



# The Food “Business”

---

Organizational and Administrative  
Requirements of Running a Food  
Business



# Some Things to Consider

---

## Advantages

- Earnings Potential
- Set your Own Hours
- Be Your Own Boss
- Freedom of Creativity

## Disadvantages

- Liability
- Complete Responsibility
- Administrative Responsibilities
- Lack of Time for Creativity



# Decision Time

---



- Purchase an Existing Business
- Start-Up Your Own Business



# Essentials for Start-Ups

---

- Good Lawyer
  - Prepare or review leases and contracts
- Good Accountant
  - Set-up budgets and accounting system and provide reports
- Sufficient Capital
  - Ensure smooth running of the business



# Critical Step

---

Prepare Business Plan Including  
Financial Plan and  
“Exit” Strategy



# Entity Selection

---

- Sole Proprietorship
- General Partnership
- Limited Partnership
- Limited Liability Company (LLC)
- Corporation



# Sole Proprietorship

---

- Single owner - you're on your own
- Easy to form
- Less costly to form
- Unlimited liability



# General Partnership



- Two or more parties
- Easy to form
- Less expensive to form
- Unlimited, shared liability



# Limited Partnership

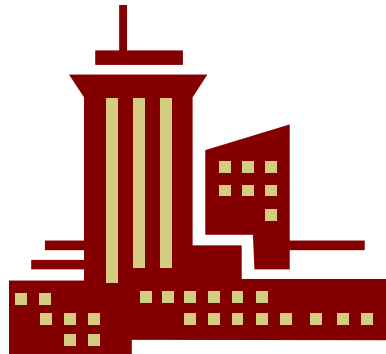
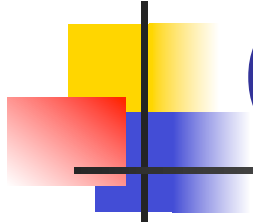
---



- Two or more parties
- Formalities in formation
- Costs of formation
- Limited liability for the “limited” partner(s)

# Limited Liability Company (LLC)

---



- One or more owners
- Formalities in formation
- Additional Costs to form
- Limited liability



# Corporations

---

- One or more shareholder (owner)
- Structured Formation
- Costly (compared to other entities) to form
- No personal liability
- Tax Advantages



# Getting Started

---

- Find the “right” location
- Facility is capable of handling your type of menu
- Sign lease
- Obtain Public Health Operating license from Dept. of Health





# Licensing Requirements

---

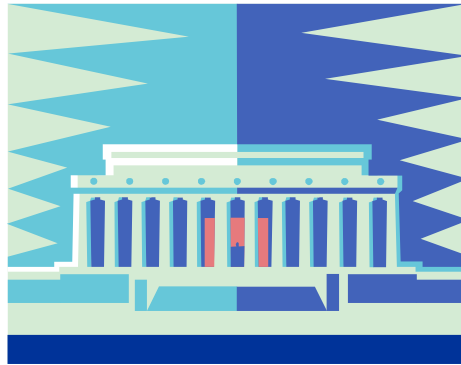


- Federal
- State
- County
- City



# Federal Licenses & Permits

---

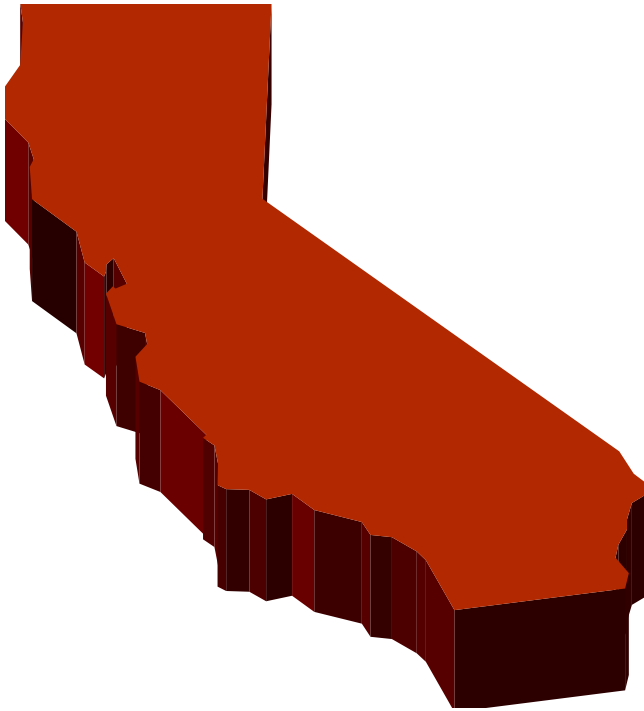


- Federal Employer Identification Number (FEIN)



# State Licenses & Permits

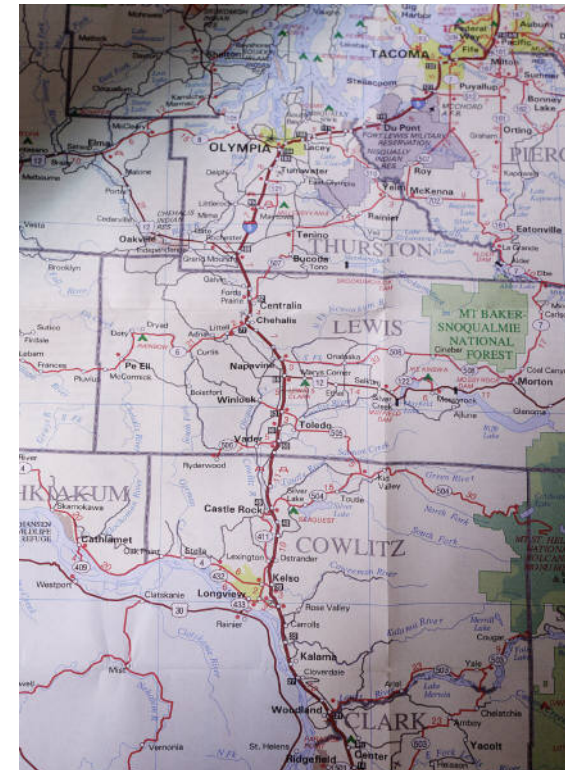
---



- Articles of Incorporation/ Organization (if corporation or LLC)
- Employer Identification Number (EDD)
- California Dept. of Alcohol Beverage Control (ABC) – “liquor license”
- Seller’s Permit – sales tax
- Tobacco permit

# County Licenses & Permits

- Fictitious business name
- Public Health Operating License
- Business personal property tax







# City Licenses & Permits

---



- City business license
- Fire permit
- Zoning requirements

# Accounting Records

- “Adequate” recordkeeping for federal, state and local tax enforcement
- Evaluation of your business operations



# Recordkeeping Requirements



- Income tax
- Sales tax
- Payroll tax
- Property tax
- Business tax (license renewal)



# Next Step

---

- Prepare operating budgets
- Purchase machinery & equipment
- Find major suppliers and negotiate terms
- Hire and train employees
- Press release or advertise opening
- FINALLY: open for business



# Resources

---

- IRS - [www.irs.gov](http://www.irs.gov)
- Secretary of State - [www.sos.ca.gov](http://www.sos.ca.gov)
- E.D.D. – Payroll [www.edd.ca.gov](http://www.edd.ca.gov)
- Board of Equalization – Sales Tax [www.boe.ca.gov](http://www.boe.ca.gov)
- CalGold – [www.ca.gold.ca.gov](http://www.ca.gold.ca.gov)
- Alcohol Beverage Control – [www.abc.ca.gov](http://www.abc.ca.gov)
- National Restaurant Association – [www.restaurant.org](http://www.restaurant.org)
- Fictitious Business Name – Local County Recorder



The End

---

Thank you  
Chef Inlow