies will you need?
- How will your company's business records be maintained?
- What insurance coverage will be needed?
- What financing will you need?
- What are your resources?
- How will you compensate yourself?

Your answers will help you create a focused, well-researched plan. Your business plan should serve as a blueprint, detailing how the business will be operated, managed and capitalized.

Business Plan Outline

The following outline of a typical business plan can serve as a guide, but you should adapt it to your specific business. We recommend that you break down the plan into several components. This allows you to focus your thoughts so that you can work on several sections at a time without the sense of being overwhelmed.

Introduction

- Give a detailed description of the business and its goals.
- Discuss the ownership of the business and legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over your competitors.

Marketing

- Discuss the products/services offered.
- Identify the customer demand for your product/service.
- Identify your market, its size and location.
- Explain how your product/service will be advertised and marketed.
- Explain the pricing strategy.

Financial Management

- Explain your source and the amount of initial equity capital.
- Develop a monthly operating budget and cash flow for the first year.
- Develop an expected return on investment (ROI).
- Provide projected income statements and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide "what if" statements that address alternative approaches to any problem that may develop.

Operations

- Explain how the business will be managed on a day-to-day basis.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your products or services.
- Account for production and delivery of products and services.

Concluding Statement

- Summarize your business goals and objectives and express your commitment to the success of your business.

Once you have completed your business plan, review it with a friend or business associate. You may want to have an attorney or an accountant review the plan as well. When you feel comfortable with the content and structure, make an appointment to review and discuss it with your banker. The business plan is a flexible document that should change as your business grows.

Business Assistance

Information is power. Make it your business to know what is available, where to get it and, most importantly, how to use it. The following is list of local resources, adapted from the Business Assistance Referral Network, from the Springfield Business & Development Corporation, a wholly-owned subsidiary of the Springfield Area Chamber of Commerce (www.business4springfield.com).

Small Business Administration

The SBA provides financial, technical and management assistance to help Americans start, run, and grow their businesses.

Telephone: 417-890-8501

www.sba.gov

SCORE – Counselors to America’s Small Business

SCORE is dedicated to aiding in the formation, growth and success of small business through volunteer counselors.

Telephone: 417-890-8501

www.score.org / www.springfieldscore.org

University of Missouri Extension

Missouri Business Resource Center

www.missouribusiness.net

Missouri Business Resource Library

The resource library serves as a centralized point of information and state resources for doing business in Missouri.

www.missouribusiness.net/library

Greene County Outreach and Extension Center

The Extension Center allows access to the services and resources of the University of Missouri & Lincoln University close to home.

Telephone: 417-862-9284/417-866-3039

<http://extension.missouri.edu/greene>

Missouri Small Business Development Centers

www.missouribusiness.net/sbdc/index.asp

Southwest Missouri State University

Small Business Development Center

The SMSU-SBDC provides small businesses with analysis, consultation and training to help them thrive.

Telephone: 417-836-5685

www.sbdc.smsu.edu

Management Development Institute

MDI is a resource for professional and management training through broad-based training opportunities, programs and services.

Telephone: 417-836-5667

www.mdi.smsu.edu

Ozarks Technical Community College - Training Resource Group

OTC provides performance improvement consultation and training customized to the specific needs of business and industry.

Telephone: 417-447-8901

www.otc.edu/business

Drury University – Breech School of Business

Drury's business programs are dedicated to the development of leaders and decision-makers.

Telephone: 417-873-7241

www.drury.edu

Missouri Career Center

The Center provides services related to employment, training, job and workforce development for all Missourians.

Telephone: 417-887-4343

www.greathires.org

Springfield-Green County Library

The Library offers online business resources through InfoLink, as well as reference collections and educational events at various library branches.

Telephone: 417-874-8110

www.thelibrary.springfield.missouri.org

Missouri Enterprise

A nonprofit corporation dedicated to building and improving Missouri business.

Telephone: 417-823-9661

www.missourienterprise.org

Licenses, Taxes & Permits

City of Springfield Business License

The Licensing Division of the Finance Department is responsible for assisting the public in obtaining the appropriate licenses for businesses that operate in Springfield. Any person or company that sells tangible goods or that provides services in the City of Springfield should obtain a City license at least two weeks prior to beginning business. You may obtain the necessary application forms by calling (417) 864-1617 or by visiting the Licensing Division on the first floor of the Busch Municipal Building at 840 Boonville; office hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday.

When you apply for a business license, requests for zoning/building regulations approval and fire premise reports will be completed along with the City license application. This applies to all businesses that will be located inside the city limits of Springfield. These forms will be routed to the appropriate departments for approval prior to licensing your business. If you have questions regarding the appropriate zoning for the type of business you wish to conduct, contact (417) 864-1055; questions concerning fire code requirements may be directed to (417) 864-1515.

Those businesses which sell tangible items, including those which use parts to provide services, must provide our office with a copy of their Missouri Sales Tax License or sales tax exemption letter for their location in Springfield before the City license can be issued. Information relating to the Missouri Sales Tax License may be obtained by calling (417) 895-6474.

If your business involves food preparation or handling, a health permit must be obtained from the Springfield-Greene County Health Department. You may contact them regarding specific health requirements by calling (417) 864-1424. License fees are due at the time of application. The license fee varies depending on the type of business you will be operating. Licenses are valid through the current calendar year and must be renewed by January 31 each year.

Special Requirements

Several business license categories require special approvals before a license can be issued. These categories include: liquor and beer sales; private detectives; massage technicians; escort services; liquidation sales; alarm sales and services; taxicabs; electrical contractors; plumbing contractors; gas fitters; mechanical/heating and air conditioning contractors; locksmiths; ambulances; house movers; refuse disposal areas; pawn brokers; salvage

yards; trash haulers; day care facilities; and not-for-profit solicitations. If your business falls within any of the above categories, please contact the Licensing Division concerning the special requirements.

Bond and Insurance Requirements

The following license categories require bonds and/or insurance before the license can be issued: auction houses; automobile auctions; brokers; dealers; repossession agents; electrical contractors; plumbing contractors; mechanical/heating and air conditioning contractors; coupon sales; private detectives; refuse disposal areas; gas fitters; house movers; locksmiths; transient magazine and book solicitors; transient photographers; professional solicitors; taxicab companies; tree surgeons; and pest control services. Proof of performance bond and/or liability insurance must be on file with the Licensing Division prior to issuing the license. Please contact the Licensing Division for bond and insurance limits for the particular type of business that you plan to operate.

Greene County Business License

All businesses selling a tangible item and collecting sales tax within Greene County should obtain a Greene County Business License. In order to obtain a Greene County Business license you should call the office of the Collector of Revenue at (417) 868-4036 or visit the office at the Greene County Courthouse, 940 Boonville, Room 107.

Federal Employer Identification Number (EIN)

All corporations, partnerships and proprietorships (including KEOGH plans) which plan to pay wages to employees, or which are required to file excise, alcohol, tobacco or firearms returns or use tax returns should obtain a Federal Employer Identification Number.

In order to obtain an EIN, you should file form SS-4 (available from the IRS office in the Empire Bank building at 3333 South National, Springfield, MO 65807) by mailing it to: Internal Revenue Service, Kansas City, MO 64999. Filing by mail should take approximately four weeks. Same day filing can be made by telephone within Missouri by calling (816) 926-5999, or by FAX at (816) 926-7988 (24 hours).

Missouri Licenses & Taxes

All businesses or professions that plan to pay wages to employees should obtain a Missouri withholding tax number. All businesses or professions that sell or lease goods to final consumers should obtain a Missouri sales tax license. All out-of-state vendors making sales of goods to final consumers located in Missouri, Missouri wholesalers, or those located in Missouri who purchase goods for use or consumption tax-free from out-of-state vendors should obtain a Missouri use tax license.

In order to obtain a Missouri withholding tax number, a Missouri sales tax license, and/or a Missouri use tax license you should file form 2643 (available from Missouri tax offices at 149 Park Central Square, Springfield, MO 65806) and mail it to the Missouri Department of Revenue, PO Box 3300, Jefferson City, MO 65106. Telephone (314) 751-5860.

All businesses or professions which plan to pay wages to employees exceeding \$1,500 per quarter or having employees in 20 or more weeks should obtain a Missouri unemployment tax number by contacting the Division of Workforce Development at 505 East Walnut, Springfield, MO 65806, for Registration of Employment Experience form (417) 895-6886.

Business Structure

Introduction

Most new business ventures develop without a great deal of planning. Lack of planning can result in predictable difficulties for the new business and can contribute to its failure. The structure of the new business is perhaps the most fundamental consideration. There are four types of structure:

- Sole proprietorships
- Partnerships
- Corporations
- Limited liability companies

Each of these structures has its own advantages and disadvantages. The entrepreneur, the founder of the business, must decide which of these four structures best suits the type of business. There are many modifications and variations within these forms, but the key to selection revolves around the concept of liability and taxation. **In choosing your business structure, consult with both a qualified accountant and attorney who are familiar with your resources and objectives.**

Missouri law requires that any for-profit business operating in the state be incorporated or have a fictitious name on file. A fictitious name is any name under which you may do business which does not contain your true name. There is no name protection under the Fictitious Name Act (Chapter 417). To secure prompt and efficient filing of your application for fictitious name registration, it is essential to comply with the following:

- Application is to be submitted in duplicate on forms supplied by the Secretary of State's office.
- A \$7.00 filing fee must accompany the application.
- A business name must be given. (Only one business name per registration).
- A corporate designation (Corporation, Corp., Incorporated, Inc.) **may not** be included within the business name unless the registration shows ownership by a corporation registered in Missouri which is in good standing.
- A business address must be listed--street, route or highway. (Only one business address per registration). A post office box may not be used as an address.
- Owners must be listed (corporate or individual) along with their addresses.
- If no percentage of ownership is listed for each individual indicated, the law assumes all to be jointly and severally liable. If an owner is not jointly and severally liable, percentages of ownership must be listed for each individual and it must total 100 percent.
- Each owner listed on front side must have signature correctly executed on the back side of form.
- Each signature must be properly notarized and **all** notary information completed.
- If a corporation is part of sole owner of a fictitious name registration, it must be properly executed on the back in the space provided. It must be signed by two officers and the corporate seal affixed. If no seal is available, state "NO SEAL" in space provided. If a corporation is involved in ownership it must be incorporated or qualified to do business in Missouri with the Secretary of State. A good standing status must be maintained.

If you have any question, call or write Secretary of State, Corporation Division, P.O. Box 778, Jefferson City, MO 65102, or call (573) 751-3317.

Sole Proprietorship

The most common form of a new business is sole proprietorship. This is a business owned by a single individual. The greatest advantage of sole proprietorship is that no planning for structure is required, and the individual owner is free to operate as she or he chooses. Some disadvantages of sole proprietorship are the limited opportunity for expansion and the owner's personal responsibility for all obligations, debts and other liabilities the business may incur.

Partnership

A partnership is the joining of one or more individuals, corporations or other entities under a partnership agreement. The law does not recognize the partnership as a separate distinct entity; rather, it considers the partnership to be all of the partners acting together.

All powers, liabilities and authorities of the partners are controlled and limited by the partnership agreement. However, it is possible for a partner to exceed his or her authority and for the partnership to be bound when the person with whom the partner does business is not aware of the limitations contained in the partnership agreement. Partnership agreements are in writing and, if there are limitations placed upon individual partners, such agreements should be made available to any person or company with whom the partnership does business.

There are three types of partnerships recognized under the law: general partnerships, limited partnerships and joint ventures.

General Partnerships

The advantages of a general partnership are that the partners may conduct any legal business and the income and expenses of the partnership are directly taxable to each individual partner based on his or her proportionate interest with the partnership. The partnership files an information tax return and pays no income tax itself.

Limited Partnerships

The laws of the State of Missouri permit the formation of a partnership in which the liability of almost all of the partners is limited. Limited partnerships must have at least one general partner who is responsible for all debts, liabilities and other obligations of the partnership. As a general rule, the liability of the other partners, referred to as limited partners, is limited to the amount that each partner has invested or agreed to invest in the partnership. A limited partner should not take an active role in the business. By taking an active role, a limited partner risks becoming a general partner. The advantage of a limited partnership over a general partnership is that most of the partners limit their liability while preserving the right to participate in profits and/or tax advantages.

Joint Ventures

A joint venture is a partnership of one or more sole proprietors, partnerships or corporations for the purpose of performing specific goals or tasks, such as a large construction project or the development of certain products or services. The advantage of a joint venture is that existing businesses can join together without forming a new entity and without having any continuing obligations to each other beyond the joint venture agreement. The disadvantage is that unless a party with whom a joint venture is doing business is made aware of any limitations, all parties to a joint venture are liable to such third parties whether or not the liability is specified in the joint venture agreement.

Corporation

A corporation is a legally created entity with rights, duties, powers and responsibilities in and of itself. A corporation cannot act except through individuals. When individuals perform on behalf of a corporation, the actions are usually attributable to the corporation and not to the individual. The ownership of property, the incurrence of debt, and the performance of services and sales of goods are the responsibility of the corporation rather than the individuals in the corporation. Shareholders contribute capital to the company and are the owners of the corporation. Shareholders are not responsible for the debts or liabilities of the corporation. One advantage of the corporate structure is that shareholder liability is limited to the loss of the shareholder's investment unless a shareholder accepts additional responsibility such as guaranteeing a loan to the company. An additional advantage of corporations is the ability to bring other individuals into ownership of the business to raise additional funds. There are few disadvantages to using the corporate form in setting up a business. Some minor costs are incurred for incorporating and for annual filing fees within states in which the corporation is doing business.

General Business Corporations

The most common form of corporation, the general business corporation, is also known as a for-profit corporation. A general business corporation may engage in most activities except those which are specifically prohibited by law. It may not engage in business for which licenses are required, such as the practice of law or medicine. A general business corporation may pursue other businesses such as banking, insurance or financing if state approval is obtained.

Subchapter S Corporation

This type of corporation provides the legal protection of a corporation, but for tax purposes, the income or loss is passed on to the shareholders in proportion to their ownership. It is important to note that to be recognized as a Subchapter S Corporation, the corporation must apply to the Internal Revenue Service (IRS) for "S Status" (request form 2553). A corporation can elect "S" status if it meets the following requirements:

- It must be a domestic corporation.
- It must have only one class of stock.
- It must not have more than 35 shareholders.
- It has a calendar tax year or a business purpose for adopting a fiscal year.

- It must have only individuals and their estates and certain trusts as shareholders.
- All shareholders must be citizens or residents of the United States.
- It must not be a member of an affiliated group of corporations.

Close Corporation

Missouri law allows for the creation of close corporations. Missouri's Close Corporation Law is designed to make it easier for one or a few persons to do business as a corporation. Under this law, a close corporation can choose not to have a board of directors, annual meetings or bylaws if so stated in the article of incorporation. (See Section 351.315 of Missouri Statutes for more information.)

Professional Corporations

Formed for the single purpose of practicing one of the licensed professions such as law, medicine, engineering or architecture. The key feature of this type of corporation is that all of the stock must be owned by individuals licensed to practice the profession for which the corporation is formed. Below you will find information you may find useful in considering the formation of a Missouri Corporation:

1. Pursuant to 351.060 RSMo, articles of incorporation may be submitted to the Office of the Secretary of State by an incorporator or a representative of the corporation.
2. The name of the corporation:
 - A. The name shall be distinguishable from any domestic corporation existing under the laws of this state, or the name of any foreign corporation authorized to transact business in this state, or a name which is currently reserved.
 - B. The corporate name may not be one that might falsely imply any governmental affiliation.
 - C. The words Cooperative, Bank, Insurance, and Redevelopment may not be used in a corporate title for a Chapter 351 or 355 corporation.
 - D. Name Check. Before drafting articles of incorporation, it is imperative that you check with the Office of the Secretary of State concerning the availability of the desired name. This may be done by telephone: Call 417-895-6330. Even though a name may have been checked with the Office of the Secretary of State for availability, checks, letterheads, seals, or share certificates ordered prior to incorporating are done at your own risk. It is recommended that nothing be printed until a name is incorporated by the Office of the Secretary of State, and you receive your certificate of incorporation from the Office of the Secretary of State.
 - E. Reservation of corporate name. Forms of application for reservation are available in the Office of the Secretary of State, or you may make application in letterform. For a fee of \$25, a name may be reserved for 60 days. The fee must be sent at the time of application.
3. While a corporation may have only one director and one incorporator, it must fill the position of both president and secretary. These officers may be the same person, as in the case of a director and incorporator.
4. While the corporation need not have a Missouri resident as an incorporator or board member, it must have a registered agent and office **in** Missouri.
5. The incorporation fee is determined by multiplying the par value of the shares of stock (or \$1 for no par stock) by the aggregate number of shares authorized. The fee is based on this "authorized capital." The fee is \$55 for any amount up to \$30,000 and \$5 more for each additional \$10,000 of authorized capital. To this total, add \$3 for the filing fee. A minimum incorporation based on the above information would then be \$58.
6. The Office of the Secretary of State suggests that you use their forms (even if you copy them); they comply completely with Missouri law. Any forms which you send to the Office of the Secretary of State should be legible; either typewritten or neatly and clearly printed.

7. Articles must be submitted in duplicate; one copy must be an original and one may be a photocopy. The original must have seals and signatures which are originals.

8. The acknowledgment must be in the form prescribed by Section 351.051 RSMo.

9. A Professional Corporation governed by RSMo 356 must have a certificate from the applicable licensing board.

Forms may be mailed or delivered in person, and promptly filed at the address listed below:

SECRETARY OF STATE'S OFFICE
149 PARK CENTRAL SQUARE, STE. 1019
SPRINGFIELD, MO 65806

Call the Office of the Secretary of State in Springfield to confirm all requirements and with any questions you have concerning these instructions: 417-895-6330.

Limited Liability Companies (LLC)

A limited liability company is a non-corporate business. Members of the company can be actively involved in the management of the business, but they are shielded from liabilities. A limited liability company is not a corporation, partnership or trust; but has corporate-like protection for the owners and partnership-like flexibility in capital and management structure. Limited liability companies are relatively easy to organize and maintain. In Missouri, a limited liability company can conduct any business activity. Business owners use this type of organization because it can combine the liability protection of corporations with the flexibility and tax advantages of partnerships. A variety of different business owners are choosing to organize their businesses as limited liability companies. This type of business organization is especially attractive to family businesses or other businesses where retention of control and restrictions on transfer of ownership interests are important. Professional firms are also being organized as limited liability companies, as are real estate ventures and other businesses. Any person may form a limited liability company by signing and filing Articles of Organization with the Secretary of State's office. Creating a limited liability company generally requires the assistance of a lawyer who has studied this type of business organization and who can shape the limited liability company to meet the needs of the owners. Limited liability companies must be properly structured and maintained for their members to be taxed as if they were a partnership or a corporation. Below is some information you may find helpful in forming a limited liability company in Missouri:

1. Name of the Limited Liability Company:

- a. The name **shall** be distinguished from any domestic or foreign Corporation, any domestic or foreign Limited Partnership, or a name currently reserved.
- b. The designation "L.C.", "L.L.C." or "LIMITED LIABILITY COMPANY" **must** be contained in the name.
- c. The word "company" may be used in the name.
- d. It is recommended that you check for name availability. This may be done by calling (417) 895-6330.

2. Organizer:

- a. All Limited Liability Companies **must** have at least one organizer.
- b. Articles of Organization **must** be signed by all organizer(s). Signature(s) need not be notarized.
- c. The Articles of Organization need an address where the organizer could be served with service of process, in the event there is no agent to serve.
- d. If the organizer is a corporation, two criteria must be met:
The Corporation **must** be in good standing in Missouri, if a domestic Corporation; and
The Articles **must** be signed by both the President and Secretary of that Corporation, whether domestic or foreign.

3. Agent:

All Limited Liability Companies **must** have a registered office and agent in Missouri for service of process and to accept all official correspondence from the State.

Post Office boxes **will not** be accepted; address listed **must** have a physical site.

Changes in the Limited Liability Company's registered agent/office must be submitted to the Secretary of State's Office within thirty (30) days to remain in good standing. Ask for Form #SSC 6.

4. Fee: \$105.00. Make check payable to "Director of Revenue"
5. Operating Agreement:
If the Operating Agreement is used as a reference in any of the Articles of Organization, that portion of the Operating Agreement **must** be attached to the Articles of Organization, **unless** the Articles spell out with specificity what the Operating Agreement sets forth.
Need not be submitted with the Articles of Organization.
6. Annual Registration Reports: None required.
7. For tax purposes, you must state if the Limited Liability Company is to be taxed as a Partnership or Corporation.
8. An **exact** date (month/day/year) must be given as the dissolution date for the Limited Liability Company.

Call the Office of the Secretary of State in Springfield at (417) 895-6330 to confirm all requirements and with any questions you have concerning these instructions.

Home-Based Business

Until recently, going to work meant traveling from home to a plant or office; today many people do some or all of their work at home. While there are no "best" or "right" reasons for starting a home-based business, it is vital to have a very clear idea of what you are getting into and why. Ask yourself these questions:

- Are you a self-starter?
- Can you stick to your business if you're working at home?
- Do you have the necessary self-discipline to maintain schedules?
- Can you deal with the isolation of working from home?

Working under the same roof that your family lives under may not prove to be as easy as it seems. It is important that you work in a professional environment; if at all possible, you should set up a separate office within your home.

Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses, and you will be responsible for complying with them. There are some general areas to watch out for, but be sure to consult an attorney and the state department of labor to find out which laws and regulations will affect your business.

Zoning

Be aware of your city's zoning regulations. If your business operates in violation of them, you could be fined or closed down.

Restrictions on certain goods

Certain products may not be produced in the home. Most states outlaw production of fireworks, drugs, poisons, explosives, sanitary or medical products, and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Registration and accounting requirements

You may need the following:

- work certificate or a license from the state (your business's name also may need to be registered with the state)
- sales tax number
- separate business telephone
- separate business bank account

If your business has employees, you are responsible for:

- withholding income and social security taxes, and
- complying with minimum wage and employee health and safety laws.

Financing

One key to a successful business start-up and expansion is your ability to secure appropriate financing. Raising capital is the most basic of all business activities. There are several sources to consider when looking for financing. It is important to explore all of your options before making a decision.

- **Personal Savings:** Many new businesses are started with money from personal savings and other forms of personal equity.
- **Banks and Credit Unions:** These are the most common sources of funding. They will provide you with a loan if you can show that your business is sound.
- **Friends and Relatives:** Money from private sources may be loaned at no interest or low interest, which can be beneficial when getting started.
- **Venture Capital Firms:** These firms provide start-up and other needed money for new companies in exchange for equity or part ownership.
- **Grants:** There are few if any true grant programs for starting a business. Check thoroughly any "offer" before submitting any application fee.

Types of Business Loans

Short-term loans are paid back in less than one year. Types of short-term loans are working capital loans, accounts-receivable loans and lines of credit.

Long-term loans have maturities greater than one year, often less than seven years. Real estate and equipment loans, however, can go up to 25 years. Long-term loans are used for major business expansions, purchases of real property, acquisitions and in some instances, start-up costs. Types of long-term loans include equipment, commercial mortgages, furniture and fixtures, and vehicles.

How to Write a Loan Proposal

Approval of your loan request depends on how well you present yourself, your business and your financial needs to a lender. The best way to improve your chances of obtaining a loan is to prepare a written proposal. A good loan proposal will contain the following key elements:

General Information

- Business name, names of principals, social security number of each principal, and the business address.
- Purpose of the loan: State exactly what the loan will be used for and why it is needed.
- Amount required: Request the exact amount you need to achieve your purpose.

Business Description

- History and nature of business: Give details of your business' age, number of employees and current business assets.
- Ownership structure: Provide details on your company's legal structure.

Management Profile

- Develop a short statement on each principal in your business; provide background, education, experience, skills and accomplishments.

Market Information

- Clearly define your company's products as well as your markets.
- Identify your competition and explain how your business competes in the marketplace.
- Profile your customers and explain how your business can satisfy their needs.

Financial Information

- Financial statements: Provide balance sheets and income statements for the past three years. If you are just starting out, provide a projected balance sheet and income statement.
- Personal financial statement: Prepare a personal financial statement on yourself and other principal owners of the business.
- Collateral: List all collateral you would be willing to pledge as security for the loan.

How Your Loan Request Will Be Reviewed

When reviewing the loan request, the bank official is primarily concerned about repayment. To help determine this ability, many loan officers will order a copy of your business credit report from a credit reporting agency. Therefore, you should work with these agencies to help them present an accurate picture of your business. Using the credit report and the information you have provided, the lending officer will consider the following issues:

- Have you invested savings or personal equity in your business totaling at least 25% - 50% of the loan you are requesting? (Remember, a lender or investor will not finance 100% of your business.)
- Do you have a sound record of credit-worthiness as indicated by your credit report, work history and letters of recommendation? This is very important.
- Do you have sufficient experience and training to operate a successful business? (Have you surrounded yourself with able advisors and management team?)
- Have you prepared a loan proposal and business plan that demonstrates your understanding and commitment to the success of the business?
- Does the business have sufficient "cash flow" to make the monthly payments on the amount of the loan request?

City of Springfield Sources

The City of Springfield provides financing programs that focus on center city rehabilitation, job creation and removal of blight.

Center City Facade Improvement Loan Program

- **Program Goals:** To promote and encourage rehabilitation of building facades within the Center City Target Area.
- **Eligible Projects:** Any commercial building within the Center City Target Area or Walnut Street Historic District that is currently occupied by a business or signed lease for future occupancy. The interior of the building must be in sound repair and subject to the City's Redevelopment Review Team inspection.
- **Loan Amount:** Up to \$40,000
- **Loan Terms:** The term of the loan shall be for a period of 10 years or less with interest and principal deferrable for years 1-5. The interest rate shall be 5% per annum simple interest during years 6-10. The Loan Committee shall have the discretion to negotiate the terms with the applicant.
- **Security:** Each loan shall be secured with appropriate collateral as determined by the Loan Committee.
- **Eligible Area:** Commercial Street Historic District, Boonville Commercial Corridor and Downtown Park Central Square Area.
- **Loan Approval Process:** (1) File application with City of Springfield Planning and Development Department. (2) City Redevelopment Review Team Site visit. (3) Process application - Cost Estimate, Scope of Work, Plan Development, Credit Analysis. (4) Urban Districts Alliance Review (Landmarks Board and appropriate State and Federal review if on historic register). (5) Loan Committee. (6) Closing documentation.
- **For Additional Information Contact:** City of Springfield, Planning and Development Department, 840 Boonville, Springfield, MO 65802. Telephone (417) 864-1038.

Small Business Development Loan Program

The Small Business Development Loan Program provides direct loans to small business owners, nonprofit organizations, and real estate developers within project areas for a range of activities including: acquisition of property and buildings, clearance and removal, relocation, "mixed-use" development, rehabilitation, machinery/equipment, residential rental rehabilitation, historic preservation and new construction.

- **Terms of the Loans:** The loans are amortized over 15 years, have a 5% interest rate, must be secured by appropriate collateral with personal guarantee, and are not assumable.
- **Criteria for Approval:** The project must remove blight or create jobs for low to moderate income persons. The City loan must be necessary for project feasibility unless it consists of exterior renovation only or corrects code violations only. The applicant must leverage the maximum amount of private financing (with the City loan filling a financing "gap"), demonstrate the reasonableness of the project cost, demonstrate the ability to repay the loan, and demonstrate a satisfactory credit history.

State Sources

The Missouri Department of Economic Development manages a number of incentive programs to attract businesses to the state and help existing businesses grow. For more information, visit the Division of Business Development and Trade at www.missouridevelopment.org or call 1-866-647-3633.

Federal Sources

The Small Business Administration (SBA) helps new or growing businesses meet their financial needs; provides business counseling; and acts as an advocate for small businesses with state, federal, and private agencies. Through loan guarantees, disaster loan and microloan programs, SBA can help small businesses acquire equipment, facilities, materials and supplies and working capital. For information on the following SBA programs, contact: Small Business Administration at (417) 890-8501.

- **7(a) Loan Guaranty Program:** This program is the SBA's primary lending program and was designed to meet the majority of the small business community's financing needs. In addition to general financing, the 7(a) program also encompasses a number of the SBA's specialized loan programs outlined below:
- **LowDoc:** Designed to increase the availability of funds under \$150,000 and streamline/expedite the loan review process.
 - **Express:** Designed to increase the capital available to businesses seeking loans up to \$250,000 but is currently offered as a pilot with a limited number of lenders.
 - **CAPLines:** An umbrella program to help small businesses meet their short-term and cyclical working capital needs with five separate programs.
- **International Trade:** If your business is preparing to engage in or is already engaged in international trade, or is adversely affected by competition from imports, the International Trade Loan Program is designed for you.
- **Export Working Capital:** Designed to provide short-term working capital to exporters in a combined effort of the SBA and the Export-Import Bank.
- **Pollution Control:** Designed to provide loan guarantees to eligible small business for the financing of the planning, design, or installation of a pollution control facility.
- **Disabled Assistance:** The SBA has not been provided funding for direct handicapped assistance loans, but such individuals are eligible for all SBA loan guaranty programs.
- **Qualified Employee Trusts:** Designed to provide financial assistance to Employee Stock Ownership Plans.
- **Veteran's Loans:** The SBA has not been provided funds for direct loans to Veterans, although Veterans are eligible for special consideration under SBA's guaranty loan programs.
- **Microloan Program:** This program works through intermediaries to provide small loans from as little as \$500 up to \$35,000.
- **Certified Development Company (504 Loan) Program:** This program, commonly referred to as the 504 program, makes long-term loans available for purchasing land, buildings, and machinery and equipment, and for building, modernizing or renovating existing facilities and sites. For information, contact Annette Darnell, Rural Missouri, Inc., at (417) 532-8760.

Cash Flow

The operating cycle is the system through which cash flows, from the purchase of inventory through the collection of accounts receivable. It measures the flow of assets into cash and is a "business stopwatch."

Cash-flow analysis should show whether your daily operations generate enough cash to meet your obligations, and how major outflows of cash to pay your obligations relate to major inflows of cash from sales. As a result, you can tell if inflows and outflows from your operation combine to result in a positive cash flow or in a net drain. Any significant changes over time also will appear. Understanding this will lead to better control of your cash flows and will allow adequate time to plan and prepare for the growth of your business.

It is best to have enough cash on hand each month to pay the cash obligations of the following month at the least and possibly for the next three months. A monthly cash-flow projection helps to identify and eliminate deficiencies or surpluses in cash to compare actual figures to past months. When cash-flow deficiencies are found, business financial plans must be altered to provide more cash. When excess cash is revealed, it might

indicate excessive borrowing or idle money that could be invested. The objective is to develop a plan that will provide a well-balanced cash flow. To achieve a positive cash flow, you must have a sound plan. Your business can increase cash reserves by:

- **Collecting receivables:** Actively manage accounts receivable and quickly collect over-due accounts. Revenues are lost when a firm's collection policies are not aggressive. The longer your customer's balance remains unpaid, the less likely it is that you will receive full payment.
- **Tightening credit requirements:** As credit and terms become more stringent, more customers must pay cash for their purchases, thereby increasing the cash on hand and reducing the bad-debt expense. While tightening credit is helpful in the short run, it may not be advantageous in the long run. Looser credit allows more customers the opportunity to purchase your products or services. Any consequent increase in sales should be measured against a possible increase in bad-debt expenses.
- **Manipulating price of products:** Many small businesses fail to make a profit because they erroneously price their products or services. Pricing is the critical element in achieving a profit and maintaining positive cash flow. Before setting your prices, you must understand your product's market, distribution costs and competition. Remember, the marketplace responds rapidly to technological advances and international competition. Monitor all factors that affect pricing on a regular basis and adjust as necessary.
- **Taking out short-term loans:** Loans from various financial institutions are often necessary for covering short-term cash-flow problems. Revolving credit lines and equity loans are common types of credit used in this situation.
- **Increasing your sales:** Increased sales would appear to increase cash flow. However, large portions of your sales will be made on credit. So when sales increase, your accounts receivable increases, not your cash. Collection of receivables is usually 30 days after the purchase date, and sales expenses are most often incurred before receivables are collected. When sales rise, inventory is depleted and must be replaced. Because receivables have not yet been collected, a substantial increase in sales can quickly deplete a firm's cash reserves. A computer will facilitate tracking this critical data, as well as speed the time required to consider "what if" scenarios.

You should always keep enough cash on hand to cover anticipated expenses and as an added cushion for security. However, it is unwise to keep more money on hand than is necessary. Excess cash should be invested in an accessible, interest-bearing, low-risk account, such as a savings account, short-term certificate of deposit or Treasury bill. Keeping excess cash on hand limits both your growth and the return on your investment. Good accounting records and projections are important tools for a small business. Qualified accountants are necessary to help keep your records accurate and current. However, you can reduce your accounting expenses by producing your own summary statistics and projections.

At the end of this guide, you will find a chart that can be used for cost projections based upon the notes below:

- The chart may not include all of the expenses that you may incur in opening your own business.
- Use the chart as a reference and fill in the expenses on the chart once they are known to you.
- If your business is seasonal, pay special attention to anticipating the income and cash flow for each month.
- If you are anticipating obtaining a loan from a lending institution, a projection like this will be required.
- You may consider a longer prediction depending on the type of business.
- Don't overlook your individual living requirements and expenses.
- Do not duplicate living expenses and business expenses, possibly automobile expenses and insurance expenses, if they are for you personally.
- Periodically update your projections based on actual events for both sales and cash flow.
- Keep an accurate account of your progress.
- Be realistic about the necessity of purchases.

City of Springfield Enterprise Zone

The Missouri Department of Economic Development designated the Springfield Enterprise Zone in May, 1984, in order to stimulate new business investment in the center city and promote the creation of jobs within areas where unemployment was historically high. Since 1984, the Springfield Enterprise Zone has become a leader in job creation and new business investment in Missouri. During its first 15 years, it has helped more than 200 businesses invest over \$302 million in new buildings and equipment and provide over 5,000 jobs within the zone. Redesignated in May 1999, the Springfield Enterprise Zone is administered locally by the City of Springfield's Planning and Development Department, and will expire May 11, 2006.

The Springfield Enterprise Zone encompasses a large amount of available commercial and industrial property. The zone has an abundance of prime industrial sites available for development, most with a full range of public services including convenient access to highway, rail service, and air transportation.

The Enterprise Zone Act is contained in Sections 135.200-255 RSMo and authorizes tax credits, income tax exemptions, and local property tax abatement. To qualify, any sole proprietorship, partnership, or corporation must locate in the enterprise zone and satisfy minimum investment, industry type, and employment criteria. Missouri's Enterprise Zone legislation contains two general components: (1) property tax abatement administered at the local level; and (2) income tax credits administered at the state level. The following is a summary of the available benefits under Missouri's Enterprise Zone program.

Local Real Property Tax Abatement

Eligible Facilities

- Properties used for assembling, fabrication, processing, manufacturing, mining, warehousing, or distribution activities;
- Motor vehicle freight transportation terminal activities classified as SIC 4231 provided the City Council furnish notice to affected taxing jurisdictions and a public hearing is held; and
- Photofinishing laboratories (SIC 7384) and microfilm recording/developing services (SIC 7389) provided such activities employ a minimum of 100 employees at a single business facility and the improvements or expansion for which an exemption is sought were made after January 1, 1999.

Abatement Terms

Real property taxes will be abated on one-half of the new investment (excluding land) through calendar year 2009 or for ten years, whichever comes first.

Application Process

Applicants should contact the Springfield Department of Planning and Development at 417-864-1031. The applicant will be asked to provide location, a description of the proposed business activity, and the business' SIC code.

State Income Tax Credits

The following facilities are eligible for state Enterprise Zone tax credits:

- Manufacturers (SICs 20-39)
- Poultry/egg producers (SIC 025)
- Railroad, motor freight and barge terminals (SICs 4013, 4231, and 4491)
- Warehousemen (SICs 422-23 except 4221)
- Wholesale distributors (SICs 50-51)
- Life, health, and casualty insurance carriers (SICs 631-633)
- Commercial research/development services (SIC 873 except 8733)
- Farm implement retailers (SIC 5999)
- Interexchange telecommunications services (defined in Section 386.020 RSMo)
- Recycling operations (SIC 5093)

- Mining (SICs 10-14)
- Office activities limited to headquarters, telemarketing, computer operations, insurance companies, passenger transportation ticket systems, or credit card billing/processing centers
- Renting/leasing residential property to low/moderate income persons (defined in Federal Law 42 USC 5302 (a)(20))
- Employment agencies (SIC7361)
- Computer programming/data processing services (SIC 737)
- Health services: offices/clinics of MDs, DPs, Dentists, Chiropractors, Optometrists and other health practitioners, hospitals, medical and dental laboratories, kidney dialysis centers, and specialty outpatient facilities (SICs 801-804, 806-807, 8092-8093)
- Commercial banks and savings institutions (SICs 602-603)
- Photofinishing laboratory (SIC 7384) and microfilm recording/developing services (SIC 7389) (Minimum of 100 employees at each facility in order to be eligible)
- Airports, flying fields, and airport terminal services (SIC 4581)

Minimum Qualification Requirements

The following minimum job AND investment qualification requirements must be maintained as an annual average in order to receive tax credits each year of the 10-year period:

- **New Facility** (new to Missouri; off-site expansion of existing Missouri facility) – two new jobs AND \$100,000 new investment.
- **Expanding Facility** (on-site expansion of existing Missouri facility) – 2 new jobs AND \$100,000 new investment, or if less than \$100,000, 25% more than the previous investment at the old facility.
- **Replacement Facility** (new facility replaces old Missouri facility with same/similar operation, that was previously operated by same or related taxpayer during the prior tax period, which has been closed on/before the end of the tax period when the new facility opened) – two new jobs AND \$1 million new investment, or if less than \$1 million, new investment must be twice the investment of the old facility.
- **Acquisition of Existing Facility** (taxpayer purchases or leases a Missouri facility which was in operation from another taxpayer) – acquired jobs and investment do not qualify for credits: taxpayer must expand after acquisition (see Item 2).
- **Expansion of Facility Currently Earning Enterprise Zone Tax Credits** (on-site expansion of existing Missouri facility which previously qualified for, and is still earning the credits) – increased jobs and investment credits are added to current credits for remaining tax years of the initial 10-year period.
- **Expansion of Facility Previously Earning Enterprise Zone Tax Credit** (on-site expansion of existing Missouri facility which previously earned Enterprise Zone credits and which is eligible for New/Expanding Business Facility tax credits) – two new jobs AND \$100,000 new investment must be created after year 10 in order to start earning the New/Expanded Business Facility tax credits for an additional 10-year tax credit period.

Annual Benefits

- **New Job Credit** (employee must be hired to work full-time, an average of 20 hours per week, or 80% of a facility's season): \$400 per new job for 10 tax periods. NOTE: Credits are calculated on the average annual increase or decrease in jobs over the base tax year (tax year prior to qualification).
- **Training Credit** (employee is resident or "difficult to employ") 80% of costs over \$400, up to a maximum of \$400 per employee.
- **Resident Credit** (employee is resident of any Missouri enterprise zone) up to \$400 per year, based on number of days employee is resident: available for 10 tax periods.
- **Special Employee Credit** (employee is either "difficult to employ"; unemployed at least 3 months prior to being hired; or is eligible for Temporary Assistance to Needy Families): up to \$400 per year, based on number of days special employee remains employed; available for 10 tax periods. Available if 30% of new employees are either residents or "special" employees for at least 1 month during the tax period (see definitions above in Item 3 and 4).

- **Enterprise Zone Income Exemption** (available only to taxpayers subject to Missouri personal/corporate income tax – Missouri business income times the ratio of new payroll to total Missouri payroll): 50% exemption, available for 10 tax periods.
- **Investment Credit** (based on original cost or 8 times annual rental rate of property): 10% of 1st \$10,000, 5% of next \$90,000, and 2% of excess over \$100,000: available for 10 tax periods. NOTE: Credits are calculated on the average annual increase or decrease in investment over the base tax year (tax year prior to qualification).
- **Refund of Unused Credits** (available to taxpayers establishing new facilities subject to Missouri personal/corporate income tax);
 - First year: 50% up to \$50,000 refunded after third tax year.
 - Second year: 25% up to \$25,000 refunded after fourth tax year.
 - New facilities established during an enterprise zone’s seven-year redesignation period may earn a refund of 25% up to \$25,000 on unused credits earned in year 1, which is payable after year three.

NOTE: Refunds may be claimed only after filing the third or fourth year tax credit applications, OR if taxpayer has no Missouri taxable business income for years three or four, by contacting Tax Benefit Programs for instructions. The refund is then claimed on the Department of Revenue income tax credit form under “Enterprise Zone Credit.”

Length of Credits

Generally, companies will earn credits for 10 tax periods. If a facility in the Springfield Enterprise Zone was earning credits in May 1999 the facility may continue to earn credits until its tenth tax credit year, or until the credits expire in May 2009, whichever comes first. A new facility in the Springfield Enterprise Zone may earn credits until the credits expire in May, 2009.

Application Process

NOTE: All initial applications must be filed during the tax period immediately after the tax period when the development began operations (was in use): The initial applications must be postmarked by the ending date of your second tax period of operation.

All companies intending to apply for Enterprise Zone tax benefits must obtain prior approval of eligibility for credits. A form letter of intent must be sent to the Department of Economic Development no later than 15 days before the qualifying operations start at the facility.

Effective August 8, 1999, all taxpayers eligible for these credits must sign an affidavit affirming that the employer does not employ any illegal aliens in Missouri.

Tax credit applications must be submitted each year to the Department of Economic Development for recalculation of jobs and investment credits; tax credits are claimed for the year they are earned. Tax credits cease if a facility moves from the initial qualifying address.

Claiming the Exemption and Credits

Taxpayers will be certified by the Department of Economic Development with an income exemption percentage, and two apportionment percentages:

- **Income Exemption (Available only to taxpayers subject to Missouri Personal/Corporate Income Tax):** The taxpayer multiples Missouri taxable business income, Missouri sources, times the certified exemption percentage, times 50%. The resulting number is entered on the Missouri Department of Revenue income tax return under “Enterprise Zone Income Modification.”
- **Income Tax Credits:** Taxpayers will choose the greater of the following apportionment options which will be shown on the tax credit certification:

Option 1: The credits may offset the income attributed to the “new business facility” (Missouri taxable business income times the average of new property/payroll to total Missouri property/payroll – expansions, replacements, acquisitions, and new facilities with other Missouri facilities cannot offset

100% of their business income). The taxpayer multiplies Missouri taxable income, Missouri sources, net income, or direct premiums whichever is applicable, times the certified income percentage, times the tax rate. The resulting number is the amount of tax the certified credit may offset, and is entered on the Missouri Department of Revenue (or Insurance) income tax credit form under "Enterprise Zone Credit."

Option 2: The credits may offset up to the following percentage of the taxpayer's total Missouri taxable business income, net income, or direct premiums tax:

- 100% - New companies with no other "eligible" Missouri facilities
- 50% - Expanding companies with no other "eligible" Missouri facilities
- 25% - New or expanding companies with other "eligible" Missouri facilities

For Additional Information

To verify a property is within the Springfield Enterprise Zone, to verify an employee resides within the Enterprise Zone, or to request local property tax abatement:

Department of Planning and Development
840 Boonville P.O. Box 8368
Springfield, Missouri 65801
(417) 864-1031
Fax: (417) 864-1030

To file a letter of intent in order to obtain approval of eligibility for credits, or for additional information on the state income tax credits:

Missouri Department of Economic Development
Enterprise Zone Program
P.O. Box 118
Jefferson City, Missouri 65102
(573) 522-8004

Industrial Space

Major warehouse and light manufacturing areas are located along the parameters of Springfield, close to highways and transportation. Examples are East Chestnut Expressway, East Kearney, West Bypass and others.

Rental rates range from \$2 to \$4 per square foot. Many lease on a net basis meaning that insurance and real estate taxes are the responsibility of the lessee. Many developers in Springfield are willing to build a building for warehouse or light manufacturing to your specifications in exchange for a long-term lease.

There are numerous commercial leasing agents and commercial property management companies in Springfield that would be of great help in locating retail and office space or industrial facilities to suit your specific needs. Contacting them through the Yellow Pages and asking for information about their company and commercial references could save you a significant amount of time and money. The lessor normally pays leasing commissions, so it may not cost you to utilize a professional to aid in your search for the appropriate space in which to locate your business.

Demographic Information

Visit the Springfield Business & Development Corporation website at www.business4springfield.com for current information.

Population

2003 Population for the City of Springfield (within city limits): 150,867

Source: USDC, Bureau of the Census, 2003

2004 Population for Springfield Metropolitan Statistical Area (MSA): 390,986

Source: USDC, Bureau of the Census, 2004

2000 Population for 50-Miles Radius of Springfield: 565,245

Source: Missouri Census Data Center, 2000

2004 Population for Springfield Economic Area (27 counties): 936,502

Source: USDC, Bureau of the Census, 2004

1990-2000 Population Growth for Springfield MSA: 23.2%

Annual Growth Rate: 2.2%,

2000-2004 Growth Rate: 1.5%

Source: USDC, Bureau of the Census, 1990-2004

Income

Per Capita Income (MSA): \$26,209

Source: USDC, Bureau of Economic Analysis, 2003

Household Income

Total Number of Households	129,556
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Under \$15,000	22,770
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\$15,000-\$34,999	42,602
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\$35,000-\$74,999	46,299
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Over \$75,000	17,885
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Source: USDC, Bureau of the Census, 2000

Work Force Characteristics

Total Workforce (Springfield MSA): 213,283

Unemployment Rate (Springfield MSA): 3.4%

Regional Workforce (10-county Ozarks region): 297,767

Source: USDC, Bureau of Labor Statistics, Local Area Unemployment Statistics, August 2005

Employment by Sector for Springfield MSA:

Manufacturing	18,400
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Construction & Mining	8,800
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Transportation & Utilities	9,700
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Retail Trade	25,000
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Wholesale Trade	9,800
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Information	4,600
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Financial Activities	11,400
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Professional & Business Services	14,400
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Education & Health Services	32,200
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Leisure & Hospitality	17,400
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Other Services	8,500
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Government	23,300
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Source: USDC, Bureau of Labor Statistics, Current Employment Statistics, 2004

Wage Rates

Average Wage Rates (Springfield MSA):

Manufacturing	\$14.72
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Non-manufacturing	\$11.71
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Government	\$14.60
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Source: MoDED, Division of Workforce Development, 1999-2000

Retail Market

Total Retail Sales Categories (Springfield MSA)

Food Service and Drinking Estab.	\$503,934,000
Non-Store Retailers	345,614,000
Miscellaneous Stores	140,882,000
General Merchandise	1,152,969,000
Books, Music, Sporting Stores	161,460,000
Clothing & Accessories	157,879,000
Gasoline Service Stations	467,683,000
Health & Personal Care Stores	170,803,000
Food & Beverage Stores	497,702,000
Building Materials & Supplies	451,156,000
Electronics & Appliances	159,165,000
Furniture/Home Furnishings	163,589,000
Motor Vehicle & Parts Dealers	1,428,576,000
Total Retail Sales	5,801,421,000

Source: Sales & Marketing Management, Survey of Buying Power, 2003

Taxes

Missouri Personal Income Tax: Graduated rate, highest is \$315 plus 6% over \$9,000.

Part of federal taxes paid are subtracted from net income to determine the state taxable income.

Missouri Corporate Income Tax: 6.25%.

Fifty percent of federal taxes paid are subtracted from net income to determine net taxable income earned in Missouri.

Springfield Sales Tax:

City	1.375%
County	1.000%
State	4.225%
Total	6.600%

Source: Missouri Department of Revenue

Rates of appraised value:

Commercial	32%
Residential	19%
Agricultural	12%

Springfield Personal Property Tax: \$4.48 per \$100 assessed valuation.

Assessment rate is 33 1/3% of appraised value.

Personal property tax is assessed on livestock, mobile homes, commercial office equipment, farm equipment, machinery & tools, and leased commercial property (i.e. leased computers, etc.)

Springfield Property Tax Breakdown (per \$100 of assessed valuation):

City of Springfield	\$0.6258
Springfield-Greene County Library	\$0.2547
Ozarks Technical College	\$0.1458
Springfield R-12	\$3.2235
Road and Bridge	\$0.1010
State of Missouri	\$0.030
Sheltered Workshop	\$0.0488
Greene County	\$0.1010
Total	\$4.5306

Source: Greene County Assessor's Office

Months (Of Fiscal Year) **Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. Total**

Gross Sales													
Cost of Sales													
Gross Profit													

Variable Expenses:

Salaries													
Payroll Taxes													
Advertising													
Automobile													
Dues & Subscriptions													
Accounting & Legal													
Supplies													
Telephone													
Utilities													
Miscellaneous													
Total Variable Exp.													

Fixed Expenses:

Depreciation													
Insurance													
Rent													
Taxes & Licenses													
Interest Only													
Total Fixed Exp.													
Total Expenses													
Net Profit (Loss)													

Discretionary Expenses

Automobile													
Depreciation													
Insurance													
Other													
Other													
Total Disc. Exp.													

Estimated Cash Flow													
Debt Service													
Owners Draw													
Cash Reserve													