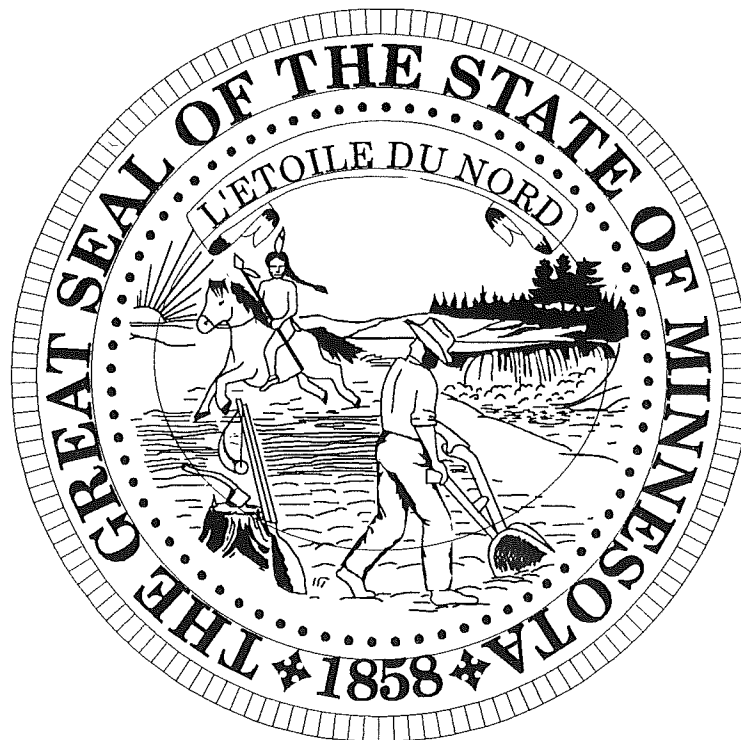


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*An Introduction to Owning and Operating a  
Business in Minnesota for "non-English"  
Speaking Americans*

**INTERPRETIVE GUIDE**



Minnesota Department of Trade and Economic Development

## PREFACE

***An Introduction to Owning and Operating a Business in Minnesota for non-English Speaking Americans*** is intended to provide a very basic reference for new businesses owned or operated by people who don't speak English. An important purpose is to make the reader aware of the vast network of government and non profit organizations and services available to assist business operators in Minnesota.

This document attempts to answer some of the more common questions non-English speaking business owners might have. In places where organizations or programs are identified, a complete listing of alternatives is not provided. Rather, the organizations and programs most able to assist these businesses are noted.

For the best and most extensive source of information on operating a business, please refer to ***A Guide to Starting a Business in Minnesota***, published annually by the Small Business Assistance Office at the Minnesota Department of Trade and Economic Development. Written in English, this document is available by calling 612-297-1291 or 1-800-657-3858.

Many people have contributed their efforts to this publication. We thank them for their assistance and expertise. A particular note of thanks must go to: Cheryl Baltzer, Metro East Development Partnership; George Jacobson, Minneapolis/St. Paul Minority Business Development Center; Mike Temali, Neighborhood Development Center; Ronnie Threatt, Minnesota Department of Economic Security; Stacey Millett, Local Initiatives Support Corporation; and Jennifer Engh, Charles A. Schaffer, and Mark Lofthus, of the Minnesota Department of Trade and Economic Development.

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Stewart McMullan, Project Manager

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ST. PAUL, MN 55155

# Table of Contents

Preface.....	i
Developing a Business Plan.....	4
Seeking Financing.....	7
Licenses, Permits, and Insurance.....	10
Other Sources of Information and Assistance..	13
Hiring.....	16
Taxes.....	18

# DEVELOPING A BUSINESS PLAN

## Why do I need a business plan?

Planning gives you a path to follow. If you don't plan for the success of your business, you will fail.

A business plan is often necessary for raising money, and is essential to obtain financing from a bank or other lenders. It can be a communication tool for investors, suppliers, employees, and others interested in your business. It describes how you will start your business and how it will be operated. Lastly, it can help you identify and avoid potential problems.

## What information is contained in a business plan?

There are a number of ways a business plan can be organized. Here is one example of what it might look like and what may be included:

1. **Executive Summary.** Summarize the business plan in one page or less. Briefly discuss what your company is about, what is being sold, what makes your company different from your competitors, what your market is, and the financial needs of your company.

2. **Business Description.** Include the name of your business, its address, and identify the owners. Describe the goals of your business and why you want to be in business.

3. **Product or service lines.** Provide, in great detail, a description of your product. Give a physical description of your product, what it is used for, and how it functions. It is a good idea to include photographs and other visual aids.

If yours is a service business, describe the services.

4. **Marketing Plan.** Who are your customers? How many of them are there, and where are they located? Describe the price of your product or service, and how it is different from your competitors. How do you intend to distribute your product or deliver your service? What methods of promotion and advertising will be used? Describe your competitors and what you think their strengths or weaknesses are. Predict how fast your sales will grow. Describe any research of the market you have done.

**5. Operating Plan.** Identify suppliers of your materials. Describe your facilities and the equipment that will be used. Also describe the production process. Discuss the amount and the types of labor required to manufacture the product or provide the service. If you have any patents, licenses, trademarks or copyrights, describe them.

**6. Management and Organization.** Name the key participants and owners in the organization. Describe their education, experience and expertise.

**7. Financial Management.** State where you will get the money for your business. What is the financial need for your business now and in the next two years? How will the money be used? Include an income statement for the next two years, and a cash flow statement for the next 12 months. Also provide a current balance sheet and a projected balance sheet for the next two years. Lastly, explain your projections and any assumptions that were made.

If your finance or accounting knowledge is not sufficient to prepare these statements, get professional assistance.

**8. Conclusion.** Summarize your business goals and send a message that you are committed to the success of your business.

**How can I gather information on the market for my product, or the competitors in the market?**

Minnesota Project Outreach has a computerized nationwide database that can provide information on the specific market for your product, and specific information on other companies currently in the market.

Minnesota Project Outreach  
111 3rd Avenue South, Suite 400  
Minneapolis MN 55401  
612-851-7750 or 1-800-338-7005

The James J. Hill Reference Library is an independent business library open to the public. Their collection includes both printed and electronic sources that can help you in writing your business plan, in identifying your competitors, or in locating specific product or market information. Expert research assistance is available on-site.

James J. Hill Reference Library  
80 West Fourth Street  
St. Paul MN 55102  
612-227-9531

**Who can provide assistance in developing a business or marketing plan?**

Small Business Assistance Office  
Minnesota Department of Trade and Economic Development  
500 Metro Square  
121 E. 7th Place  
St. Paul MN 55101  
612-282-2103 or 1-800-657-3858

Minneapolis/St. Paul Minority Business Development Center  
Suite LL35 Hennepin Square  
2021 East Hennepin Avenue  
Minneapolis MN 55413  
612-331-1045

Small Business Development Center  
University of St. Thomas, MPL 100  
1000 LaSalle Avenue  
Minneapolis MN 55403-2005  
612-962-4500

Neighborhood Development Center, Inc.  
651 1/2 University Avenue  
St. Paul MN 55104  
621-291-2480

WomenVenture  
Midtown Commons  
2324 University Ave.  
St. Paul MN 55114  
612-646-3808

Small Business Development Center  
University Center-Rochester  
851 30th Avenue Southeast  
Rochester MN 55904  
507-280-5502

St. Cloud Small Business Development Center  
4191 2nd Street South  
St. Cloud MN 56301-3761  
612-255-4842

Small Business Development Center  
Region Nine Development Commission  
P.O. Box 3367  
410 Jackson Street  
Mankato MN 56002-3367  
507-387-5643

Small Business Development Center  
Southwest State University  
ST #105  
Marshall MN 56258  
507-537-7386

Small Business Development Center  
Moorhead State University  
1104 7th Avenue South- MSU Box 303  
Moorhead MN 56563  
218-236-2289

## **SEEKING FINANCING**

**Where do people typically get money to start a business?**

New businesses are typically financed with the owner's personal funds and funds borrowed from or invested by friends and relatives. The remaining money is often financed by a loan from a bank or a finance company.

**What kind of information is typically required to obtain a loan from a bank or finance company?**

The applicant will complete a loan application form provided by the specific lender. Attached to this application is usually a business plan, the applicant's past tax returns and a financial statement. The lender will also obtain a credit report on the loan applicant.

### **How will a bank review your request for a loan?**

Once all of the required documents are obtained, the bank's loan officer will evaluate and analyze your application. It often takes a month or more for the bank to approve or disapprove a loan application. It is important to begin working with a bank as soon as possible.

### **Are there any loan programs that provide financing to minority businesses? How do I access them?**

Yes, the Urban Initiative Program is a loan program targeted at businesses owned and operated by minorities in St. Paul, Minneapolis and other communities. Depending on the type of business you operate, the amount of financing you need, the geographic location of your business, and other considerations, the organizations listed below may be able to assist you with an Urban Initiative Loan. To determine which organization might be able to assist you, call the Department of Trade and Economic Development at 297-3548 or 297-1170.

Metropolitan Economic Development Association (MEDA)  
Suite 370, Hennepin Square  
2021 East Hennepin Avenue  
Minneapolis MN 55413  
612-378-0361

Neighborhood Development Center, Inc. (NDC)  
651 1/2 University Avenue  
St. Paul MN 55104  
612-291-2480

St. Paul Ecumenical Alliance of Churches (SPEAC)  
451 W. Central Avenue  
St. Paul MN 55103  
612-290-9192

WomenVenture  
Midtown Commons  
2324 University Avenue  
St. Paul MN 55114  
612-646-3808

Riverview Economic Development Association  
176 Concord Street  
St. Paul MN 55107  
612-222-6347



## **What other financing options might be available?**

Most communities offer financing programs for new or expanding businesses. Contact your city officials to inquire about assistance in your community. They may also help you identify other programs that might suit your needs.

City of Saint Paul  
Department of Planning and Economic Development  
25 West Fourth Street  
Saint Paul MN 55102  
612-266-6600

St. Paul Coalition for Community Development  
481 So. Wabasha Street  
St. Paul MN 55107  
612-292-8074

Minneapolis Community Development Agency  
Crown Roller Mill, Suite 600  
105 Fifth Avenue South  
Minneapolis MN 55401-2534  
612-673-5072

Minneapolis Consortium of Community Developers  
1808 Riverside Avenue  
Minneapolis MN 55454  
612-371-9986

In rural Minnesota, an excellent starting point for financing is the Minnesota Initiative Funds.

Southeastern Minnesota Initiative Fund  
540 West Hills Circle, Suite 201  
Owatonna MN 55060-4701  
507-455-3215

Southwest Minnesota Initiative Fund  
P.O. Box 130  
Granite Falls MN 56241  
612-564-3060 or 1-800-594-9480

Central Minnesota Initiative Fund  
58 1/2 East Broadway  
P.O. Box 59  
Little Falls MN 56345  
612-632-9255

West Central Minnesota Initiative Fund  
Norwest Bank Building, Suite 205  
220 West Washington Avenue  
Fergus Falls MN 56537  
218-739-2239

## **LICENSES, PERMITS, AND INSURANCE**

**What licenses and permits do I need to operate my business?**

*This depends on a number of factors, most importantly the kind of business you are going to operate. It also may depend on the geographic location, the size of your business, and a number of other factors.*

*The best reference information is contained in **A Guide To Starting A Business In Minnesota**, which contains a Directory of Licenses and Permits. For guidance as to what licenses and permits are necessary and how to obtain them, you may contact DTED.*

*Minnesota Department of Trade and Economic Development (DTED)  
Small Business Assistance Office  
500 Metro Square Building  
121 E. 7th Place  
St. Paul MN 55101  
612-282-2103 or 1-800-657-3858*

**When do I need to have worker's compensation insurance?**

*In Minnesota, every employer must have worker's compensation insurance and display the name of the insurer.*

**If I'm operating a restaurant, what special permits and licenses do I need and where do I get them?**

*Depending on the location of your restaurant, the license may be handled by the city, the county, or the Minnesota Department of Health. If you are opening a new or remodeled restaurant or grocery store, you will need to submit plans to the local health department prior to construction. For information as to where you should go for a restaurant license in your location, call The Minnesota Department of Health at 627-5031.*

For restaurants located in St. Paul or Minneapolis, call:

St. Paul Office of License, Inspection, and Environmental  
Protection  
350 St. Peter Street  
Suite 330  
St. Paul MN 55012  
612-266-9132

Minneapolis Department of Health  
250 South 4th Street  
Room 502  
Minneapolis MN 55415  
612-673-2170

### **How often do they need to be updated?**

Restaurant licenses are renewed annually. An inspector will make a surprise visit at least once a year to see if your restaurant meets health standards.

### **If I'm operating a food facility, what special permits and licenses do I need and where do I get them?**

The Minnesota Department of Agriculture is responsible for inspecting most food facilities except restaurants. For more information, call the Department of Agriculture.

Minnesota Dept. of Agriculture, Food Inspection Division  
90 West Plato Boulevard  
St. Paul MN 55107  
612-296-1592

## **BEGINNING OPERATIONS**

### **How do I become incorporated and register the name of my company in Minnesota?**

It will cost \$135.00 to become incorporated in Minnesota, and \$25.00 to register the name of your business. For both issues, contact the Secretary of State's Office.

Secretary of State  
Room 180, State Office Building  
St. Paul MN 55155  
612-296-2803

**Who can help me locate a place to operate my business?**

The Minnesota Department of Trade and Economic Development keeps an inventory of available buildings in Minnesota. For information on the Property Tracking System, call 296-2169 or 1-800-657-3858.

There are a number of local and regional organizations that provide site location assistance.

Metro East Development Partnership  
101 Norwest Center  
55 East 5th Street  
St. Paul MN 55101  
612-224-3278

City of St. Paul  
Department of Planning and Economic Development  
25 West Fourth Street  
St. Paul MN 55102  
612-266-6600

Minneapolis Community Development Agency  
Crown Roller Mill, Suite 600  
105 5th Avenue South  
Minneapolis MN 55401-2534  
612-673-5169

Greater Minneapolis Chamber of Commerce  
Young Quinlan Building, Suite 200  
81 South Ninth Street  
Minneapolis MN 55402-3223  
612-370-9170

**If I have workplace safety concerns, whom do I call?**

It is your responsibility to know what you have in your workplace that could potentially harm your workers. Worksite analysis is a group of processes that helps ensure you are aware of what you need to know to keep your workers safe. If you need help in getting started, call the Minnesota Department of Labor and Industry or the Occupational Safety and Health Administration (OSHA).

Minnesota Dept. of Labor and Industry, Consultation Division  
443 Lafayette Road  
St. Paul MN 55155  
612-297-2393

U.S. Department of Labor/OSHA  
110 South 4th Street Room 116  
Minneapolis MN 55401-2227  
612-348-1994

### **What information needs to be posted in the workplace?**

The U.S. Department of Labor requires employers to post information on the federal minimum wage, child labor law, overtime, and the Family and Medical Leave Act. Posters and more information can be obtained from the U.S. Department of Labor, Wage and Hour Division at 612-370-3379.

An OSHA workplace poster concerning Job Safety and Health Protection must be displayed in your workplace. The State of Minnesota requires employers to post information on the state minimum wage and workers compensation rights. Posters are available in Lao, Cambodian, Vietnamese, and Spanish. To order posters, call the Department of Labor and Industry at 612-296-1096.

### **OTHER SOURCES OF INFORMATION AND ASSISTANCE**

**Who can help me with specific topics, such as marketing, accounting, human resources, legal, or other issues my company faces?**

There are three non profit organizations in the Twin Cities that provide specific technical assistance to new and expanding businesses. The Metropolitan Economic Development Association, the Metro East Development Partnership, and WomenVenture will match your company with an expert in their field who will consult with you on the specific issue your company faces, at little or no cost to your business. For further information, call:

Metropolitan Economic Development Association  
2021 East Hennepin Avenue, #370  
Minneapolis MN 55413  
612-378-0361

Metro East Development Partnership  
101 Norwest Center  
55 East Fifth Street  
St. Paul MN 55101  
612-224-3278

WomenVenture  
Midtown Commons  
2324 University Avenue  
St. Paul MN 55114  
612-646-3808

**If I'm operating a manufacturing facility, who can provide manufacturing or engineering assistance?**

Minnesota Technology provides a broad range of manufacturing services. For example, they have access to information on the cost and availability of equipment, and process and product technology. Their manufacturing experts are well versed in the certifications necessary to do business globally.

Minnesota Technology  
111 Third Avenue South  
Minneapolis MN 55401  
612-338-7722

**Who can help me with importing or exporting questions?**

The Minnesota Trade Office has trade professionals with experience in banking, export management, product and market development, documentation, and transportation. The Trade Office also offers educational programs to start or increase your export business. It has an international library for researching foreign markets, learning how to conduct business in a foreign country, and learning about other international topics.

Minnesota Trade Office  
1000 Minnesota World Trade Center  
30 East 7th Street  
St. Paul MN 55101-4902  
612-297-4222

**Is there any special assistance available for family owned and operated businesses?**

The Institute for Family Business, at the University of St. Thomas, is a non profit, academic-based organization developing education and programming that supports individuals and families in the growth and continuity of successful family enterprises.

Institute for Family Business  
University of St. Thomas  
1000 LaSalle Avenue, MPL 100  
Minneapolis MN 55403-2005  
612-962-4401

**What types of products or services does the government buy?**

Federal, state and local governments buy, rent, or lease a wide variety of products and services. Although the specific processes used by each entity vary, most purchases involve a formal competitive bidding process. Many governmental agencies have bidding preferences and other programs to help assure the participation of minority-owned businesses. Information about these opportunities is available in procurement advice publications and community business newspapers.

**What is the definition of a minority-owned business?**

Participation and eligibility guidelines vary between agencies. Anyone interested should first review this information prior to submitting an application. However, in general a minority owned business may be defined as at least 51% owned by minority individuals, including African Americans, Hispanic Americans, Asian-Pacific Americans, and Asian-Indian Americans.

**What do I need to certify that my business is minority owned and whom do I contact?**

Information and application forms may be obtained directly from the specific agency. The Minneapolis/St. Paul Minority Business Development Center can provide you with assistance in accessing any of these programs.

Minneapolis/St. Paul Minority Business Development Center  
2021 E. Hennepin Avenue  
Suite LL35  
Minneapolis MN 55413  
612-331-5576

**Are there any other programs that can help market my business?**

Yes. The Minnesota Minority Supplier Development Council (MMSDC) provides access to corporate buying opportunities locally and nationally. The MMSDC also provides a variety of training and educational seminars to help develop and improve the marketing skills of member businesses.

Minnesota Minority Supplier Development Council  
2021 E. Hennepin Avenue  
Suite 370  
Minneapolis MN 55413  
612-378-0978

**HIRING**

**Who can help me find employees whose talents match my needs?**

The Minnesota Job Service serves as a hub for employment opportunities. Job Service assists employers with the search for professional, managerial, skilled, and unskilled positions. Employers may call the Job Service with a job description or a list of skills needed. Your specifications are matched with applicants via computer. To place a job order, call the Job Service at 296-8400.

The Minneapolis Neighborhood Employment Network (NET) is a link between job seekers, employers, and many educational, training and social programs in Minneapolis. If an employer wants to hire from the NET labor pool, please fax your request to 673-2908 or call 673-2110.

**What is the minimum wage rate in Minnesota?**

The minimum wage is \$4.00 for a small business with less than \$362,500.00 in annual revenue. For a business with annual revenues higher than that it is \$4.25 per hour. Overtime pay rate of no less than one and one-half times regular rate is required after 40 hours of work in one week. For more information contact:

The Minnesota Department of Labor & Industry  
443 Lafayette Road North  
St. Paul, MN 55155  
(612) 296-2432 or 1-800-342-5354  
Voice mail information 612-296-2282



**How old does a person have to be in order to be hired?**

In general, people under the age of sixteen can't be employed. People of sixteen and seventeen years are not allowed to work before five PM on school days and after eleven PM on the evening before school days. For more information on this topic, call the Minnesota Department of Labor and Industry at 612-296-2282.

**How many hours a week can a person work in Minnesota?**

There is no limit to the number of hours one can work in a week, unless the number of hours is regulated by an occupational-specific law. However, overtime pay is required if a person works more than 40 hours.

**What forms need to be completed when someone is hired?**

Every employee must complete Section 1 of Form I-9 when they begin working. They must also complete Section 2 of this form within three days of hire. The law also requires you to review documents establishing the employee's identity and work eligibility. The documents that satisfy the verification requirements are listed on federal Form I-9. This form is available from the United States Immigration and Naturalization Service at 612-335-2255.

A W-4 form also needs to be completed by the employee at the time they are hired. The W-4 form is available from the Internal Revenue Service at the number listed below. In most cases, the W-4 form does not need to be filed with either the Internal Revenue Service or the Minnesota Department of Revenue.

Two exceptions to this rule are when the employee claims more than ten withholding allowances, or if the employee claims exemption from withholding and his or her wages normally would exceed \$200 per week. In either of these cases, the W-4 form needs to be sent to the Internal Revenue Service and the Minnesota Department of Revenue at the addresses listed below.

If these instances apply, or with other questions on withholding taxes, please call:

Internal Revenue Service  
Room 149 Old Federal Building  
210 3rd Avenue S.  
Minneapolis MN 55401  
612-644-7515 or 1-800-829-1040

Minnesota Department of Revenue  
Taxpayer Information Division  
10 River Park Plaza  
St. Paul MN 55146  
612-296-6181 or 1-800-657-3777

## **TAXES**

**What is the best source of information on business taxes in Minnesota?**

*A Guide To Starting A Business In Minnesota*, published annually by the Minnesota Department of Trade and Economic Development, describes in detail the various types of taxes that are of concern to a business in Minnesota. In the chapter entitled "Orientation To Business Taxes", the various state and federal taxes are described, as are the steps a business needs to take to stay in compliance.

Also available for federal tax issues is the **Tax Guide for Small Business, Publication 334**, published annually by the Internal Revenue Service.

Business Income Tax, Sales Tax and Employment Tax classes are offered free of charge by the various taxing agencies (Internal Revenue Service, Minnesota Department of Revenue, and the Minnesota Department of Economic Security).

The Minnesota Business Education Program offers classes at times and locations convenient to the business owner. For class descriptions, times, and locations, please contact the Internal Revenue Service at 612-290-3320 or the Minnesota Department of Revenue at 612-297-4213 or 1-800-888-6231.

**What taxes should I be aware of as a business and an employer?**

Common areas of small business tax liability include federal and state income taxes, state sales and use tax, social security tax, federal unemployment tax, state unemployment tax, and federal and state withholding taxes.

**Do I need a tax identification number?**

For the Internal Revenue Service (IRS), every partnership, corporation, and certain sole proprietors must have an Employer Identification Number. This is a nine-digit number the IRS issues in the following format: 00-0000000

Sole proprietors must have Employer Identification Numbers if they pay wages to one or more employees or must file any pension or excise tax returns, including those for alcohol, tobacco, or firearms.

To obtain an Employer Identification Number, complete Form SS-4, which can be obtained by calling the Internal Revenue Service at 612-644-7515 or 1-800-829-1040.

The Minnesota Department of Revenue requires most businesses to obtain a Minnesota tax identification number. To obtain a Minnesota tax identification number, request one by calling 612-282-5225 or 1-800-657-3605, or complete Form ABR, Application for Business Registration, available at the Department of Revenue.

If you have employees, you may also need to apply for an Unemployment Compensation Number. To obtain this information, contact the Minnesota Department of Economic Security at 612-296-6141.

**Whom do I contact with questions on these issues?**

If you are not familiar with the various taxes that businesses in Minnesota are responsible for, you should consult with an accountant or attorney. For information on the specific tax issues, please contact:

Federal tax questions please call the Internal Revenue Service at 612-644-7515 or 1-800-829-1040

For a Minnesota tax identification number, call the Minnesota Department of Revenue at 612-282-5225 or 1-800-657-3605.

Sales tax questions please call the Minnesota Department of Revenue at 612-296-6181 or 1-800-657-3777.

Obtaining a Minnesota unemployment compensation employer identification number: Minnesota Department of Economic Security at 612-296-6141

Questions on business income tax returns: Internal Revenue Service at 612-644-7515 or 1-800-829-1040, and the Minnesota Department of Revenue at 612-297-7000 for corporations and 612-296-3781 for sole proprietorships. Non English speakers should ask for Language Line to obtain help in their own language.

Questions on employee social security taxes and withholding, or on income tax withholding: Internal Revenue Service at 612-644-7515 or 1-800-829-1040, and the Minnesota Department of Revenue at 612-282-9999 or 1-800-657-3594.

Questions on federal and state unemployment taxes: Internal Revenue Service at 612-644-7515 or 1-800-829-1040, and the Minnesota Department of Economic Security at 612-296-6141.