

EIGHT

Arrange to Pay your Taxes

Several types of taxes may be levied on businesses by the local, state, and federal governments. When starting a business, you must register with the Commonwealth of Massachusetts as a taxpayer. For more information about registering for and paying state taxes, contact the Department of Revenue at:

- **Massachusetts Department of Revenue**
200 Arlington Street, Chelsea, MA 02150
(617) 887-6367, www.mass.gov/dor/business

All businesses, with the exception of sole proprietors who do not file employment, excise, alcohol, tobacco, or fire arm tax returns, must apply for a Federal Employer Identification Number (EIN) with the Internal Revenue Service (IRS). For more information contact:

- **Internal Revenue Service**
120 Front Street, Worcester, MA 01608
(508) 793-8227, www.irs.gov/business

You may also be responsible for paying **local taxes** if you own real estate or business personal property. For more information on local taxes contact the **City of Worcester's Assessing Division** at (508) 799-1095 or visit the website at www.worcesterma.gov/assessing

For questions on payments and balances, contact the city's **Treasurer & Collector of Taxes** at (508) 799-1098.

NINE

Address Employer Responsibilities

Hiring employees is a big step for any business. Below are some necessary steps that you may have to take when you begin to hire employees.

As an employer, you must submit state income tax withholdings to the Department of Revenue. You are also responsible for employment tax. For more information contact:

- **Massachusetts Department of Revenue**
(617) 887-6367, www.mass.gov/dor/business

Your business is responsible for contributing unemployment insurance to the Commonwealth's Division of Unemployment Assistance. For more information contact:

- **Massachusetts Department of Labor and Workforce Development - Division of Unemployment Assistance**
(617) 626-5050, www.mass.gov/eolwd

All employers in Massachusetts are required by state law to carry workers' compensation insurance. Consult your local insurance agent or contact:

- **Massachusetts Department of Industrial Accidents**
(617) 727-4900, www.mass.gov/eolwd

The Business Services Unit of the city's Workforce Central Career Center has a variety of resources particularly related to recruitment and retention of employees. To explore these services, please contact:

- **Workforce Central Career Center**
(508) 799-1600, www.workforcecentralma.org

TEN

Learn about Ongoing Services

This guide has highlighted numerous resources, agencies, and organizations that will continue to be valuable to you as you grow and build your business. The Worcester Business Resource Alliance (WBRA) works to coordinate these organizations and the services they offer. For more information about ongoing services, please explore the following WBRA organizations:

- **Ascentria Care Alliance**
(774) 243-3100, www.ascentria.org
- **Center for Women & Enterprise**
(508) 363-2300, www.cweonline.org
- **City of Worcester, Business & Community Development Division**
(508) 799-1400, www.worcesterma.gov
- **Interise**
(617) 350-6334, www.interise.org
- **Mass. Biomedical Initiatives**
(508) 797-4200, www.massbiomed.org
- **MassDevelopment**
(508) 363-2799, www.massdevelopment.com
- **Mass Growth Capital Corp.**
(617) 523-6262, www.massgcc.com
- **Mass. Manufacturing Extension Partnership**
(508) 831-7020, <http://massmep.org>
- **Mass. Office of Business Development**
(508) 792-7506, www.mass.gov/mobd
- **Running Start**
(774) 312-7569, <http://runstartwork.com>
- **SCORE**
(508) 753-2929, <https://worcester.score.org>
- **Small Business Development Center at Clark Univ.**
(508) 793-7615, www.clarku.edu/sbdc
- **Small Business Administration**
(617) 565-5590, www.sba.gov
- **SMOC Financial Services**
(844) 766-2737, www.smocloans.org
- **Venture Forum**
www.theventureforum.org
- **VentureMeets**
<http://venturemeets.com>
- **Worcester Business Development Corporation**
(508) 755-5734, <http://thewbdc.com>
- **Worcester Clean Tech Incubator**
(508) 344-1608, www.wcti.org
- **Worcester Idea Lab**
(774) 239-7782, <http://worcesteridealab.com>
- **Worcester Public Library**
(508) 799-1655, www.mywpl.org
- **Worcester Regional Chamber of Commerce**
(508) 753-2924, www.worcesterchamber.org
- **Worcester Roots**
(508) 343-0045, www.worcesterroots.org
- **Workforce Central Career Center**
(508) 799-1600, www.workforcecentralma.org

BUSINESS STARTUP GUIDE



Congratulations on your decision to explore a business venture in Worcester!

The City of Worcester and the Worcester Business Resource Alliance (WBRA) are pleased to offer this 10-step guide to help entrepreneurs navigate the various steps recommended to successfully start a small business.

Recognizing the complexity of capturing all possible scenarios related to unique business ventures, this document provides a general guide on the most relevant resources for each step of the process.



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Business & Community Development Division
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www.worcesterma.gov

The 10 Steps to Success:

ONE

Gather Information & Self Assessment

Have you started researching what's involved with starting and managing a business? There is a wealth of publications and workshops about the requirements, the advantages, and disadvantages of being a small business owner. Here are some organizations where you can research and learn about the process:

- **City of Worcester - Business & Community Development Division**
455 Main Street, 4th Floor, Worcester, MA 01608
(508) 799-1400 www.worcesterma.gov
- **Small Business Administration – Boston District**
10 Causeway Street, Room 265, Boston, MA 02222
(617) 565-5590 www.sba.gov
- **Worcester Public Library**
3 Salem Square, Worcester, MA 01608
(508) 799-1655 www.worcpublib.org

After you have learned about the process of starting and managing a business, including the advantages and disadvantages, you should decide whether small business ownership is the right path for you. If so, move on to Step 2!

TWO

Create a Business Plan

A formal business plan is essential in order to position your business for success. A business plan is typically required for any loan application and should demonstrate to potential financiers that the company has long term profit-making potential with positive cash flows. After reading your business plan, anyone should be able to understand your value proposition to potential customers, and how the business will operate. The following are a number of local resources that you should investigate as you develop your business plan:

- **Center for Women & Enterprise**
69 Milk Street, Suite 217, Westborough, MA 01581
(508) 363-2300 www.cweonline.org
- **Small Business Development Center at Clark Univ.**
125 Woodland Street, Worcester, MA 01610
(508) 793-7615 www.clarku.edu/offices/sbdc
- **SCORE, Counselors to America's Small Business**
446 Main Street, Suite 200, Worcester, MA 01608
(508) 753-2929 <https://worcester.score.org>

If you set up an appointment with any of the above referenced organizations, it is best if you bring a draft of your business plan for productive feedback.

To find templates and guidance for creating your business plan, check out the WBRA website at www.wbra.wordpress.com

THREE

Register your Business Name and Legal Structure

There are important legal issues to consider before naming and incorporating a business. Most importantly, different business structures may have different registration requirements, liability exposures, and tax obligations.

The most common types of business structures include:

- Sole Proprietorships
- Partnerships
- Limited Liability Companies
- Corporations
- S Corporations

Depending on the structure you choose, you may need to register with the city, the state, or sometimes both.

- **City of Worcester - Office of the City Clerk (Business Certificates)**
City Hall, Room 206, 455 Main Street, Worcester, MA 01608
(508) 799-1121 www.worcesterma.gov
- **Secretary of the Commonwealth - Corporations Division**
One Ashburton Place, 17th Floor, Boston, MA 02108
(617) 727-9640 www.sec.state.ma.us/cor/

FOUR

Assemble Financing

Once you have registered your business, you will be able to open a business bank account. This step is essential to keep your business transactions separate from any personal transactions. In your business plan, you should have a financial section that outlines your sources and uses of funds (i.e. startup expenses).

Very often, a new business may need a loan to address the short and long-term needs of the business. **First, you will want to contact your local bank or lending institution to explore financing opportunities.** If you are denied conventional financing, below is a list of alternative financial institutions and loan programs:

- **City of Worcester, Business & Community Development Division**
(508) 799-1400—www.worcesterma.gov
- **MassDevelopment**
(508) 363-2799—www.massdevelopment.com
- **Massachusetts Growth Capital Corporation**
(617) 523-6262—www.massgcc.com
- **SMOC Financial Services @ The MLK, Jr. Opportunity Center**
(844) 766-2737—www.smocloans.org
- **Small Business Administration (SBA)**
The SBA does not lend directly to businesses, but it has a multitude of programs administered through local lending partners. Visit their "LINC" tool to find a lending partner near you. <https://www.sba.gov/tools/linc>

FIVE

Explore Incentive Programs

The City of Worcester offers a few incentives for eligible businesses. Incentive Programs for businesses include:

- **Façade and Awning Incentive Grant Program:** a deferred loan that may be forgiven as a grant to leverage private investment in the physical and aesthetic improvement of commercial properties.
- **Small Business Grant Program:** a deferred loan that may be forgiven as a grant if a business is to occupy a vacant storefront in targeted commercial corridors.
- **Economic Development Incentive Program:** tax incentive program designed to foster job creation and stimulate business growth throughout the Commonwealth (significant private investment is required).

For more information, contact the **City of Worcester, Business & Community Development Division** at (508) 799-1400 www.worcesterma.gov

SIX

Select a Business Site

Choosing a strategic location is a key factor in the success of your business. You must consider your needs, budget, target market as well as zoning implications when choosing a site for your business.

Zoning: The city of Worcester, like any municipality, has a zoning ordinance. Your business must not violate any of the zoning ordinance provisions. This includes **home occupations**. For a zoning determination, you should call the Department of Inspectional Services at (508) 799-1242. The City of Worcester also administers a **Site Search Assistance Program** to help you find an appropriate location that meets your needs. To receive a site search inquiry form please contact the City of Worcester, **Business & Community Development Division** at 508-799-1400.

SEVEN

Complete Licensing and Permitting Requirements

Many business require certain licenses and/or permits for their operation. Since different departments have different authorities, you may need to interact with more than one office.

Most applications for permits and licenses can be found by contacting the following departments, or visiting their webpages:

- **City of Worcester - Department of Inspectional Services**
25 Meade Street, Worcester, MA 01610
(508) 799-1198, www.worcesterma.gov/inspections
- **City of Worcester - Division of Planning and Regulatory Services**
455 Main Street, 4th Floor, Worcester, MA 01608
(508) 799-1400, www.worcesterma.gov/development/planning-regulatory

Licensing and/or permitting requirements may also include state/federal government. If you are not sure where to find the requirements, contact the **Business & Community Development Division** at 508-799-1400.