

# NJBAC

**New Jersey Business Action Center**

## **GUIDE TO DOING BUSINESS IN NEW JERSEY**

**[nj.gov/njbusiness](http://nj.gov/njbusiness)**

**Call our Business Helpline: 1-800-JERSEY-7.**

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## BUSINESS QUESTIONS? NJBAC HAS ANSWERS!

The New Jersey Business Action Center (NJBAC) is a business-first resource that can help you get answers from government agencies, direct you to appropriate officials or contacts, facilitate meetings and follow-ups with regulatory agencies and so much more, all at no cost and strictly confidential. Whether you are an entrepreneur, own a business on "Main Street," are located on a corporate campus, or are interested in expanding your products and services through export, we're here for you. We are a business advocacy team within the Department of State, dedicated to solving problems and maximizing growth opportunities.

# Section 1: Starting a New Business

## GETTING STARTED

Most entrepreneurs are not sufficiently prepared to go into business. Although they have the motivation, desire and talent, many have not taken the time to carefully examine and explore their chosen business.

### Do I Have What It Takes to Own/Manage a Business?

Future business owners will be the most important employers, so an objective appraisal of strengths and weaknesses is essential. Some questions to ask yourself are:

- Am I a self-starter?
- How well do I get along with a variety of personalities?
- How good am I at making decisions?
- Do I have the physical and emotional stamina to run a business?
- How well do I plan and organize?
- Are my attitudes and drive strong enough to maintain motivation?
- How will the business affect my family?

### Reasons to Start a Business

Before starting a business, list the reasons you want to go into business. Use a specific and systematic approach to build a plan from which success can be evaluated.

Some common reasons for starting a business include:

- Desire to be your own boss
- Financial independence
- Dislike of policy and procedures
- Desire for creative freedom
- Opportunity to take advantage of your skills and knowledge
- Ability to offer a service not currently available in your community.

### Deciding What Business to Start

To assist you in determining which business is the right business for you to develop, answer the following questions:

- How do you like to spend your time?
- What technical skills have you learned or developed?



- Will you have the support of your family and/or spouse and friends?
- How much time do you have to operate the business?
- Do you have any marketable hobbies or interests?

To be successful, your business must fill a niche. Consider these questions:

- Will your idea fill a need?
- Is your idea practical?
- What/who is your competition?
- Do you have an advantage over existing businesses?
- Are you prepared to deliver a higher value/better quality service?
- Will you be ready to create a demand for your business?

### Creating a Pre-Business Checklist

The last step in the model is the pre-business checklist. Answer the following questions and write down the responses before developing your plan:

- Describe the business you are interested in starting, and what services or products you will sell.
- Where will you locate?
- What skills and experiences do you bring to the business?
- What will be your legal structure?
- What name will you use, and how will you advertise your product or service?
- What equipment or supplies will you need?
- How will your business records be maintained?
- What insurance coverage will be needed?
- Depending on your resources, what financing will you need?
- How will you and your staff be compensated?

## IMPORTANCE OF A BUSINESS PLAN

Starting or operating a business without proper planning is like driving from Boston to Dallas without a map. Planning confirms the destination and the most effective road to reach that stage. This information summary will provide an over view of planning, and discuss how and why it is necessary to create a business plan.

### Why Planning is Critical

- Provides a path to follow
- Makes future goals obtainable
- Essential guide to starting, building, and managing a successful business.
- Best tools available in pursuit of raising money for a small business.

### Planning Can Be Difficult

Although planning is critical to success, it is often overlooked in favor of intuition or “gut feeling.” Common obstacles that hinder planning include:

- **Lack of know-how.** It is sometimes difficult to know how to plan and what to plan for.
- **Fear of the unknown.** It is difficult enough dealing with the problems of today without worrying about what is going to occur in the future.
- **Inaccuracy.** The best-laid plans have a funny way of not working out exactly the way they were intended.

These obstacles are very real and must be overcome to achieve success. While it may be challenging to face the future, moving toward that goal without any direction is much worse. If you do not adequately plan for the success of the business... you will fail.

### What is a Business Plan and Why Do I Need One?

A business plan defines precisely the business, identifies goals, and serves as the firm’s résumé.

Included in the basic components are a current and pro forma balance sheet, income statement and cash flow analysis.

This helps allocate resources properly, handles unforeseen complications, and assists entrepreneurs make the right decisions.

Because the business plan provides specific and organized information about the company and how it will repay borrowed money, a good business plan is a crucial part of any loan package. Additionally, the plan can apprise sales

personnel, suppliers and others of the company’s operations and goals.

A business plan can serve as a communications tool for investors, suppliers, employees and others interested in understanding the operations and goals of your business.

A Business Plan is:

- The management and financial “blueprint” for a business start-up and profitable operation.
- Written by the business owner with outside help, as needed.
- The explanation of how the business will function and depicts its operational characteristics.
- A detailed view of how the business will be capitalized and managed.



## CONSTRUCTION OF A BUSINESS PLAN

### Put Your Best Foot Forward

The business plan should be complete, clear, neat and accurate. It will be an extension of you and your business.

The length of a good plan will vary from a few pages to a hundred or more and should provide a sound “blueprint” for the business, enticing any reader to want to learn more.

If you feel your knowledge of the industry, business or financial matters is not sufficient to adequately prepare the business plan, you may seek professional assistance in drafting it.

### Sample Business Plan Outline

#### Executive Summary

- The executive summary is a one or two-page summary of the rest of your business plan. It should include basic information about the business, discuss the products or services the business offers, the niche in the market that the business seeks to fill, and why you want to be in business.
- Because this section is a summary of the rest of the plan, it should be written last, after the more detailed information in the plan is written.

## Business Description

- This section should include your business name, address, owner identification, and should also identify your goals and objectives. The description explains the reasons you want to be in business.

## Market Analysis

- This section must demonstrate that the business owner knows and understands their industry. It should cover the following topics:
  - › Description of the total market
  - › Discussion of trends in the industry
  - › The market analysis, highlighting the opportunities the company needs to achieve its goals by asking:
    - To whom are you trying to sell? (Who is your target market?)
    - What are the trends in your target market?
    - Who are your customers and what are their product/service preferences and reasons for purchasing?
  - › Discuss the competition your business will face

## Products or Services

- This section should fully describe each product or service including any brand names and unique features, and analyze competitive advantages and disadvantages of each. The company's customers may be the final users or may resell to someone else. In the latter case, the business owner should know the identity of the ultimate consumer as well as immediate customers.
- Specifically, this section should include:
  - › Description of product line
  - › Comparison to competitor's products
  - › Opportunities or plans for expanding or redesigning product or service lines
  - › Project changes in sales mix cost and profit
  - › Patents, copyrights, legal and technical considerations

## Operating Requirements/Manufacturing Process

- The plan should identify and describe the equipment, facilities and people necessary to generate products and services. How will the products and services be produced and made available to the customer?

## Marketing Strategy

- What customer groups will the business target?
- To generate sales, what product or service attributes will the company emphasize?
- How will the company advertise and promote its products or services?
- This section should discuss the business' overall marketing strategy, pricing policy, sales terms, and the method of selling, distributing and servicing products.

## Funding Application

- If you are submitting your business plan as part of a loan application, it should include the following:
  - › Summary of financial needs
  - › Dollar amount requested
  - › Terms and timing
  - › Type and price of securities
  - › Earnings projections and potential return to investors
  - › "Exit" Strategy—describe to potential investor(s) exactly how they will be repaid for their investment. Repayment may come from refinancing or selling stock to others.

## Overcoming Difficulties

- Strategies frequently do not proceed according to plan. This section of the business plan discusses critical risks and potential problems the business faces, and how the business can overcome or avoid these problems.

## Business Management Structure

- A business plan should discuss the legal form of the business (i.e. form of business organization).
- A business plan should also discuss how the business will be managed, including (if applicable):
  - › Board of Directors composition
  - › Officers, organization chart and responsibilities
  - › Resumes of key personnel
  - › Staffing plan/number of employees
  - › Facilities plan/planned capital improvements
  - › Operating plan/schedule of upcoming work for next one to two years

## Financial Information

- The most important part of the business plan is its potential profitability. Can it create a sizeable and sustainable profit?
- If your business is just getting started, this section should include:
  - › Projected 'start-up-costs'
  - › Expected profit or return on investment (ROI) for the first year.
- If the business is already established, this section should include the financial history of the last five years, including income statements and balance sheets for those years.
- Whether the business is new or established, this section should include:
  - › Five-year financial projections (first year by quarters; remaining years annually)
  - › Profit and loss statements
  - › Balance sheets
  - › Cash flow chart
  - › Capital expenditure estimates
  - › Explanation of assumptions underlying the projections
  - › Key business ratios
  - › Explanation of use and effect of new funds
  - › Potential return to investors compared to competitors and the industry in general
- This section reflects, in dollar terms, a business' past and its anticipated future. Financial statements and projections must be consistent with descriptions elsewhere in the business plan, your marketing assumptions and strategy.
- All projections should be thoroughly explained.

## Concluding Narrative

- This segment of the plan should summarize business goals and objectives and send a message that owners are committed to the success of the business.

## Appendix

- The appendix should include any additional documents relevant to the business, which potential investors may want to see. Examples include permits, your business' credit history and images of your products.

## Additional Help Constructing a Business Plan

The U.S. Small Business Administration includes suggestions for writing a business plan on its website at [www.sba.gov](http://www.sba.gov).

The New Jersey Small Business Development Centers (NJSBDC) network provides comprehensive assistance to small and medium businesses (SMBs) to maximize opportunities for growth and generate economic impact statewide.

To request counselling from the SBDC of NJ you can talk to an expert near you at <https://njsbdc.com/counseling/>.

## MARKETING: THE PATHWAY TO PROFITS

Ask any businessperson the key to success and most likely, marketing savvy will be mentioned. Marketing involves offering a needed product (or service), featuring it at a price that maximizes profit, identifying potential buyers and devising methods to efficiently sell to them. Marketing strategies usually revolve around the following:

**Product** - Exactly what is the business selling? How will it be developed? What range of materials and professionals will be necessary? How will the product/service be produced and its quantity and quality be maintained? List the product's features and benefits.

**Price** - How much will the business charge? What is the profit margin? You must decide if the business will offer volume discounts, seasonal markdowns, rebates, or other special pricing incentives. It's important to consider the break-even point when setting your price. Determine the number of sales required to cover costs, including material, labor and overhead.

**Promotion** - How will the business let the public know it's in business and what it can do for them? What forms of advertising will be employed? When is advertising planned? How much will the business spend on advertising? How can the business generate word-of-mouth publicity? Aim promotional efforts at your most likely customers and tie your efforts into their buying habits.



**Place (or Method of Distribution)** - Where will the product be found? Can people purchase it in stores, through the mail, over the Internet, or will you deliver it to their doorstep? Will salespeople, distributors, or brokers be needed? Compare the advantages of selling wholesale versus retail.

**Positioning** - Why should customers buy from your company? Define what is unique about the product (or service) and what differentiates it. Study the competition carefully to find your niche. What can your business offer that others cannot?

**Potential** - As a new competitor, your market potential can be determined by analyzing the size of the market and how well existing firms are serving the overall customer base. What special group (or market segment) will be targeted?

Simply put, marketing comes down to understanding the relationship between a company's product, customers and competition. The time and effort invested in solid planning will produce results.

## FORMS OF BUSINESS ORGANIZATIONS

Your first step to doing business in New Jersey is deciding which form of business organization you wish to operate under. There are several options, each with their own advantages and disadvantages. The most common are sole proprietorships, partnerships, corporations and Limited Liability Companies (LLCs).

### Sole Proprietorship

#### Advantages:

- Low start-up costs
- Greatest control by owner
- Minimum working capital requirements
- Tax advantage to small owner
- All profits to owner

#### Disadvantages:

- Unlimited personal liability
- Lack of continuity
- More difficult to raise capital

This is a business where one person furnishes all the capital and assumes all the responsibilities for the business actions. The business is not a legal entity distinct from the business owner, and the owner is liable for all debts the business may incur.

A sole proprietorship lacks continuity. This means that the business terminates upon the death of the owner.

For tax purposes, the income of the business is simply treated as personal income of the owner.

### Partnership

#### Advantages:

- Ease of formation
- Low start-up costs
- Additional sources of venture capital
- Broader management
- Limited outside regulation

#### Disadvantages:

- Unlimited personal liability
- Lack of continuity
- Divided authority
- Difficulty in raising additional capital
- Hard to find suitable partners

There are two basic types of partnerships: general partnerships (GP) and limited partnerships (LP). General partnerships are often simply referred to as 'partnerships.'

Most partnerships are general partnerships. In general partnerships, as in sole proprietorships, partners face unlimited liability for the debts of the firm. If one general partner cannot pay their share of the debts, the other partner(s) will be held liable for them. The amount of a partner's liability could very easily be in excess of the amount they have invested in the business. A general partnership, similar to a sole proprietorship, lacks continuity, which means that the business terminates upon the death of the owner or partner, or upon the withdrawal of a partner.

In some special situations, a limited partnership should be considered. In a limited partnership, there may be two types of partners: general partners and limited partners. General partners have unlimited liability for the debts of the firm, and have significant management control in the business. Limited partners are only liable for the amount they invest in business, but have less management control than general partners. Limited partnerships cannot be made up solely of limited partners – there must always be at least one general partner.

For tax purposes, partnerships are treated much like sole proprietorships, in that the partnership's income is taxed as part of the personal income of the partners rather than as income of the business itself.

There are several reasons an entrepreneur may choose to form a partnership.

For one, sharing the ownership of the business is one way of obtaining critical financing. Remember that a principal cause of failure among businesses is inadequate financing, so don't overlook the fact that it is the businessperson(s) responsibility to provide or obtain sufficient money to supply a strong foundation for your enterprise.

Secondly, some owners may lack certain technical or management skills that are of major importance to the business. A partner with these skills may prove the most satisfactory way of covering this deficiency.

Great care should be taken in selecting a partner. Compatibility, personality and character, as well as ability to render technical or financial assistance, all should be given serious consideration. Friendship is a wonderful thing, but friendship alone should not be the sole or determining factor in selecting a partner. The selection of a partner could well be one of the most important decisions an owner will have to make.

Base all decisions on logic and not on emotion. An act of any one partner, relative to the business, binds each general partner for all their assets, whether or not they were part of the particular action.

## Partnership Agreements

Though it is not specifically required by law, it is strongly recommended that written Articles of Partnership be executed and that this agreement cover all the points suggested below. It is extremely important that partners sign a written agreement if profits or losses are to be shared in any way, other than strictly according to the interest each partner holds in the business. A written agreement, properly drawn, can prevent misunderstandings among partners in later years. Verbal agreements are subject to different interpretations by well-intentioned people, especially after the passing of a few years' time.

Below is a list of some of the points that should be covered in a partnership agreement. Other points can be added to meet the needs of specific situations.

1. Name
2. Purpose
3. Location of business
4. Duration of the agreement
5. Authority and responsibilities of each individual partner (which partner supervises different employees, etc.)
6. Character of partners (general or limited, active or silent)

7. Amount to be contributed by each partner (at the beginning, or later)
8. Division of profits and losses (this is very important)
9. Salaries of each partner (whether guaranteed or not)
10. How much money/cash each partner may withdraw from the bank
11. Death of partner (dissolution and wind-down)
12. Sale of partnership interest
13. Arbitration of disputes (how disputes will be settled)
14. Required and prohibited acts
15. Absence and disability
16. Restrictive covenants
17. Buying and selling agreement (what happens to the partnership if one partner wants to sell their stake in the partnership)



## Corporation

### Advantages:

- Limited liability
- Specialized management
- Ownership is transferable
- Continuous existence
- Legal entity
- Easier to raise capital
- Unity of action account having centralized authority in board of directors

### Disadvantages:

- Closely regulated
- Lack of continuity
- Charter restrictions
- Extensive record-keeping necessary
- Double taxation, except when organized as an S Corporation
- Difficult to liquidate investment



In a corporation, the liability of the owners is limited to the amount they pay for the shares of stock. A corporation is a legal entity and its continuity is unaffected by death or the transfer of shares of stock by any or all owners.

One disadvantage of most corporations is double taxation; income tax is levied upon corporate profits and, in addition, upon dividends after they are paid to the stockholders.

### *S-Corporations*

However, there is a certain type of corporation that is known as an “S-Corporation.” S-Corporation profits are passed through to the individual stockholders, much the same way as in a partnership, thus there is no federal income tax to the corporation as an entity. There are many differences between C-Corporations and S-Corporations. One may be more advantageous for your business and should be discussed with a financial advisor.

## **Limited Liability Company (LLC)**

### **Advantages:**

- Limited liability
- Flexible management structure and ownership
- Continuous existence
- Legal entity
- Easier to raise capital

### **Disadvantages:**

- More expensive to organize than a proprietorship or partnership
- More regulations than a proprietorship or partnership

A Limited Liability Company (LLC) is similar to a corporation in that it is a legal entity apart from its owners. This means that the owners of an LLC have limited liability, and also ensures that the LLC continues to exist even if some or all owners die or sell their shares.

The owners of an LLC are called “members.” LLC members can be individuals and/or other forms or businesses, such as corporations or partnerships.

Generally, an LLC will be treated as a partnership for New Jersey tax purposes unless classified otherwise for federal income tax purposes and would therefore be required to follow the tax return filing requirements for partnerships in this state. However, if the LLC is classified as something else for federal tax purposes, it will be classified for New Jersey tax purposes in the same manner as it is classified for federal income tax purposes.

Individuals and corporations who are members of an LLC deriving income from New Jersey sources would typically file their own individual or corporate return with New Jersey reflecting their membership in the LLC. Partnerships that are members would also make the appropriate New Jersey filing.

### *Operating Agreement*

Any LLC with more than one member should draft an operating agreement to define the rights and responsibilities of members.

An operating agreement is meant to ensure there is no confusion among members as to their roles in the company. The agreement may set forth details relating to membership, including relative rights, powers and duties (e.g., voting). It may also stipulate that the LLC is headed by a manager and may even provide for classes or groups of members in the manner specified in the operating agreement.

## **BUSINESS REGISTRATION**

All businesses operating in the State of New Jersey must register this with the State. This applies to both “domestic” (in-state) and “foreign” (out-of-state) firms. This section will take you through each step in the registration process, and explain which forms of businesses must complete each step.

Note that New Jersey’s Online Business Formation Service provides a streamlined location to complete the steps described below. You can access the service at <https://www.njportal.com/DOR/BusinessFormation>.

You can find additional information on the business registration process at [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov) under the “Starting a Business” tab.

### **Determining Name Availability – Business Name Search**

Before you register your business, you should make sure your intended business’ name is not currently in use elsewhere in New Jersey. You can search which business names are already in use in the state at this web address <https://www.njportal.com/DOR/BusinessNameSearch/>

### **Recording a New Business Entity**

If your business is going to be a legal entity, such as a Corporation, Limited Liability Company (LLC), or Limited Liability Partnership (LLP), you must record as a new business entity with the State of New Jersey by filing a certificate of business formation with the Division of Revenue. Sole Proprietorships and General Partnerships do not need to complete this step.

Note that there is a fee associated with recording as a new business entity.

You may complete this filing online at <https://www.njportal.com/DOR/BusinessFormation>.

If you choose not to complete the filing online, you may download the New Business Entity Filing form at <https://www.state.nj.us/treasury/revenue/revprnt.shtml>, complete it and mail it to:

NJ Department of the Treasury  
Division of Revenue  
PO Box 308  
Trenton, NJ 08646-0308

If you are a “foreign” (out-of-state) firm seeking to do business in New Jersey, when you file your certificate of formation you must include a Certificate of Good Standing from the business’ home state. If you are filing online, you must fax the Certificate of Good Standing to 609.292.7962 within a day of the filing.

When you register to create a new business entity, you will be assigned a 10-digit Business Identification Number that will appear on all preprinted forms you receive from the Division. Be sure to include this number on all checks and correspondence you send to the Division.

Additional information about recording new business entities may be found online (<https://www.state.nj.us/treasury/revenue/filecerts.shtml>) or you may call the Division of Revenue at 609.292.9292.

### Obtaining a federal Employee Identification Numbers (EIN)

The IRS will allow a sole proprietorship or a single member LLC with no employees to use the owner’s social security number for federal tax purposes. However, other business entities and all businesses with employees are required to obtain an Employee Identification Number (EIN) from the IRS to comply with regulations regarding federal income tax, social security and unemployment insurance. The simplest way to obtain an EIN is by applying online at [www.irs.gov](http://www.irs.gov). You can also obtain an EIN by mailing or faxing Form SS-4 to the IRS.

### Registration for Tax Purposes with the State of New Jersey

All businesses must “Register for Tax and Employer Purposes” with the New Jersey Division of Revenue using the NJ-REG form, regardless if they plan on collecting sales

tax or having employees. You must file your application at least fifteen days prior to starting business. Registration is the state’s way of making sure you receive all the forms and information you need to comply with New Jersey tax laws.

When you register your business, the State of New Jersey will send pertinent forms and information necessary for compliance with New Jersey tax laws. It is important to include either a social security number or an Employer Identification Number (EIN) on all returns, checks, and other correspondence sent to the State of New Jersey.

Once you’ve registered your business for tax purposes, you will be assigned a 12-digit New Jersey Tax Identification number that will appear on all preprinted forms you receive from the Division of Taxation. The first nine digits of the number usually correspond to your Federal Employer Identification Number. Be sure to include this number on all checks and correspondence you send to the Division.

You may complete this step through New Jersey’s Online Business Formation Service at <https://www.njportal.com/DOR/BusinessFormation>

You may download the NJ-REG form here at <https://www.state.nj.us/treasury/revenue/revprnt.shtml>

Complete and mail to:

Client Registration  
PO 252  
Trenton, NJ 08646-0252

### Corporate Kits

In order for a corporation to be considered operational, each corporation should obtain a corporate kit. These kits can be obtained from any stationery store or purchased online. Kits include fill-in-the-blank by-laws, minutes, stock certificates, stock transfer ledger and the corporate seal. It is important that all pertinent information be added to all forms.





## Buying an Existing Business

If you are buying an existing business, to protect yourself from “inheriting” the tax liability of the previous owner(s), you must notify the Division of Taxation, Bulk Sales Section at least ten days prior to the purchase. Notify the Division through registered mail, by sending in “File Form C9600, Notification of Sale Transfer or Assignment in Bulk” and a copy of the sale contract.

The mailing address to send the documents to is:

The Division of Taxation  
Attn: Bulk Sale Section  
PO Box 245  
Trenton, NJ 08695-0245

To access Form C9600 and receive more information about the bulk sales process, visit the website for the Division of Taxation, Bulk Sales <https://www.state.nj.us/treasury/taxation/faqbulksale.shtml>.

For additional assistance, you can call the Division of Taxation, Bulk Sales Section at 609-292-6604.

## Out-of-State Payroll Record Keeping

If your business is not located in the State of New Jersey but you intend to do business here, you must acquire an out-of-state payroll record keeping permit from the Division of Wage and Hour Compliance, New Jersey Department of Labor & Workforce Development. To inquire about obtaining this permit, call 609-292-0101.

## TRADE NAMES, ALTERNATIVE NAMES, AND DBA NAMES

### Trade Name

A sole proprietorship or general partnership will generally use a “trade name” (aka “business name”). A trade name is a name used to identify a business that is not the same as the business’s full legal name.

If your business is a sole proprietorship and you intend to do business under your own name, although **trade name registration is not required, registration is strongly suggested.**

If you intend to operate a sole proprietorship or general partnership using a trade name, then you must register your trade name with the County Clerk’s Office of each county in which the business will be operating. This registration at the county level is compulsory for both domestic and foreign businesses. There may be a fee associated with this registration that will differ from county to county.

The registration protects your trade name from use by other businesses within the counties where it is registered. If you are interested in reserving your trade name in other counties you must register the trade name in those counties as well. To protect the trade name statewide you should register the trade name in each of the State’s 21 counties.

However, if another business incorporates under your trade name, your trade name may not be protected. Whether or not your trade name will be protected varies on a case-by-case basis.

Note that in the event of the business’ discontinuance, dissolution, or changes in partnership, you must file additional relevant forms with the counties where the business is registered.

### Alternate Name

The equivalent of a trade name for legal entities (such as corporations or LLCs) is an “Alternate Name” (sometimes referred to as a “fictitious name”). A business may only register an Alternate Name after it is authorized to do business in the state.

To register an alternate name with the State, you must complete and mail Form C-150G to the New Jersey Division of Revenue, Corporate Unit at:

NJ Division of Revenue  
Corporate Unit  
PO Box 308  
Trenton, NJ 08646

Another option is to fax the completed form to the Division at: 609.984.6851

Registration of an Alternate Name has a \$50 transaction fee. *Registration expires after five years, but may be renewed either online or by mailing Form C-150R to the Division of Revenue.*

Forms C-150G and C-150R, as well as additional information on the Alternate Name registration and renewal may be found online at <https://www.nj.gov/treasury/revenue/altname.shtml>

## Doing Business As Name (dba name)

If your business is a foreign (out-of-state) legal entity looking to operations in New Jersey, but your business' name is already in use by another business in the state, your business must adopt a 'Doing Business As' (dba) name within the state.

To register under a dba name, when you fill out the business registration form, write your business' full legal name as it appears in the business' home state, followed by the letters 'dba,' followed by the intended dba name.

For example, if the business' legal name in its home state is Cats Incorporated, and the intended dba name is Dogs Incorporated, the registration document would read:

Cats Incorporated dba Dogs Incorporated

Note that if your business is registering under a dba name, you must submit the registration form in paper rather than online, and should attach a copy of the resolutions in which the business adopted the New Jersey dba name.

Additional information about using a dba name in New Jersey may be found at <https://www.state.nj.us/treasury/revenue/checkbusiness.shtml>.

## REGULATIONS AND LICENSES

### Municipal Concerns

Business owners should contact the municipality and county where the business is to be located to determine if the company needs to comply with:

- Local zoning ordinances
- Municipal tax obligations
- Local mercantile licenses
- Local permits
- Local regulations
- Requirements to register a business

### New Jersey License and Certification

Depending on the nature of your business, the State of New Jersey may require that you either obtain a license, certification, or registration. The New Jersey Business Action Center serves as a clearinghouse for inquiries relating to licensing and registration requirements confronting persons who are considering entering various professions, occupations and business enterprises.

For a complete listing guide visit: [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov) or contact the New Jersey Business Action Center at 1-800-JERSEY-7.

## TRADEMARKS

A trademark (sometimes referred to as a brand name or logo) is a word, name, symbol, phrase, slogan, or any combination thereof, used by a manufacturer or merchant to identify its goods or services and distinguish their source or origin throughout New Jersey. They may also be used to prevent others from using the same or a similar mark in the State.

Trademark rights are derived from use of a mark, and mark owners may claim common law trademark rights from the time a mark is first used however, common law rights only give the owner of the mark limited protection. A trademark owner may use a TM or SM symbol with their mark to indicate that they are claiming rights to it.

A trademark owner, who is using or has an intent to use his trademark in commerce that the United States Government regulates, such as interstate commerce or commerce with a foreign entity, may file an application for federal registration with the United States Patent and Trademark Office (USPTO).

Federal registration of trademarks is not a requirement; however, it is highly advisable since federal registration provides the owner with distinct advantages over owners of unregistered marks.

Registration serve as prima facie evidence of ownership, provide businesses or individuals the right to use or license their trademarks, allow trademark owners the right to sue for trademark infringement in the federal courts and allow owners to apply for trademarks in other countries based upon their U. S. registration.

The ® symbol may only be used if the USPTO has issued a federal registration.

If an individual plans to file a trademark application, they or their representative should conduct a search of pending and registered trademarks to make sure that the mark is not already the subject of an application or registration. Users may search the trademark database at <https://www.uspto.gov/trademarks-application-process/search-trademark-database>.

To file an application for federal registration, the trademark owner should visit the USPTO Web site at [www.uspto.gov](http://www.uspto.gov). Owners may complete and file their trademark applications online using the Trademark Electronic Application System (TEAS).

After a trademark application is filed, it is reviewed by a trademark-examining attorney to determine if the mark may be registered. The examining attorney will perform a search to determine whether the applicant's mark is likely to cause confusion with other marks already protected by federal registration.

If a proposed mark passes the examination phase, it will be published in the Trademark Official Gazette (TMOG). Those who believe they will be damaged by registration of the mark then have an opportunity to oppose the registration. If no opposition is filed, then a registration certificate is issued.

In all, the registration procedure typically takes up to or over a year.

To maintain registration of your trademark, you must periodically file certain forms with the USPTO. Filing these forms correctly and on time can extend your trademark protections indefinitely, but failure to do so will result in the cancellation of your trademark. Detailed information on the maintenance of federal trademark registrations may be found at [www.uspto.gov](http://www.uspto.gov).

For additional information on the trademark registration process, contact the USPTO's Trademark Assistance Center (TAC).

Email: [TrademarkAssistanceCenter@uspto.gov](mailto:TrademarkAssistanceCenter@uspto.gov)

Phone:

Toll-free: 800-786-9199 (option 1)

Local: 571-272-9250 (press 0)

International: 1-571-272-9250 (press 0)

Trademarks can be registered online at <https://www.uspto.gov/trademarks-application-process/filing-online>

## Trademarks at the State Level

Separate from the federal trademark registration process, it is possible to register a trademark or service mark with the State of New Jersey. To do this, you must submit Form TMSM-01 to the Division of Revenue. There is a \$50 filing fee, with additional fees for expedited service.

Form TMSM-01 may be found on the division's website at <https://www.nj.gov/treasury/revenue/>.

Once the form is filled out, mail it to the Division by regular mail at:

New Jersey Division of Revenue

Trade/Service Mark Unit

PO Box 453

Trenton, NJ 08646-0453

Additional information on state trademark registration can be found at <https://www.state.nj.us/treasury/revenue/regmark.shtml>.

## COPYRIGHTS

Copyright is a form of protection provided to authors of "original works of authorship," including original literary, dramatic, musical, artistic and certain other intellectual works, both published and unpublished.

The United States Copyright Office, a division of the Library of Congress, is responsible for the administration of federal copyright protection. Information on copyrights and applications for filing for copyright protection may be obtained from the United States Copyright Office.

Phone numbers for the Copyright Office:

(202) 707-3000

1 (877) 476-0778 (toll free)

Web address for the Copyright Office is:

<https://www.copyright.gov>

General mailing address:

U.S. Copyright Office

101 Independence Avenue, S.E.

Washington, DC 20559-6000

## PATENTS

A patent for an invention is the grant of a property right to the inventor, issued by the United States Patent and Trademark Office (USPTO). A patent gives the inventor the right to exclude others from making, using, or selling his invention within the United States, its territories and possessions for a limited amount of time.

Generally, the term of a new patent is 20 years from the date on which the application for the patent was filed in the United States, or in special cases, from the date an earlier related application was filed.

There are three kinds of patents: (1) utility patents, granted to the inventor or discoverer of any new and useful process, machine, manufacture, composition of matter, or any new and useful improvement thereof; (2) plant patents, granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant; and (3) design patents, granted to anyone who invents a new, original and ornamental design for an article of manufacture.

General and specific information on patents may be obtained by visiting the USPTO Website at [www.uspto.gov](http://www.uspto.gov).

The USPTO strongly advises inventors to consult a patent attorney before attempting to file an application. The USPTO

maintains a database of patent attorneys and agents who are licensed to practice before the USPTO. The database can be accessed at <https://oedci.uspto.gov/OEDCI/>.

If an individual plans to file a patent application, they or their representative should conduct a search of patents previously granted to make sure that the idea has not already been patented. Tools for conducting such a search can be found on the USPTO's website: <https://www.uspto.gov/patents-application-process/search-patents>.

Persons wishing to file a patent application may do so online using the Electronic Filing System (EFS) at <https://www.uspto.gov/patent>.

After a patent application is filed with the USPTO, the application will be assigned to a patent examiner. The examiners, who are experts in various fields of technology, will research previous patents and technical literature to determine whether a patent should be granted. The patent application and issuance procedure normally takes about 25 months, but can vary widely from case to case.

For additional information on the patent process, call the USPTO's Inventors Assistance Center at:

Toll-Free: 800-786-9199

Local: 571-272-1000

TTY: 800-877-8339

## CHOOSING A LOCATION

The suitability of a location needs to start with an understanding of local zoning or land use regulations. Business owners should consult the local Zoning Officer and read the applicable land use ordinance. An estimate of the time and costs of obtaining the necessary local approvals for conducting business at a particular location should be well understood before signing a lease or contract of sale.

One of the most important decisions for a business is the location. Today, with the aid of computers, potential sites can be scientifically evaluated before you invest.

Specific trade and zip code areas may be defined for both demographic data and lifestyle characteristics. This can give some comfort that the location selected will be in an area that conforms to the standards to meet a preferred customer profile.

To access New Jersey's site evaluator tool, as well as other location information, visit <https://www.nj.gov/njbusiness/home/location/>.

Homework is a must regarding the future of a site. Firstly, go to the zoning and planning department(s) in the selected area(s) to establish a five-year and sometimes a ten-year projection of the area(s) surrounding the site(s). Secondly, do surveys, talk to people, and get to know all about the site before making that long-term decision.

Whether the company's financial situation indicates the need to buy or lease land, building and equipment, it is important to seek professional assistance to carry through the site selection and negotiation processes.

### General Questions to Ask:

1. Is the site centrally located to reach my market?
2. Is the facility easily accessible?
3. What is the transportation availability and what are the rates? Is public transportation available?
4. What are provisions for future expansion?
5. What is the housing availability for managers and workers?
6. What environmental factors (schools, cultural, community atmosphere) might be attractive to the business and employees?
7. Is the area regularly trafficked by potential customers? Do other, nearby business help attract customers to the area?
8. What will the quality of this site be in 5 years, 10 years and 25 years?
9. Would my major competitor choose this site?
10. Is quality labor available in close proximity to site?
11. Is parking space available and adequate?
12. Will crime insurance be prohibitively expensive?
13. Is the location convenient to where you live?
14. What local regulations and zoning ordinances will I have to comply with?



The Opportunity Zones program was enacted as part of the 2017 federal Tax Cuts and Jobs Act and is designed to drive long-term capital investments into low-income rural and urban communities. This federal program provides opportunities for private investors to support investments in distressed communities through participation in Qualified Opportunity Funds.

Investors can defer paying federal taxes on capital gains reinvested in Qualified Opportunity Funds that invest in low-income communities, under rules released by the U.S. Department of the Treasury. Reinvested capital gains are deferred from taxation until exit from a Qualified Opportunity Fund or December 31, 2026, whichever comes first. However, gains from Qualified Opportunity Fund investments held for the long term are taxed at reduced rates, with the rate reductions increasing at the 5, 7, and 10 year marks. Any gains from Qualified Opportunity Fund investments held for at least 10 years will be permanently excluded from the capital gains tax.

For a full list of New Jersey Opportunity Zones a map is available at: <https://nj.gov/governor/njopportunityzones/maps/index.shtml>

## REDUCING THE RISK

Starting and operating a business involves many risks, but also many rewards. Follow these tips to reduce the risks and ensure your business is on sound footing.

### Things to do:

1. Start a business you enjoy.
2. Overestimate your operating costs. It will be difficult to get another loan or a larger line of credit later because investors might assume you didn't do your homework thoroughly the first time.
3. Know your market and your competition.
4. Owners should pay themselves a salary they can afford. It may not be as high as desired but it should be adequate.
5. Never take the public for granted. Make service, integrity and honesty high priorities.
6. Establish and maintain an ongoing relationship with your banker. Always be on the lookout for sources of capital for future growth.
7. Assess the company's credit policy carefully. Realize that some customers won't pay on time and some won't pay at all.
8. Get professional help in preparing the business plan and cash flow chart.

9. Owners should hire people who have different skills, abilities and characteristics from themselves.
10. Define each employee's job and make sure everyone understands his or her obligations. Be willing to delegate.
11. Spend time researching and choosing a location.
12. Join clubs and associations for new businesses and muster support for your new enterprise.
13. Define your business goals and establish a time-management system.
14. Solicit the help of family, friends and colleagues.
15. Keep up with industry news by taking courses and by reading industry magazines and related publications.

### Things not to do:

1. Base the decision to become an entrepreneur solely on the ability of a venture to make money.
2. Pretend there are more start-up funds than you really have.
3. Assume that because your product or service costs less than your competition, people will flock to your door.
4. Pay yourself a salary that exceeds the salary received while working for someone else.
5. Expect customer loyalty before it is earned.
6. Communicate with the bank only after running out of money and managing cash flow on an ad hoc basis.
7. Spend working capital down to the last dollar, expecting that people will pay you in time to cover your expenses.
8. Hire people who share your background and entrepreneurial ambitions. Hire a friend's friend or hire solely on the recommendation of another person.
9. Give employees no decision-making authority. But, if anything goes wrong blame them!
10. Rent expensive office space to impress your clients.
11. Assume that success was achieved independently and the support of friends and colleagues is no longer needed.
12. Assume that no one will know or that it does not make a difference if laws are obeyed.
13. Try to do everything yourself (no matter how much energy you have or how clever you may be).

## Section 2: Cost of Doing Business

### NEW JERSEY SALES TAX

A registered business that will be collecting sales tax, remitting use tax, or exemption certificates, will receive a Certificate of Authority for Sales Tax by mail. The Certificate permits a business to collect sales tax and to use exemption certificates. It must be displayed prominently at the place of business.

### Buying for Your Business — Using Exemption Certificates

Future business owners will be the most important employers, so an objective appraisal of strengths and weaknesses is essential. Some questions to ask yourself are:

Note that each of the forms mentioned under this heading can be found on the Department of the Treasury's website <https://www.state.nj.us/treasury/>.

When you buy materials (inventory) for resale, or materials which will become part of the product sold, businesses are not required to pay sales tax—provided they issue a New Jersey Resale Certificate to the supplier.

There are two different resale certificates:

- Form ST-3, which is used for in-state suppliers
- Form ST-3NR which is for used for out-of-state suppliers

Certain production machinery and most packaging supplies are exempt from sales tax because of their intended use. You may use an Exempt Use Certificate (Form ST-4) when purchasing these items and pay no sales tax. Other common uses of the Exempt Use Certificate are listed on the back of the certificate.

NOTE: There are special exemption certificates for use by registered exempt organizations (FORM ST-5) and contractors doing work for exempt organizations (Form ST-13).

### Selling Your Product — Collecting Sales Tax

If selling taxable items or services in New Jersey, businesses are required to collect and remit a sales tax to the state. As of January 1, 2018, the sales tax rate was 6.625 percent. To learn more about the New Jersey Sales and Use Tax and to find the current rate, visit the Division of Taxation's website at <https://www.state.nj.us/treasury/taxation/su.shtml>.

Businesses should not collect tax if the purchaser issues you a valid New Jersey exemption certificate or, in certain instances, if your product is delivered to the buyer out-of-state.

If you are unsure whether an item you are planning to sell is taxable, information on the taxability of intra/inter-state sales is available by calling the New Jersey Business Action Center 1-800-JERSEY-7.

### Remote Sellers

Since November 1st, 2018, a remote seller that makes a retail sale of tangible personal property, specified digital products, or services delivered into New Jersey must register, collect, and remit New Jersey sales Tax if the remote seller meets either of the following criteria

1. The remote seller's gross revenue from sales of tangible personal property, specified digital products, or services delivered into New Jersey during the current or prior calendar year, exceeds \$100,000 or
2. The remote seller sold tangible personal property, specified digital products, or services delivered into New Jersey in 200 or more separate transactions during the current or prior calendar year

A remote seller that is above one or above of the above thresholds should go to the Division of Revenue and Enterprise services at <https://www.njportal.com/DOR/BusinessRegistration>.

A remote seller that does not meet either of these criteria does not have to register with the Division of Taxation to collect and remit New Jersey Sales Tax.

For additional information on Sales through a Marketplace, see Technical Bulletin 83 at <https://www.state.nj.us/treasury/taxation/pdf/pubs/sales/tb83.pdf>.

### Filing Sales Tax Returns

You must file a New Jersey Sales and Use Tax Quarterly Return Form (ST-50) every three months, (even if no tax was collected during that particular quarter) in that particular quarter no tax was collected. Businesses that collect a sales tax more than \$500 per month, or that collected more than \$30,000 in the previous calendar year, must also file monthly returns (Form ST-51).

NOTE: Seasonal businesses are required to file both monthly and quarterly returns for the period of time in which they conducted business, regardless of the amount of tax due.



## INCOME TAX WITHHELD

### Employer Responsibilities

Employers are required to withhold New Jersey State income tax from the wages of your employees (except Pennsylvania residents). New Jersey gross income tax withheld from employees' wages (which range from 1.5 percent to 7.0 percent) must be remitted electronically to the State on a weekly, monthly/quarterly, or annual basis. Withholding rates range from 1.5 percent to 7.0 percent.

All employers are required to file the Employer's Quarterly Report, Form NJ-927 or NJ-927-W, for each quarter, regardless of the amount of tax due. Forms NJ-927 and NJ-927-W must be filed on or before the 30th day of the month following the end of the quarter. Weekly payers are defined as employers with a prior year liability of \$10,000 or more for employer income tax withholdings and must remit payment of withholdings by Electronic Funds Transfer (EFT).

Tax is due on or before the Wednesday of the week following the week containing the payday or paydays on which the taxes were withheld. Employers not classified as weekly payers must report and remit tax on a monthly or quarterly basis. Employers use the Form NJ-500 Monthly Remittance of Gross Income Tax Withheld to remit tax for either of the first two months of a quarter whenever the amount due for either month is \$500 or more.

Amounts less than \$500 may be included with the quarterly return. When required, payments are due by the 15th day of the month following the month in which the tax was withheld. Tax due for the third month of the quarter is remitted with the quarterly return. You will receive the necessary forms, withholding tables and instructions once you have registered.

### Are You an Employer?

An employer is any person or organization (including organizations that may be exempt from federal income tax or New Jersey corporate business tax, such as religious or charitable organizations and governmental agencies) for whom an individual performs a service as an employee.

An employer is any person or organization of which an individual performs a service as an employee. This includes organizations that may be exempt from federal income tax or New Jersey corporate business tax, such as religious or charitable organizations and governmental agencies.

An employer usually provides the employee with a place to work and the necessary tools to perform the services for which they are hired. An employer has the right to set work hours, assign tasks, specify the methods used to perform those tasks and fire the worker. An employer must withhold

income tax from wages paid to an employee but does not generally withhold income tax on payments to self-employed individuals.

### Who is an Employee?

An "Employee" means any person permitted to work by an employer. There are two kinds of employees

1. W-2 Workers
2. Independent Contractors

A W2 worker is not their own business owners. They work for a company, participate in employee benefit programs, and work according to the business's needs and schedule. Unless there's a compelling, clear reason to classify a worker as an independent contractor, the default classification is employee. By law, employees are guaranteed at least minimum wage (set by both federal and state laws) for the time they've worked on a regular and ongoing basis. Companies withhold their W2 workers' Social Security and Medicare taxes, and pay employer payroll taxes. In most cases, a company can let an employee go for poor performance or any other valid, non-discriminatory reason.

A 1099 worker—or independent contractor—generally provides specific services, as defined by a written contract. Some 1099 workers only work on one project at a time, but many serve multiple clients, providing a service within their expertise. Independent contractors, such as freelancers and consultants, are self-employed, so they're business owners themselves. 1099 Worker's sign a contract for a definite amount of time, however this time can be expanded by renewing the contract at the agreement of the contractor and employer.

It is important to recognize that these two types of workers have different uses, and said workers have different expectations from whomever they are working. If you try to treat a 1099 worker as a W-2 worker then there could be legal consequences.

The IRS considers three major categories in determining whether workers are employees or independent contractors:

1. Behavioral – Can your business control what, where, how, and when the worker carries out their job?
2. Financial – Who controls the economic aspects of the worker's job? What's the method of payment (e.g. a regular salary or a flat fee)?
3. Type of relationship – Do you provide this worker with employee benefits? What are the length and terms of this relationship, as outlined in a contract, employment agreement, and other documentation?

## Federal “Statutory” Employees

The Federal designation of “state employee” has no meaning for New Jersey income tax purposes. If, under New Jersey law, an employer/employee relationship exists between the payer and the recipient of compensation subject to New Jersey gross income tax, the recipient is considered an employee and the payer must withhold New Jersey gross income tax.

## Pennsylvania Residents Working in New Jersey

Employers are not required to withhold New Jersey income tax from an employee who is a Pennsylvania resident if that employee completes a Certificate of Non-residency in New Jersey (Form NJ-165). For information about withholding Pennsylvania personal income tax, write to:

Pennsylvania Department of Revenue Information  
Services Division

Box 8056,  
Strawberry Square  
Harrisburg, PA 17128  
or call 717-783-1405.

## Wage and Tax Statements for Your Employees

Employers must furnish two copies of the Wage and Tax Statement (W-2) to each employee from whom any amount of income tax was withheld or would have been withheld under the withholding tables and methods issued by the Division of Taxation.

New Jersey law also requires the inclusion on the W-2 of the separate amounts deducted and withheld as worker contributions due for State Disability Insurance, Workforce Development and Healthcare.

In addition, employers must file a reconciliation of New Jersey Gross Income Tax Withheld (Form NJ-W-3), along with Copy 1 of the W-2, with the Division of Taxation on or before February 15th following the close of the calendar year.



## A Reminder

Sole proprietors and partners must report the net income from their business on the New Jersey Gross Income Tax Return. Declarations of Estimated Tax (NJ-1040-ES) must be filed quarterly if you estimate your New Jersey income tax liability to be \$100.

For forms or information, call New Jersey’s Taxation’s Automated Tax Information System at 800-323-4400. To speak to a Division representative, call the Tax Hotline at 609-292-6400 or write to:

New Jersey Division of Taxation Technical Services  
PO Box 281 CSB/I&P  
Trenton, NJ 08695-0281

You may also contact the Division of Taxation electronically through its website at [www.state.nj.us/treasury/taxation/](http://www.state.nj.us/treasury/taxation/).

## Tax Information Packet

A packet is available that includes the information needed to register your business with the New Jersey Division of Taxation. Descriptions of all state taxes are included. Employers can avoid future tax problems by knowing what the business tax responsibilities are and how to best meet them. For details or questions, call the Tax Hotline at 609-292-6400 or New Jersey’s Automated Tax Information System at 800-323-4400.

## INSURANCE

Additional information on insurance and other employer responsibilities can be found at [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov) under the “Workforce” tab.

The only “insurance” that state law requires most businesses (except for sole proprietorships and single member LLCs with no employees) to pay into is Workman’s Compensation.

There are certain types of insurance that all small businesses should have such as fire, general liability, automobile liability, automobile physical damage and automobile collision. If the business has employees, they are required to carry workers’ compensation insurance. Members (owners) of a Limited Liability Company (LLC) or the owner/partner in a Sole Proprietorship or General Partnership who work in a business, regardless of whether they are compensated, are not required to be covered by workers compensation insurance. However, a stockholder in a corporation who is working in the business, regardless of whether they are being compensated, must be covered by workers compensation insurance.

Employee life and health insurance are optional. An employer choosing to provide a health insurance program should read the New Jersey Small Employer Health Benefits Program Buyer's Guide available at [https://www.state.nj.us/dobi/division\\_insurance/ihcseh/sehbuyersguide/2019.pdf](https://www.state.nj.us/dobi/division_insurance/ihcseh/sehbuyersguide/2019.pdf).

Other important insurance coverage includes fidelity bonds, surety bonds, income insurance, property insurance (often referred to as casualty insurance) and business interruption insurance. Depending on your type of business, there are other forms of insurance coverage available. Check with your insurance agent to see what is applicable to you.

## Health Insurance

The state has taken dramatic steps to make health insurance more accessible and affordable for New Jersey employers.

Since new laws took effect in 1994, health insurance coverage for self-employed individuals has been offered on a guaranteed issue, guaranteed renewable, community rated basis. Coverage for small business employers with 2-50 employees working 25 hours per week or more has been offered on a guaranteed issue, guaranteed renewable, modified community rated basis.

This means that self-employed individuals and small business employers can obtain and keep good, affordable health coverage regardless of their own or their employee's health status, age, or claims history.

The state distributes free Buyer's Guides, which describe the plans available and answer commonly asked questions to help employers shop for health coverage. Buyer's Guides, premium rate information and a list of participating carriers and their toll-free numbers may be obtained by calling:

- Individual Health Coverage Program (Self-employed individuals): 800-838-0935
- Small Employer Health Benefits Program: 800-263-5912
- Or on the Web site at [www.dobi.nj.gov](http://www.dobi.nj.gov).

Employers with 20 or more employees, who offer health benefits to their employees, must also offer continuation of coverage under federal law, commonly referred to as "COBRA." State continuation of coverage is available to employees of small business employers (2-19 employees) who are not subject to COBRA. Pursuant to New Jersey law (N.J.S.A. 17B: 27A-27), small business employers must offer employees the option to continue their group health coverage when an employee is terminated, goes to part-time status, or ends employment.

## Unemployment Compensation

Employers of one or more persons, with certain exceptions, are required to participate in the federal-state program to provide unemployment insurance for idled workers. In New Jersey, employers are liable for worker contributions that may be withheld from wages. Contributions must be reported and paid every three months to the New Jersey Employment Security Agency. For information call 609-659-9045.

Unemployment Insurance: If you have at least one employee, registration is required with:

Division of Employer Accounts, NJDLWD, Division of Employer Accounts

P.O. Box 913

Trenton, New Jersey 08625-0390

For information in North Jersey call (Newark) 973-648-4109, in Central Jersey (New Brunswick) 732-418-3331, and in South Jersey (Camden) 856-614-3764.

## Temporary Disability Insurance

The Temporary Disability Benefits Law protects against wage loss suffered because of inability to perform regular job duties due to illness or injury. You, the employer, are required to pay disability insurance taxes and to give the Division of Temporary Disability Insurance certain information about your employees when they file claims for disability benefits.

Employers may select coverage under the state plan or a private plan.

As a subject employer, you may establish a private plan for the payment of disability benefits in place of the benefits payable under the State Plan. Such private plans may be contracts of insurance issued by authorized carriers, by employers as self-insurers, or by agreements between unions and employers.

The state plan, which is similar to the unemployment compensation program, requires contributions to be made by employers and covered workers into the State Disability Benefits Fund. Reports and contributions are remitted quarterly to the New Jersey Security Agency. All employing units, whether subject to the contribution provisions or not, are required to file status reports with the Department of Labor and Workforce Development, Office of the Comptroller.

## Workers' Compensation Insurance

New Jersey law requires that all New Jersey employers not covered by Federal programs have workers' compensation coverage or be approved for self-insurance. The exception is "casual employment," which is a job done under circumstances rare in this state.

Also, certain occupations are covered under federal law rather than state law. Workers' compensation benefits include cash payments and medical or hospital services provided to workers or their families (in case of death) who sustain a job-related injury or illness.

There is no cost to the workers in the form of salary deductions. The Division of Workers' Compensation administers this program and maintains a system of administrative courts to provide hearings and adjudication of workers' compensation claims.

Employers may obtain coverage from any private company authorized to write workers' compensation or employer liability insurance in New Jersey. This insurance may be obtained through private insurance brokers or agencies.

For further information contact:

NJDLD, Division of Workers' Compensation  
P.O. Box 381  
Trenton, NJ 08625-0381  
609-292-2515

For coverage information, contact your insurance provider, or the following:

Compensation Rating & Inspection Bureau  
60 Park Place  
Newark, NJ 07102  
973-622-6014  
<https://www.njcrib.com/>



## Entrepreneurial Training Program Available to Dislocated Workers

Unemployed individuals interested in starting their own business and becoming self-employed may apply to the New Jersey Self-Employment Assistance and Entrepreneurial Training (SEA) Program which is administered by the New Jersey Department of Labor and Workforce Development, Division of Employment and Training. This program offers qualified dislocated workers the following benefits:

- A waiver of the unemployment active search for work requirement
- SEA allowances, in lieu of regular unemployment insurance benefits
- Counseling and technical assistance on developing a business plan
- Training grant for entrepreneurial training

If you are interested in learning more about this program, ask a representative of the New Jersey Department of Labor Employment Service, Unemployment Insurance Service or JTPA to schedule you for an orientation on reemployment opportunities at <https://nj.gov/labor/>

## WAGES AND WORKING CONDITIONS

As an employer in New Jersey, you will be subject to a number of state regulations, many of which come under the jurisdiction of the Department of Labor & Workforce Development. The next page summarizes the major requirements and are grouped by area of interest. The name of the administering division may be obtained by contacting these divisions directly through their offices.

New Jersey Department of Labor and Workforce Development  
P.O. Box 389  
Trenton, NJ 08625  
609-695-9045

**Payment of Wages** - All employers must pay wages to all employees in full at least twice a calendar month. Provisions are to be made for cashing of payroll checks. No deductions shall be made from employee's wages except for state or federally mandated deductions or amounts authorized by employees, either in writing or under a collective bargaining agreement.

**Discrimination In Wages** - Employers are not permitted to discriminate in the rate or method of payment of wages because of the sex of the employee.

**Worker Health and Safety** - This area is now within the province of the federal Occupational Safety and Health Administration (OSHA). However, the Department of Labor & Workforce Development operates a free on-site consulting and advisory service to assist employers complying with federal regulations. You may also call them at: 732-750-3270

**Overtime** - Overtime is paid at the rate of time and a half after 40 hours of actual work in a 7 day workweek with the exception of certain salaried employees who meet the definition of an executive administrator or professional. Overtime is not required for work on holidays or weekends only for work over 40 hours. Overtime is only paid for actual work time so if you work 40 hours and are being paid 8 hours of holiday pay all that pay can be straight time.

**Benefits** - Employers are free to set hours of work, the number or frequency of breaks including meal breaks, (except when the employee is under 18 year of age). They are not required to provide paid sick time, holidays or snow days.

**Termination** - Generally, employers may terminate employees at any time without notice or reason, and are not required to pay severance. The Department of Labor & Workforce Development may intervene if the termination is a result of the employee filing a wage complaint against the employer. Termination may also violate law if the termination constitutes discrimination.

For specific information pertaining to payment of wages, discrimination in wages or worker health and safety, please contact the Division of Workplace Standards at 609-292-2313.

## EARNED SICK LEAVE ACT

As of October 29, 2018, There is no minimum number of employees that an employer must have in order for its employees to be entitled to earned sick leave under the Earned Sick Leave Law. The Earned Sick Leave Law makes no distinction for coverage between part-time or seasonal employees and full-time employees.

For every 30 hours worked, the employee shall accrue one hour of earned sick leave. The employer is not required to permit the employee to accrue more than 40 hours of earned sick leave in any benefit year. An employee is entitled to accrue one hour of earned sick leave for every 30 hours worked, regardless of whether those 30 hours are worked during a single workweek or over the course of 6 multiple workweeks. Thus, under the example cited above, the employee who worked 10 hours one week and 20 hours the next would accrue one hour of earned sick leave.

## FAMILY LEAVE ACT

Under the New Jersey Family Leave Act, certain employees are entitled to take leave without losing their jobs as long as the following conditions are met. The employer must have at least 50 employees who have been working for at least 20 weeks during the current or previous year. When counting the number of employees, all of the employer's employees, whether located in New Jersey or not, are included. The employee who wants to take leave must have worked for that employer for one year and must have worked at least 1,000 hours, including paid overtime hours, during the 12 months immediately prior to taking the leave

The New Jersey Family Leave Act permits leave to be taken for the care of a newly born or adopted child, as long as leave begins within one year of the date the child is born to or placed with the employee or, the care of a parent, child under 18, spouse, or civil union partner who has a serious health condition requiring in-patient care, continuing medical treatment or medical supervision. The Family Leave Act considers parents to be: in-laws, step-parents, foster parents, adoptive parents or others having a parent-child relationship with an employee.

Each eligible employee may take up to 12 weeks of continuous leave during a given 24-month period. When caring for a family member with a serious health condition, an employee may take leave that is not continuous, for example, an intermittent leave or a reduced work schedule. Sometimes an employer's approval is necessary for this type of arrangement if the leave is taken in connection with the birth or adoption of a child.

An employer is entitled to require the employee to give 30 days' notice for leave related to the birth or adoption of a child. In the case of relative's serious health condition, 15 days' notice may be required. If an emergency arises, reasonable notice must still be given, within the confines of the circumstances.



## INDUSTRIAL SITE RECOVERY ACT — ISRA

A business planning to buy land to build offices, homes or a commercial facility on a former industrial site should know what is above and below the ground. Businesses that are considering buying another company's operation must be willing to assume the liabilities for past improper handling of hazardous materials. These liabilities for cleanup and damages may far surpass the value of the operation.

Owners may find it increasingly difficult to borrow the funds from mortgage lending institutions to buy that plant or site for expansion because property used for collateral may have been rendered worthless due to the discovery of environmental contamination.

Today, environmental lawsuits are common. State and federal governments and the courts take an increasingly tough stance against those responsible for the existence of contamination, which can mean the difference between being considered innocent or being considered responsible for millions of dollars in damages and cleanup costs.

New Jersey offers the nation's model buyer protection program for a wide variety of manufacturing operations covered by the state's Industrial Site Recovery Act (ISRA).

Buyers and lenders are assured that any New Jersey industrial operation subject to ISRA be fully evaluated for contamination, above and below the ground.

Under ISRA, any environmental contamination, which poses a risk to public health and the environment, will be required to be identified and remediated by the seller.

This type of buyer protection program has been the norm for years in residential and commercial applications in termite, electrical, sewage and plumbing inspections. It is crucial that potential buyers and lenders know that what they are buying is a fair return for their investment.

New Jersey's ISRA goes the next step in responding to the realities of industrial society and is designed to ensure that sellers do not leave behind more than the buyer bargained for.

New Jersey's ISRA Program:

609-984-1351

[www.state.nj.us/dep/srp/index.html](http://www.state.nj.us/dep/srp/index.html)

- The web link here has some info on New Jersey's site remediation program which you can use for research, but I am not sure if it will ultimately be the website you choose to link here of if you will find a better one.

## RECORD KEEPING

### What Should I Know About Accounting and Bookkeeping?

The importance of keeping adequate records cannot be stressed enough. Without records, you cannot see how well your business is doing and where it is going. At a minimum, records are needed to substantiate: your tax returns under federal and state laws, including income tax and Social Security laws; your request for credit from vendors or a loan from a bank; and your claims about the business, should you wish to sell it. Most importantly, you need records to run your business successfully and to increase your profits.

### How Do I Set Up the Right Record-Keeping System For My Business?

The kind of records and how many you need depend on your particular operation. Your accountant can provide you with many options.

### What Financial Statements Will I Need?

You should prepare and understand two basic financial statements: (1) the balance sheet, which is a record of assets, liabilities and capital; and (2) the income (profit and loss) statement, a summary of your earnings and expenses over a given period of time. However, arguably the most important financial statement is one that shows cash inflows and outflows. Always remember—you can only spend cash, not profits.

## PROFESSIONAL HELP

We cannot be experts in all fields. Your attorney is by training and experience the best possible source of assistance in matters of law and statutes regarding business. A qualified legal advisor is essential to any business.

An accountant, like the lawyer, is your best ally. He/She is the expert source for advice on taxes and in making you aware of the health of the business. His/her expertise should be explored in providing aid for record keeping, finances, profit or loss and tax matters. A bookkeeper can provide much valuable advice on similar subjects, but does not have the in-depth training and experience to aid larger businesses whose finances and tax reporting are usually too complex for a bookkeeper's expertise and whose domain is normally confined to record keeping.

## Section 3: Financial Information

### SMALL BUSINESS START-UP MONEY

#### Raising Money

There are several sources to consider when looking for funding. It is important to explore all options before making a decision.

**Personal Savings** - Most new businesses are started with the primary source of capital coming from personal savings and other forms of personal equity. If you decide to apply for loans as well, use of personal savings as a large portion of your funding demonstrates to lenders that you are serious about seeing the business succeed.

**Friends and Relatives** - Many entrepreneurs look to private sources such as friends and family when starting out in a business venture. In many instances, money is lent at no interest or with low interest, which can be beneficial when getting started. However, a potential downside is that if the business experiences problems and you cannot pay back the money, your personal relationships may be affected.

**Banks and Credit Unions** - The most common source of funding, banks and credit unions, will provide a loan if it can be shown that your business is sound.

It is often said that small business people have a difficult time borrowing money. This is not necessarily true. Banks are in the business to make money and the way they make money is by lending money. However, it is the inexperience of small business owners in financial matters that prompt many small business loan requests to be turned down.

To be successful in obtaining a loan, be prepared and organized. You must know exactly how much money you need, why it's needed and how it will be paid back. Borrowers must be able to convince a lender that they are a good credit risk. Requesting a loan when not properly prepared makes a statement to the lender. That statement is "High Risk!"

**Microloans** - Microloans are very small loans, typically extended to start-ups and impoverished small business owners who lack the experience and collateral necessary for a traditional bank loan. Microfinance institutions often prioritize poor, women and minority business owners. However, be careful if you decide to finance your business using microloans, since they often have higher interest rates than traditional banks.

**Venture Capital Firms** - These firms provide start-up and other needed money for new companies in exchange for equity or part ownership. However, this type of funding can be very difficult to get, since venture capital firms only buy into companies they deem highly likely to succeed. Make sure you are well prepared with a detailed presentation before going to pitch your ideas.

**Leasing** - Sometimes, a new business that requires specific equipment to get started will find the costs of buying such equipment prohibitive. In such instances, leasing the equipment may be the best option. Leasing involves renting equipment from a company for a set period of time, with scheduled - often monthly - payments. Once the lease is concluded, the business will often be able to purchase the equipment for a reasonable amount.

### TYPES OF BUSINESS LOANS

**Short-Term Loans** - Loans that are paid back in less than one year. Types of short-term loans include:

- Working Capital Loan
- Accounts Receivable Loan
- Line of Credit

**Long-Term Loans** - Loans with maturities greater than one year. These 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:

- Personal Loan
- Commercial Mortgage
- Term Loan



## How to Write a Loan Proposal

A loan approval request depends on how well the businessperson presents themselves, the business and its financial needs to a lender. Remember, lenders want to make loans but they want to make good loans — loans they know will be repaid. The best way to improve your chances of obtaining a loan is to prepare a written loan proposal. A good loan proposal will contain the following key elements:

- General Information
  - › Provide the business name, address, names of principals and the social security number of each principal.
  - › State the purpose of the loan and provide exactly what the loan will be used for and why it is needed.
  - › Provide the amount required in the exact amount needed to achieve your purpose.
- Business Description
  - › Give the history and nature of the business with details of the business's age, number of employees and current business assets.
  - › Provide details on the ownership structure (the company's legal structure).
- Management Profile
  - › Develop a management profile detailing the responsibility of each principal staff member.
  - › Include the individual's background, education, experience, skills and accomplishments.
- Market Information
  - › Provide a clear definition of the products and markets.
  - › Identify competition and explain how the business competes in the marketplace.
  - › Profile the company's customers and explain how the business can satisfy their needs.
- Financial Information
  - › Provide financial statements including balance sheets and income statements for the past three years. If just starting out, provide a projected balance sheet and income statement.
  - › Prepare a personal financial statement on yourself and other principal owners of the business.
  - › List all collateral that could be pledged to the bank as security for the loan.

## How a Loan Request Is Reviewed

A loan officer's primary concern when reviewing a loan request is whether or not the loan will be repaid. To help answer this question, many loan officers will order a copy of your business credit report. Using the credit report and the information you have provided, the lending officer will consider the following:

- Have the principal(s) invested savings or personal equity in the business totaling at least 25 percent to 50 percent of the loan requested? Remember a lender or investor will not finance 100 percent of the business.
- Does the principal(s) have a sound record of credit worthiness as indicated by your credit report, work history and letters of recommendations? This is very important.
- Does the principal(s) have sufficient experience and training to operate a successful business?
- Has the principal(s) prepared a loan proposal and business plan that demonstrates an understanding of the business and commitment to the success of the business?
- Does the business have sufficient "cash flow" to make the monthly payments on the loan request?

## HOW MUCH MONEY TO BORROW

Once the building and equipment needs have been met, the business owner(s) must have enough money on hand to cover operating expenses for at least a year. These expenses include salaries and money to repay the loan.

One of the leading causes of business failure is insufficient start-up capital. Consequently, business owners should work closely with your accountant to estimate cash flow needs.

## Alternatives to Financing a Business

Committing personal funds is often the first financing step. It is certainly the best indicator of the owner's seriousness about the business. Risking personal money gives confidence to others investing in the business.

While banks are an obvious source of funds, consider a partner for additional financing. Other loan sources include commercial finance companies, venture capital funds, local development companies and life insurance companies. Trade credit, selling stock and equipment leasing offer alternatives to borrowing.



## Getting a Loan

Initially, the lender will ask four questions:

- How much is the borrower requesting?
- Purpose of the loan?
- Method of repayment?
- How will the loan be collateralized?

When you apply for a loan, provide projected financial statements along with a clear business plan that supplies the name of the firm, location, production facilities, legal structure and business goals. Refer to Section 1 for details.

A clear description of your experience and management capabilities, as well as the expertise of other key personnel, will also be needed.

## Selecting & Developing a Relationship with a Bank

When business owners have trouble with banks the major problem is generally communication. It's important that bankers be informed about the business and it's equally important that business owners be informed about a bank's policies and procedures.

Open communication with the bank cannot be overemphasized. A well-informed banker may anticipate needs and be able to react quickly to a request. In a problem loan situation the banker may be more likely to work with the borrower than in a situation where communication has been absent.

Business owners and bankers should meet to discuss what is needed and expected by each party.

## Laying "Free Money" Rumors to Rest

Be aware of advertisements or programs from so-called experts that offer "insider information" on financing a business with claims the state government or other public organizations have funds in the form of grants or extremely low- rate loans are available to the following groups:

- Individuals who want to open a business
- Companies in severe financial trouble
- Minority, women, or foreign-born entrepreneurs

The "insider information" is usually no more than common business guidelines and a list of government agencies that can be found in a library, telephone book, or on the Internet.

Once a person begins calling these numbers to request money they quickly find out that the programs often have been misrepresented.

The simple truth is that business owners usually must meet stringent criteria to secure private or public financing. Most qualifications for capital revolve around having a sound business plan, healthy financial statements, personal investment, business experience and substantial collateral.

## SURETY BONDS

A surety bond is an instrument under which one party guarantees to another that a third party will perform a contract.

### How Does the Bonding Process Work?

Securing a surety bond is similar to obtaining a bank line of credit. So, just like a bank, a surety company must know a business before committing its assets. It will require a lot of time and effort to establish a first relationship with a surety company.

The surety process is focused on pre-qualifying the firm. The surety company must be satisfied that the contractor/vendor has met certain criteria. The firm must:

- Be of good character.
- Have the capacity to meet the requirements of the project.
- Have the necessary capital to support expected project costs.
- Be in good standing with a bank.
- Have established a line of credit.
- Be a business that is well managed.

Each surety company has its own standards. These fundamentals are most common.

### Types of Surety Bonds

- **Bid bond:** provides financial assurance that the bid has been submitted in good faith and that the contractor intends to enter into the contract at the price bid.
- **Performance bond:** protects the owner from financial loss should the contractor fail to fulfill the contract requirements in accordance with the term and conditions of the contract documents.
- **Payment bond:** guarantees that the contractor will pay certain labor and material bills associated with the project.



## Tips on Obtaining Bonding

Basic steps needed in obtaining a bond include:

- Identify a bonding agent.
- Visit at least three bonding agents. Find out what they offer and explain your firm's marketing goal.
- Develop a relationship with a bonding agent as soon as possible. Ask persons in your industry which agent obtains bonds for them.
- Select the bonding agent who offers the best services for the price and will advise you in the area of bonding as your firm grows.
- Select an independent Certified Public Accountant (CPA).
- Bonding agents will require financial statements of your company prepared by an independent accountant.

Fiscal-year-end and six-month financial statements will be submitted regularly to your bonding agent. This will save the agent time.

## How Do I Qualify for Surety Bonds?

Select an agent (preferably one who specializes in your particular industry) and discuss your plans with him/her. Provide the agent with the following information:

- Business plan and organization chart
- Resumés of key principals with a description of the largest completed jobs, including names and telephone numbers of owners, financial statements, tax returns and bank relationships.



## How Long Does It Take to Pre-Qualify for Bonding?

This depends solely on you and how well prepared you are. For owners who have met all the requirements and can produce the information to the surety company in an acceptable manner, the process can be accomplished in five to ten working days. But, do not underestimate the time it takes to prepare your paperwork.

## First Impressions

First impressions with the bonding agent are crucial. Business owners will only get one chance to make that first impression. Remember, the dress code for business negotiations and for business activities may be different.

## Increasing Bonding Capacity

To increase bonding capacity, reduce large cash outlays and establish a working capital base and net worth consistent with the volume of work the business wants to accomplish. Complete all work on time and pay your subcontractors and suppliers on time.

## SBA's Surety Bond Guaranty Program

Small contractors, who require surety bonds to perform on construction or service contracts, can apply to the U.S. Small Business Administration (SBA) for bonding under the Surety Bond Guaranty program.

In order to be eligible for a bond guaranty by the SBA, a small contractor must qualify as a small business in accordance with SBA size standards and the principals must be of good character. If the firm's annual average sales over the past three fiscal years have not exceeded \$6 million, the SBA can guarantee surety bonds on contracts up to \$2,000,000. The fee charged by the SBA for the guaranty is \$6 per \$1,000 of the contract amount.

For information on the Surety Bond Guaranty program, contact:

SBA District Office  
215-580-270

## Bonding Companies

### Zurich North America

1 Upper Pond Road, Bldg. E-F  
Parsippany, NJ 07054  
973-394-5100  
[www.zurichna.com](http://www.zurichna.com)

### Heritage Insurance Agency Inc.

1317 South Main Road  
Vineland, NJ 08360  
856-696-3152  
www.insurancebyheritage.com

### G.R. Murray Insurance

Division of O’Gorman & Young, Inc.  
707 State Road  
Rte. 206 North  
P.O. Box 83  
Princeton, NJ 08542  
609-924-5000  
www.ogy-grmurray.com

### Global Indemnity Insurance Agency, Inc.

20 Highland Avenue  
Metuchen, NJ 08840  
732-632-2790  
www.globalindemnity.com

### International Fidelity Insurance Co

One Newark Center  
20th Floor  
Newark, NJ 07102  
800-333-4167 Ext. 290  
www.ific.com

## STATE PROGRAMS OF FINANCIAL ASSISTANCE

### New Jersey Economic Development Authority Overview

The New Jersey Economic Development Authority (EDA) is an independent State agency dedicated to stimulating business development, job creation and community revitalization throughout the state.

The EDA offers a wide array of programs to assist businesses in expanding operations and creating jobs. These include training programs, issuance of bonds, loans and tax incentives to qualifying businesses, assistance with real estate development projects, and special programs designed to help businesses grow in economically-depressed areas.

The EDA works closely with banks, private investors, underwriters and other sources of capital to help businesses

and other entities finance projects. It can sometimes partner with banks to provide blended interest rates on loans.

The EDA assists businesses, non-profits and governmental organizations of all sizes, helping to strengthen and grow New Jersey’s economy.

#### *Business Incentive Grants*

Business incentive grant programs are often offered through the EDA to help businesses relocating to or expanding within New Jersey that will create jobs in the state.

For more information on what grants and other programs are currently available to businesses visit [www.njeda.com](http://www.njeda.com) or call their Customer Care Line at 609-858-6767.

### Low-Interest Financing Opportunities

New Jersey, through the EDA, offers a variety of low-interest financing options to suit the needs of business, developers and not-for-profits.

Financing opportunities include low-interest loans, loan guarantees plus tax-exempt bonds to support small, mid-size and large businesses, not-for-profit and community development organizations that build facilities, purchase equipment and develop new products and services. Opportunities are available to a broad spectrum of businesses, including manufacturers, technology-based enterprises, services, logistical operations and tourism and arts-related organizations, among others.

#### *The Edison Innovation Fund*

The EDA’s Edison Innovation Fund provides support to support to life science and technology businesses creating jobs throughout the State. It houses several programs tailored to specific types of businesses and needs.

For more information on the Edison Innovation Fund, visit the EDA’s website at [www.njeda.com](http://www.njeda.com).



## STATE RESOURCES FOR BROWNFIELDS REDEVELOPMENT

### Brownfields and Contaminated Site Reimbursement Program (BCSRP)

BCSRP provides financial incentives for businesses and developers to clean up and redevelop polluted sites.

Eight state taxes, including sales, business use and corporate taxes are eligible to be used to reimburse the developer for remediation costs. The BCSRП also allows for the reimbursement of sales taxes associated with the purchase of building materials. Because reimbursement is based on tax collections, there is no financial limitation on the total amount to be recovered.

### Brownfields Restoration Low-Interest Financing Programs

Low-interest financing is also available to developers, businesses, municipalities and community groups at various stages of the Brownfield restoration process. Developers and business owners who have signed a Brownfields and Contaminated Site Reimbursement Program agreement are eligible for this program.

Interim financing is provided to eligible borrowers for meeting the costs of the remediation of a Brownfield site. The loan must be paid once reimbursements have been received by the borrower under the Brownfield Reimbursement Agreement.

### Brownfield Redevelopment Loan Fund

The New Jersey Brownfields Redevelopment Loan Fund provides low-interest loans to municipalities and developers for remediating Brownfields so they may be developed for uses that benefit the community and its tax base. Eleven municipalities (Asbury Park, Camden, Elizabeth, Long Branch, Neptune, New Brunswick, Paterson, Perth Amboy, Plainfield, Pleasantville and Vineland) have access to financial assistance from the initial \$2 million in funding that has been provided through a grant from the U.S. Environmental Protection Agency. Eligible projects are being funded on a first-come, first-serve basis.

To learn more about the Brownfields reimbursement, loan programs and other programs available to businesses visit [https://www.njeda.com/large\\_business/brownfields](https://www.njeda.com/large_business/brownfields) or call 609-858-6767

## Investigation and Remediation

New Jersey also offers financing assistance to municipalities, developers, businesses and homeowners to investigate or remediate sites suspected of or known to have discharges of a hazardous substance.

Businesses may qualify for low-interest loans of up to \$1 million for up to 10 years. Municipalities may qualify for up to \$2 million per year for properties they own or for which they hold a tax certificate and have a comprehensive plan or realistic opportunity to develop or redevelop within three years.

Interim financing is also available for up to \$750,000 for up to three years at below- market interest rates to developers/ business owners for meeting the costs of brownfield site remediation.

Borrowers must have signed a Brownfield Reimbursement Agreement. Anticipated reimbursements must be pledged to pay principal and interest on the EDA loan.

For information on EDA redevelopment resources, visit [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov) or call 1-800-JERSEY-7.

## NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

### Hazardous Discharge Site Remediation Fund (HDSRF)

Loans are available to businesses or homeowners who cannot obtain funding from another lending institution for 100 percent of the cost to remediate a discharge of hazardous substances up to \$1 million per year, per site. The interest rate is 2 points below the Federal Discount Rate with a minimum of 5 percent, which is determined by the New Jersey Economic Development Authority (NJEDA). The maximum loan term is 10 years.



## Grants

There are three categories of grants: innocent party, innovative technology and limited restricted/unrestricted use. Eligibility for a grant is not contingent upon the inability to obtain funding or any hardship.

Innocent Party Grants are available to any party who meets the following criteria:

- Having acquired the property before Dec. 31, 1983
- Not having used the hazardous substance found at the site and
- Not having discharged the hazardous substance found at the site

If a party meets these criteria, they would be eligible for 50 percent of the total costs of the remediation, up to \$1 million. The additional 50 percent can be obtained from the Hazardous Discharge Remediation Fund (HDSRF) through a loan or outside conventional financing.

Innovative Technology Grants are available to any qualifying person, who has a net worth of not more than \$2 million and received the approval of the New Jersey Department of Environmental Protection for a proposed innovative technology. If a qualifying person meets the criteria, they would be eligible for up to 25 percent of the total costs, up to a maximum of \$1 million for the remediation.

Limited Restricted Use/Unrestricted Use Grants are available to any qualifying person who has a net worth of not more than \$2 million and receives the approval of the New Jersey Department of Environmental Protection for the implementation of a limited restricted use remedial action or an unrestricted action. The qualifying person would be eligible for up to 25 percent of the total costs, up to a maximum of \$1 million for the remediation.

### Other Eligible Entities (specific eligibility requirements apply)

- Tax-exempt, non-profit organizations with fewer than 100 paid employees
- Duly incorporated volunteer fire, ambulance, first aid emergency or rescue companies
- Independent colleges and universities of New Jersey



## ASSISTANCE FOR NEW JERSEY TECHNOLOGY COMPANIES

### New Jersey Commission on Science, Innovation and Technology

In August 2018, as the New Jersey Commission on Science and Technology was reorganized as the New Jersey Commission on Science, Innovation and Technology. The Commission will be comprised of 17 members including the Secretary of Higher Education; the Commissioner of Education; and the CEO of the New Jersey Economic Development Authority (EDA). The Commission appoints an Innovation Council from its membership. The Council will be charged with determining how to stimulate technology transfer between public and private research institutions of higher education and industry, including the transfer of information available from federal agencies.

An “Innovation Council,” will be appointed to help resolve ways to leverage the transfer of technology research between academia and industry.

Specific focus:

- Which technologies will impact work in New Jersey? In particular, which industries and to what extent? What is the likely timing of these changes?
- Which groups of residents in New Jersey will be most affected by these changes? How will these impacts differ by gender, race, income, location, and education?
- What will be the impact of these changes on our communities in New Jersey, namely how people live and how they get to work?
- In what way might these same technologies improve workplace conditions, create better jobs, and grow the State’s economy?

### Access to Technology Resources Research & Excellence Program

This multi-year funding program to academic research centers, in collaboration with industrial partners, is intended to create and/or mature new scientific and technology areas, which have potential for products, services and processes important to the state’s future economic development.



## Intellectual Property Program

This program provides a funding source to University Technology Transfer offices to support the final development and commercialization of university held patents.

## FEDERAL PROGRAMS OF FINANCIAL ASSISTANCE

### U.S. Small Business Administration Programs

The U.S. Small Business Administration (SBA) is the largest source of long-term small business financing in the nation. The New Jersey District office ranks as one of the country's top SBA lending offices.

In order to determine whether you qualify, or if an SBA business loan best suits your financing needs, please read the following carefully. For more details on the SBA and its programs, visit its Web site at [www.sba.gov/nj](http://www.sba.gov/nj).

### The 7(a) Loan Guaranty Program

The 7(a) Loan Guaranty Program is the SBA's primary loan program. The SBA reduces risk to lenders by guaranteeing major portions of loans made to small businesses. This enables the lenders to provide financing to small businesses when funding is otherwise unavailable on equity favorable terms.

The eligibility requirements and credit criteria of the program are very broad in order to accommodate a wide range of financing needs. When a small business applies to a lending institution for a loan, the lender reviews the application and decides if it merits a loan on its own or if it requires additional support in the form of an SBA guaranty.

The lender may then request an SBA guaranty. In guaranteeing the loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a substantial portion of its loss.

By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they would not otherwise obtain.

To qualify for an SBA guaranty, a small business must meet the 7(a) criteria and the lender must certify that it could not provide funding on reasonable terms except with an SBA guaranty.

The SBA can then guarantee as much as 85 percent on loans of up to \$150,000 and 75 percent on loans of more than \$150,000. While loan amounts and guaranty percentages vary among different types of SBA 7(a) loans, the maximum 7(a) loan amount is \$2 million.

The maximum amount of an SBA guaranty is \$1.5 million. Borrowers seeking funding for larger projects may wish to consider the SBA's "504" Loan Program which has higher loan limits.

### How it Works

A borrower submits a loan application to a lender for initial review. If the lender approves the loan subject to an SBA guaranty, a copy of the application and a credit analysis are forwarded by the lender to the nearest SBA office.

SBA's review and approval process is streamlined for the Certified & Preferred Lenders program and the SBA Express lenders. After SBA approval, the lending institution closes the loan and disburses the funds.

Monthly loan payments are made directly to the lender. As with any loan, the borrower is responsible for repaying the full amount due.

### Use of Proceeds

A borrower can use a 7(a) loan to: expand or renovate facilities; purchase machinery, equipment, fixtures and leasehold improvements; finance receivables and augment working capital; refinance existing debt if certain conditions are met; finance seasonal lines of credit; construct commercial buildings; and/or purchase land or buildings.

### Terms, Interest Rates and Fees

The length of time for repayment depends on the use of the proceeds and the ability of your business to repay: usually five to seven years for working capital and up to 25 years for fixed assets such as the purchase or major renovation of real estate or purchase of equipment.

Both fixed and variable interest rates are available. Rates are pegged at no more than 2.25 percent over the lowest prime rate (as published in the Wall Street Journal) for loans with maturities of less than seven years and up to 2.75 percent above prime for maturities of seven years or longer.



For loans under \$50,000, the maximum rate must not exceed prime plus 3.25 percent if the maturity is less than seven years and prime plus 3.75 percent if the maturity is seven years or more. For loans of \$25,000 or less, the maximum interest rate must not exceed prime plus 4.25 percent if the maturity is less than seven years, and prime plus 4.75 percent, if the maturity is seven years or more.

The SBA charges the lender a nominal fee to provide a guaranty and the lender may pass this charge on to the borrower. The fee is based on the maturity of the loan and the dollar amount that the SBA guarantees. On any loan with maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan.

On loans with maturities of more than one year, the guaranty fee is 2 percent on loans up to \$150,000; 3 percent on loans of \$150,000 to \$700,000; and 3.5 percent on loans over \$700,000. For loans greater than \$1 million, an additional .25 percent guaranty fee will be charged for that portion greater than \$1 million. That is, the portion up to \$1 million would be charged a 3.5 percent guaranty fee, with the portion over \$1 million being charged 3.75 percent.

## Collateral

Borrowers must pledge sufficient assets, to the extent that they are reasonably available, to adequately secure the loan. Personal guaranties are required from all the principal owners of the business.

Liens on personal assets of the principals may be required. However, in most cases a loan will not be declined where insufficient collateral is the only unfavorable factor.

## Eligibility

Businesses generally must be operated for profit and fall within the size standards set by the SBA. The SBA determines if the business qualifies as a small business based on the average number of employees during the preceding 12 months or on sales averaged over the previous three years. Loans cannot be made to businesses engaged in speculation or investment.

## Small Business Size Standards

- Manufacturing – Majority at 500 employees; some industries at 750 to 1,500 employees
- Wholesaling - 100 employees
- Services – most common standard is average annual receipts not to exceed \$6.5 million; some specialized services at \$21 million to \$27 million in sales

- Retailing – most common standard is average annual receipts not to exceed \$6.5 million; several retail businesses at \$19.9 million to \$25 million in sales
- General construction - average annual receipts not to exceed \$ 31 million
- Special trade construction - average annual receipts not to exceed \$13 million
- Agriculture – most common standard is average annual receipts not to exceed \$750,000; some groups at \$1.5 million at \$11.5 million in sales

## Applying for a loan

When applying for a loan, you must prepare a written loan proposal. Make your best presentation in the initial loan proposal and application; you may not get a second opportunity.

Always begin your proposal with a cover letter or executive summary. Keep this cover page simple and direct. When writing your proposal, don't assume the reader is familiar with your industry or your individual business. Always include industry-specific details so your reader can understand how your particular business is run and what industry trends affect it.

Documentation requirements vary with each lender. Be sure to contact them for the specific information you must supply.

Common requirements include the following:

- Purpose of the loan
- History of the business
- Financial statements for three years (existing businesses)
- Schedule of term debts (existing businesses)
- Aging of accounts receivable and payable (existing businesses)
- Projected opening day balance sheet (new businesses)
- Lease details
- Amount of investment in the business by the owner(s)
- Projections of income, expenses and cash flow
- Signed personal financial statements
- Personal résumé(s)

## What the SBA Looks For

In addition to documentation needed, the SBA needs to know more about you and your plan to be sure that planning and thorough forethought has been given to your enterprise. The SBA looks for the following elements to aid them in their risk assessment:

- Good character
- Management expertise and commitment necessary for success
- Sufficient funds, including the SBA guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to meet start-up expenses and the initial operating phase)
- Feasible business plan
- Adequate equity or investment in the business
- Sufficient collateral
- Ability to repay the loan on time from the projected operating cash flow

## Specialized Programs Under 7(A)

There are a number of special loan guaranty programs under the 7(a) program that address specific needs of start-up or established businesses.

They are governed, for the most part, by the same rules, regulations, fees, interest rates, etc., as the regular 7(a) loan guaranty. Your lender can advise you of any variations.

### SBAExpress

SBAExpress provides additional incentives to lenders to make small business loans. Participating banks use their own documentation and procedures to approve and service loans of up to \$350,000. In return, the SBA guarantees up to 50 percent of each loan and provides expedited processing, often approving applications within 36 hours. SBAExpress also provides revolving lines of credit of up to \$350,000 for terms of up to seven years.

### Low Documentation Loan (LowDoc)

For small business loans of \$150,000 or less, LowDoc features a one-page SBA application, cutting the paperwork burden for both small businesses and lending institutions.

Once the applicant has satisfied the lender's requirements, the lender and applicant together complete the SBA's one-page guaranty application. If approved, the SBA guarantees up to 85 percent of the loan, with a quick turnaround to the lender.

## CAPLines

There are five Short Term Loans and Revolving Lines of Credit programs under CAPLines, which provide financing for the short-term, cyclical working capital needs of small businesses.

CAPLines may be used to: finance seasonal working capital needs; finance direct costs needed to perform construction, service and supply contracts; finance direct costs associated with commercial and residential construction without a firm commitment for purchase; finance operating capital by obtaining advances against existing inventory and accounts receivable; or consolidate short-term debt.

## Patriot Express Pilot Loan Initiative

The U.S. Small Business Administration has announced the SBA's Patriot Express Pilot Loan Initiative for veterans and members of the military community wanting to establish or expand small businesses.

The U.S. Small Business Administration (SBA) Patriot Express Loan program offers veterans and members of the military community both term loans and lines of credit to help fulfill a variety of financing needs—inventory, equipment, and real estate purchases, starting a new business, or refinancing existing debt

Eligible military community members include:

- Veterans
- Service-disabled veterans
- Active-duty service members eligible for the military's Transition Assistance Program
- Reservists and National Guard members
- Current spouses of any of the above
- The widowed spouse of a service member or veteran who died during service or of a service-connected disability





The SBA and its resource partners are focusing additional efforts on counseling and training to augment this loan initiative.

The new Patriot Express Loan is offered by SBA's network of participating lenders nationwide and features our fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral.

The Patriot Express Loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases. Patriot Express Loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan.

### **Defense Loan and Technical Assistance (DELTA)**

The DELTA Program provides both financial and technical assistance to help defense-dependent small firms adversely affected by defense cuts diversify into the commercial market.

Loans must be used to retain jobs of defense workers, create new jobs in impacted communities, or to modernize or expand in order to remain in the national technical and industrial base.

Loans may be made under the 7(a) and/or 504 programs. The maximum loan amount for a DELTA loan under the 7(a) program is \$2 million. The maximum for a DELTA loan under the 504 Certified Development Companies debenture program is \$4 million. The SBA also leverages private-sector resources to provide a full range of management and technical assistance.

### **The Certified and Preferred Lenders Program**

The most active and expert lenders qualify for the SBA's Certified and Preferred Lenders Program. Participants are delegated partial or full authority to approve loans, which results in faster service. Certified (CLP) lenders are those that have been heavily involved in regular SBA loan-guaranty processing and have met certain other criteria.

They receive a partial delegation of authority and are given a three-day turnaround on their applications. Preferred (PLP) lenders are chosen from among the SBA's best lenders and enjoy full delegation of lending authority. This authority must be renewed at least every two years and the lender's portfolio is subject to performance benchmarks and is examined periodically by the SBA.

### **The 504 Loan Program**

The SBA's 504 Loan Program provides long-term, fixed asset financing through certified development companies (CDC's).

These nonprofit organizations are sponsored by private interests or by state and local governments. The SBA can guarantee debentures covering as much as 40 percent of a 504 project, up to \$1.5 million for meeting job creation criteria or a community development goal.

Generally, a business must create or retain one job for every \$50,000 provided by SBA. The maximum debenture increases to \$2 million for businesses meeting certain public policy goals and \$4 million for businesses engaged in manufacturing.

Generally, a manufacturer must create or retain one job for every \$100,000 provided by the SBA. Programs from the 504 loans must be used for fixed asset projects such as purchasing land and improvements, including existing buildings, grading, street improvements, utilities, parking lots and landscaping; construction of new facilities, or modernization or converting existing facilities; or purchasing long-term machinery and equipment.

The 504 Loan program cannot be used for working capital or inventory, consolidating or repaying debt, or refinancing.

### **The 7(M) MicroLoan Program**

The MicroLoan Program makes smaller amounts of capital (up to \$35,000) available through SBA intermediaries.

Although a borrower must prove credit worthiness and the viability of the business idea, collateral and other stringent requirements will be eased.

The private non-profit intermediaries receive loans from SBA to establish a local revolving loan fund and they re-lend the money to local entrepreneurs within their designated areas.



Management and technical assistance is also available after loan closings to assist the borrower in the successful execution of the business plan.

For information, contact the intermediary lender in your area.

#### Regional Business Assistance Corporation

247 East Front Street

Trenton, NJ 08611

609-587-1133

Service area: Bergen, Burlington, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Somerset, Sussex and Warren Counties

#### Greater Newark Business Development Consortium

744 Broad Street, 26th floor

Newark, NJ 07102

973-242-4134

Service area: Statewide

#### UCEDC

Liberty Hall Corporate Center 1085 Morris Avenue, Suite 531

Union, NJ 07083

908-527-1166

Service area: Statewide

#### Cooperative Business Assistance Corporation

328 Market Street

Camden, NJ 08102

856-966-8181

Service Areas: Atlantic, Camden, Cape May, Cumberland, Gloucester and Salem Counties

### The Small Business Investment Company (SBIC) Program

There are a variety of alternatives to bank financing for small businesses, especially business start-ups. The Small Business Investment Company (SBIC) fills the gap between the availability of venture capital and the needs of small businesses that are either starting or growing.

Licensed and regulated by the SBA, SBICs are privately owned and managed investment firms that make capital available to small businesses through investments or loans.

They use their own funds plus funds obtained at favorable rates with SBA guaranties and/or by selling their preferred stock to the SBA.

SBICs are for-profit firms whose incentive is to share in the success of a small business. In addition to equity capital and long-term loans, SBICs provide debt-equity investments and management assistance.

The SBIC Program provides funding to all types of manufacturing and service industries. Some investment companies specialize in certain fields, while others seek out small businesses with new products or services because of the strong growth potential. Most, however, consider a wide variety of investment opportunities.

### The Surety Bond Program

The Surety Bond Guarantee (SBG) Program was developed to provide small and minority contractors with opportunities for which they would not otherwise bid.

The Office of Surety Guarantees administers the SBG Program through a private-public partnership between the federal government and the surety industry. SBA guarantees bid, performance, payment and ancillary bonds issued by surety companies for construction, service and supply contracts, and reimburses the sureties a percentage of the losses sustained if the contractor defaults.

Contracts of up to \$2 million are eligible for the SBA's bond guarantee. SBA's guarantee provides the incentive to issue bonds to contractors who could not otherwise compete in the contracting industry.

The SBG Program consists of the Prior Approval program and the Preferred Surety Bond (PSB) Program. The Prior Approval program guarantees up to 90 percent of a surety's loss.

Participants must obtain SBA's approval for each bond guarantee issued. Under the PSB program, sureties receive a 70 percent guarantee and are empowered to issue, service and monitor bonds without SBA's prior approval.

Each of these programs targets a different segment of the contracting community and both are necessary to reach all small business clientele.

The surety bond guarantee programs are a major factor in the surety reinsurance and contracting industries and are recognized as a primary stabilizing influence by those industries.

For more information on the SBA contact:

973-645-2434

[www.sba.gov/nj](http://www.sba.gov/nj)

## Section 4: Franchising

### WHAT IS FRANCHISING?

Franchising is a form of licensing by which the owner (the franchiser) of a product, service or method obtains distribution through affiliated dealers (the franchisees). The holder of the right is often given exclusive access to a defined geographical area.

The product, method or service being marketed is identified by a brand name and the franchiser maintains control over the marketing methods employed.

In many cases, the operation resembles that of a large chain with trademarks, uniform symbols, equipment, storefronts and standardized services or products, and maintains uniform practices.

The International Franchise Association, the major trade association in the field, defines franchising as “a continuing relationship in which the franchiser provides a licensed privilege to do business, plus assistance in organizing, training, merchandising and management in return for a consideration (fee) from the franchisee.”

However, the owner of a franchised business must give up some options and freedom of action in business decisions that would be open to the owner of a non-franchised business.

The franchisee is not entirely his/her own boss because, in order to maintain the distinctiveness and uniformity of the service, to ensure that the operations of each outlet will reflect favorably on the organization as a whole and to protect and build its good will, the franchiser usually exercises some degree of continuing control over the operations of franchisees and requires them to meet stipulated standards of quality.

In some cases, franchisees are required to conduct every step of their operation in strict conformity with a manual furnished by the franchiser. In return, the individual franchisee can share in the good will built up by all other outlets that bear the same name.

A company, which depends upon the successful operation of franchise outlets, needs individuals who are willing to learn the business and have the energy for the considerable amount of effort needed to be profitable.

The franchiser can supply the essentials for the successful operation of the outlet. Among the services franchisers may provide to the franchise operators are:

- Location analysis and counsel
- Recommending methods of operation
- Store development aid - including lease negotiation
- Store design and equipment purchasing
- Initial employee and management training and continuing management counseling
- Advertising and merchandising counseling and assistance
- Standardized procedures and operations
- Centralized purchasing with consequent savings
- Financial assistance in the establishment of the business

### Investigate the Franchise

The second step is to investigate the franchiser and the franchise business as thoroughly as possible. Proceed as if buying a new car or a new home. Comparison shop and look at more than one franchise.

But don't stop your investigation there. Call or write several franchisers being considered to get more detailed information. In addition, investigate the territory being considered and determine the market potential for the product or service that will be offered.

### Study Disclosure Statements

The franchiser is required by law to give you a disclosure statement (sometimes called an “offering circular” or “prospectus”), which describes the franchise system and your obligations, as well as certain required information such as the franchise company's litigation and bankruptcy history and a list of current and former franchisees. It will be a great help in comparing one franchise with another, understanding the risks involved and learning what to expect and what not to expect from the franchise. Study the disclosure statement carefully before making an investment decision.

## Check Out Disclosures

Read the disclosure statement carefully and compare it to other disclosure statements. Check the accuracy of the information disclosed. Contact several of the franchisees listed in the disclosure statement and ask them about their experience in the business. They can verify that the information provided and any other claims that are made by the franchiser accurately reflect their experience in the business.

Look for franchisees that have been in the business for at least a year. If none have been in business that long because the franchise is a new one, the risks you will run by investing in the franchise will obviously be higher than those of a well-established franchise. Also talk to franchisees that have been in business for only a few years. They will be able to give you the best advice about what to expect during your first year of operation. This is important because the first year of operation is often the period during which the success or failure of a new franchise is determined.

## Question Earnings Claims

A franchiser can only provide information about the sales, income or profits of the franchised business, if it does so, in Item 19 of its offering circular.

Upon request, franchisers are required by law to provide detailed substantiation to prospective franchisees of any earnings claims they make. Be sure to note what percentage of the franchiser's present franchisees has actually had sales, profits or income that equaled or exceeded the amount claimed. Find out how many franchisees did that well during their first year of operation and when their operating results may not have been as good.

A new franchise's first year operating results are more likely to equal to those of other first year franchises than those that have been in business for several years.

## INVESTING IN A FRANCHISE

### Be Aware Of Risks

Everyone knows that there is some risk in investing money in the stock market. Investing in a franchise is similar. In some ways the risks are even greater than the risks of buying stock. A franchise owner can expect to invest not only time, but also a good part of his/her working life.

When considering a franchise, it is critical to collect information from people who have already been running a franchise you are considering.

Franchisees who have made the decision to purchase and operate the franchise will often explain first-hand about the financial arrangements, the start-up and ongoing assistance provided by the company and how much profit can realistically be expected.

It is important to talk to several franchisees. The time spent researching, by phone or in person, can be important investments and may be the best source to gain an understanding and insight into the day-to-day operation.

Organize notes to cover all the important points before contacting the franchise or making an on-site visit.

## Before Selecting A Franchise System

Before investing in a particular franchise system, carefully consider how much money will have to be invested, your ability and goals. The following checklist may help on the decision to franchise.

### Investment

- How much money do you have to invest?
- How much money can you afford to lose?
- Will you purchase the franchise by yourself or with partners?
- Will you need financing? If so, where can you obtain it?
- Do you have savings or additional income to live on while starting your franchise?

### Abilities

Does the franchise require technical experience or relevant education, such as auto repair, home and office decorating, or tax preparation?

### What Skills Do You Have?

- Do you have computer, bookkeeping, or other technical skills?
- What specialized knowledge or talents can you bring to a business?
- Have you ever owned or managed a business?

### Goals

- What are your goals?
- Do you require a specific level of annual income?
- Are you interested in pursuing a particular field?
- Are you interested in retail sales or performing a service?
- How many hours are you willing to work?
- Do you want to operate the business yourself or hire a manager?
- Will franchise ownership be your primary source of income or supplement your current income?

## Obtain Professional Advice

Obtain independent professional assistance in reviewing and evaluating any franchise that is being considered. Such assistance is particularly important in reviewing the financial statements and agreements of the franchise.

Do not assume that the disclosure statement tells everything about the consequences of signing a franchise agreement and related contracts. The disclosure statement is not designed to serve that purpose.

The advice of a lawyer is the most important professional opinion to obtain before investing in a franchise. A lawyer can advise about legal rights in entering a franchise agreement and any legally binding obligations.

In addition, a lawyer may be able to suggest important changes in the contract(s) to better protect the franchisee's interests. Attorneys will advise about any state and local laws that may affect the franchise business and will assist with the taxation and personal liability questions that must be considered in establishing any new business.

The cost of obtaining legal advice will be relatively small in comparison to the total initial investment for a franchise. Moreover, the cost of legal advice at the outset is less than the cost of late representation to solve legal problems that could have been avoided.

At the very least, prospective franchisees should be certain that every promise that's made by the franchiser and his representative is stated clearly in the written franchise agreement. If such promises do not clearly appear in the contracts you sign, the franchiser may not be legally obligated to perform in accordance with such promises.

Do not assume that an investment in a franchise is risk free or virtually risk free, just because federal or state laws may provide some protection. That protection is subject to a limitation and may not be able to remedy every case.

Investing in a franchise will always involve a certain degree of risk. Franchisees should do everything possible to protect themselves rather than rely on legal rights for potential remedies.

## What a Good Franchise Program Should Offer You

- A franchiser that appears to be stable in every way, including financial wherewithal.
- A federally registered trademark and a state registered trade name.
- A reliable, affordable product or service.

- A training program that will provide hands-on experience in every operation of the business.
- A detailed and readable operations manual, to guide the franchisee through start-up and well into successful operations.
- Support, for the franchisee and his staff on everything from site selection to decor, inventory and grand opening ads.
- Managerial training, including regional and national meetings, seminars and assistance in operations and accounting procedures.
- Marketing, merchandising and advertising support, everything from selecting retail decor and display ideas to setting up co-op advertising assistance.
- Monthly newsletters to keep the franchisees informed of the latest activities and trends. Keep tabs on the competition and feature the successful efforts of different franchise operators.
- Multi-store, multi-office or territorial expansion options. Unique designs that invite and draw customers into the franchise location.
- A continuing program of new project development and testing.
- Purchasing benefits from the franchiser, to buy products in volume with savings.
- The strength of a national, regional or local network of independently owned and operated franchisees and all franchise operations.

Note: The State of New Jersey does not regulate franchises. For more information contact:

International Franchise Association  
1900 K Street, NW, Suite 700  
Washington, DC 20006  
202-628-8000  
[www.franchise.org](http://www.franchise.org)

# Section 5: Procurement Opportunities

## PROCUREMENT OPPORTUNITIES

### Procurement with the State

The New Jersey Division of Purchase and Property offers an integrated e-purchasing system, which allows vendors to search for bidding opportunities, maintain documents required for submitting a bid, and speeds the payment process. Those interested in becoming a vendor for the State of New Jersey should register on NJSTART.gov to obtain bid opportunity information from more than 100 state entities, including all units of the executive branch, authorities, commissions, state colleges and universities.

The NJSTART Database and related services offers:

- A searchable list of opportunities by commodity code and by state entity
- A detailed summary information for each opportunity
- Contact information and/or link to the Web site of the originating entity (if applicable)
- Opt-in e-mail notifications as new opportunities are posted

## SET-ASIDE AND CERTIFICATION OFFICE

### The Small Business Set-Aside Act

The set-aside program established procedures for the registration of Small Business Enterprises (SBE) and the certification of minority/women business enterprises (M/WBE) for the purpose of participating in set-aside contracts available through 109 state agencies. The purpose of the set-aside program is to ensure that New Jersey-based small businesses receive a fair share of the state contracting dollars. The Small Business Set-Aside program encourages agencies to award 25 percent of state contracts and purchases to SBEs. Registered SBEs company's name are added to a state listing of vendors eligible to participate in contract consideration.

### Eligibility for Small Business Registration

Small business owners wanting to do business with the State of New Jersey and be eligible for state set-aside contracts/purchases must be registered and approved and file the Vender Registration form with the required \$100 annual registration fee.

The businesses must be independently owned and operated with its management responsible for daily and long-term operations and owning at least 51 percent of the business.

Participating businesses must be incorporated or registered to do business in the state and have their principal place of business in New Jersey, which is defined as either 51 percent or more of its employees working in New Jersey, as evidenced by the payment of New Jersey unemployment taxes, or 51 percent or more of its business activities taking place in New Jersey, as evidenced by its payment of income or business taxes. The business must be a sole proprietorship, partnership or corporation with 100 or fewer full-time employees.

### Eligibility for Certification of Minority and/or Women Business Enterprises

Women and minority business owners seeking to do business with the State of New Jersey and/or private corporations may be certified with New Jersey.

To obtain a Small Business Vendor Registration form and/or the MBE/WBE Certification form call 1-800-JERSEY-7 or visit [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov)

### Veteran Owned Business (VOB) and Service Disabled Veteran Owned Businesses (DVOB)

The State of New Jersey offers certifications for Veteran Owned Businesses (VOB) and Disabled Veteran Owned Businesses (DVOB).

“Veteran” means any citizen and resident of this State now or hereafter honorably discharged or released under honorable circumstances who served in any branch of the Armed Forces of the United States or a Reserve component thereof for at least 90 days and shall include disabled veterans.

“Veteran-owned business” means a business that has its principal place of business in the State, is independently owned and operated and at least 51 percent of the business is owned and controlled by persons who are veterans. The Principal Owner must provide copy of their Federal Form DD-214 indicating honorable discharge or release under honorable circumstances.

P.L. 2015, c. 116 requires that State procurement and purchasing agencies give due consideration to Disabled Veteran Owned Businesses (DVOB) in awarding contracts. Disabled Veteran Owned Business (DVOB) registration will ensure that your company will be listed in the State's NJSAVI database.

“Disabled Veterans-owned business” requirements:

1. Has its principal place of business in the State, is independently owned and operated and at least 51 percent of the business is owned and controlled by persons who are disabled veterans; or
2. Is a business that has its principal place of business in this State and has been officially verified by the United States Department of Veterans Affairs as a service disabled veteran-owned business for the purposes of department contracts pursuant to Federal law. To register as a New Jersey Disabled Veteran Owned Business (DVOB) and be listed in the NJSAVI database, please complete and submit the attached New Jersey Disabled Veteran Owned Business Registration Application. If you wish to be registered under definition 1 above, include with your application a Service Connected Award Letter, or comparable communication, from the federal Department of Veterans Affairs for each owner that is a disabled veteran. If you wish to be registered under definition 2 above, include with your application the firm’s Federal Service Disabled Veteran Owned Business Determination Letter. In all cases, provide a copy of your proof of business registration with the State of New Jersey. You could obtain the business registration certificate online at: Please provide a copy of the NJ Business Registration Certificate issued by the Division of Revenue & Enterprise Services for this applicant. [www1.state.nj.us/TYTR\\_BRC/jsp/BRCLoginJsp.jsp](http://www1.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp)

## CERTIFYING AGENCIES

In addition to State Certification, there are a number of State Departments that also require various types of Certification these include the Department of Transportation, the Department of Environmental Protection, New Jersey Transit and the Port Authority of New York and New Jersey. Details on these Certification programs are outlined as follows.



## New Jersey Department of Transportation

The New Jersey Department of Transportation (NJDOT) uses Small Disadvantaged Business Enterprise (SDBE) and Emerging Business Enterprise Certifications.

Disadvantaged minority- or female-owned firms are certified by NJDOT in order to qualify them for work designated to be done by SDBEs on federally assisted projects. For additional information write:

New Jersey Department of Transportation  
Office of Civil Rights/Contract Compliance  
PO Box 600  
Trenton, NJ 08625-0600  
609-530-3009

## New Jersey Transit

NJ Transit certifies minority- and women- owned businesses as Disadvantaged Business Enterprises (DBEs). Certified DBEs qualify for federally assisted projects.

If you desire to work on New Jersey Transit projects or have additional questions regarding certification you should contact:

New Jersey Transit Corp. Small/DBE Programs  
One Penn Plaza E, Second Floor Newark, NJ 07106  
973-491-8060  
[www.njtransit.com](http://www.njtransit.com)

## The Port Authority of New York/New Jersey

The Port Authority’s Certification Program certifies Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Disadvantaged Business Enterprises (DBEs).

A Disadvantaged Business Enterprise (DBE) Certification is needed to be eligible on federally assisted projects. For additional information or to obtain an application, contact:

The Port Authority of NY/NJ  
Office of Business & Job Opportunity  
Newark Legal Center  
One Riverfront Plaza, 9th floor  
Newark, NJ 07102  
973-565-5534  
[www.panynj.gov](http://www.panynj.gov)

## Federal 8(a) Certification

The 8(a) Business Development Program is the U.S. Small Business Administration's (SBA) effort to promote equal access for socially and economically disadvantaged individuals to participate in the business sector of the nations' economy.

The 8(a) Business Development Program is a Small Business Administration's (SBA) business assistance program for small disadvantaged businesses. The Program offers a broad scope of support to firms that are owned and controlled at least 51 percent by socially and economically disadvantaged individuals in an effort to give them equal access to participate in the business sector of the nations' economy.

SBA may provide participating firms with procurement, marketing, financial management or technical assistance. To be eligible for admission to the 8(a) program, a business must be owned, controlled and operated at least 51 percent by one or more persons who are socially and economically disadvantaged, citizens of the United States (aliens, including permanent residents are excluded) and be able to meet other eligibility requirements.

Individuals considered to be socially disadvantaged must meet one of the following definitions: People who have been subject to racial or ethnic prejudice or cultural bias.

These include Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Subcontinent Asian Americans and members of other minority groups designated by SBA.

People who are not members of a minority group but can demonstrate with substantial evidence and documentation that they have been subjected to chronic racial or ethnic prejudice, cultural bias or similar circumstances over which the individual had no control, are also eligible.

The individual's social disadvantage must be chronic, long standing and substantial and have had a negative impact on entry into and/ or advancement in the business world. It must stem from their color, ethnic origin, gender, physical handicap or geographical environment.

One must demonstrate personal suffering and not merely claim membership in a non- designated group.

To be eligible for participation in the 8(a) program, the applicant must also be economically disadvantaged.

To determine economic disadvantage, SBA will consider the following: Personal and business assets, personal and business net worth, personal and business income and profits, as well as success in obtaining adequate financing, bonding and credit.

Individuals whose personal worth exceeds \$250,000, excluding the individual's ownership interest in the applicant concern and the equity in their primary residence, will not be considered economically disadvantaged for purposes of 8(a) program entry.

The individuals upon whom eligibility is based must be engaged full time in the daily management and operation of the business.

For more information about the 8(a) program eligibility requirements, call 973-645-4651.

Interested persons can now apply for the 8(a) Business Development Program online.

8(a) Electronic Applications are available at [www.sba.gov/8abd](http://www.sba.gov/8abd).

## Small Disadvantaged Business Program

The SBA's Small Disadvantaged Business (SDB) Program augments SBA's Business Development Program. This program allows businesses owned by socially and economically disadvantaged individuals to receive a ten (10) percent evaluation preference when bidding on certain federal contracts.

It also gives them preference when dealing with large government contractors. To qualify, a disadvantaged individual or individuals, who are U.S. citizens, must own 51 percent or more of the business and must devote full-time employment to its daily management.

The criteria for establishing disadvantaged status are very similar to that of SBA's 8(a) Business Development Program.

For further information on the Small Disadvantaged Business Certification Program, call 973-645-4651. Submit applications online at [www.sba.gov/sbd](http://www.sba.gov/sbd)

## HUBZone Empowerment Contracting Program

The HUBZone Empowerment Contracting Program seeks to encourage economic development in historically underutilized business zones - "HUBZones" - through the establishment of preferences for award of federal contracts to small businesses located in such areas.

In order to qualify for the program, a firm must be located within a designated HUBZone area. (Please refer to the SBA New Jersey District Office website at [www.sba.gov/nj](http://www.sba.gov/nj) for locations in New Jersey that are currently included in the HUBZone initiative).

Further requirements are that the firm must be a small business that is owned and controlled at least 51 percent by U.S. citizens and at least 35 percent of its employees are HUBZone residents.



HUBZone firms have the opportunity to negotiate sole source contracts and participate in restricted competition limited to HUBZone firms. Small businesses located in HUBZone areas will be allowed a ten (10) percent price evaluation preference in full and open competition.

HUBZones are determined by census tracts, which have street-by-street boundaries. For that reason, SBA strongly suggests the use of the HUBZone locator system to define the boundaries of each HUBZone.

Details on the HUBZone Program legislation, eligibility requirements, applications, timeframes and benefits are all available at [www.sba.gov/hubzone](http://www.sba.gov/hubzone).

All applicants are encouraged to apply electronically through the SBA Web site. All inquiries about the program should be directed to [hubzone@sba.gov](mailto:hubzone@sba.gov), or the New Jersey HUBZone Liaison at 973-645-3729.

For further information, contact:

U.S. Small Business Administration 8(a)  
Business Development  
Two Gateway Center, 15th Floor Newark, NJ 07102  
973-645-2531  
[www.sba.gov/nj](http://www.sba.gov/nj)

## U.S. SMALL BUSINESS ADMINISTRATION'S (SBA) GOVERNMENT CONTRACTING PROGRAM

The Government Contracting Program of SBA ensures that small businesses receive their fair share of federal contracts. SBA's programs include the establishment of small business set-asides, certification of small businesses to perform on federal contracts, and opportunities in subcontracting to large business prime contractors.

The Government Contracting Program of SBA works to make sure small businesses get at least 23 percent of all federal contracting dollars.



Additionally, the government tries to award a certain percentage of all federal prime contracting dollars to small businesses each year called Set-asides that meet certain socio-economic conditions. They include Minority-owned, Women-owned, Service-disabled veteran-owned and HUBZone-certified small businesses.

SBA also provides information and assistance to firms who are interested in obtaining federal contracts. SBA staff can be contacted for additional information at the following locations:

[www.sba.gov](http://www.sba.gov)

Picatinny Arsenal, Dover, NJ - 973-724-6574

Washington, DC - 202 205 6459

## Minority Small Business & Capital Ownership Development (MSB/COD) 8(a) Program

The 8(a) Program is SBA's effort to promote equal access for socially and economically disadvantaged individuals to participate in the business sector of the nation's economy.

Socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans and others designated by the SBA.

The program recognizes the historical lack of equal access that minorities and other disadvantaged individuals have had to the resources needed to develop their small businesses. The program assists 8(a) approved firms to participate in the business sector and to become independently competitive in the marketplace.

The assistance available includes access to federal government contracts as well as management and technical assistance programs. For further information call SBA 973-645-2531.

## HOW TO BE PAID PROMPTLY BY THE STATE OF NEW JERSEY

Vendors doing business with the State of New Jersey can receive payment for goods and services purchased by the state government within as few as 30 days by following some simple instructions.

First, before providing goods and services you must have received a purchase order with an authorized signature under agency approval.

If a business does not have a purchase order in its possession with an authorized signature under agency approval, the company should not start work or provide goods or services.

## Now the Payment Process Has Officially Begun

In either of the above instances, the business will receive the following set of forms, which should be considered the work order and authorization. The terms “Payee” and “Vendor” are used interchangeably.

State of New Jersey AGENCY PURCHASE ORDER  
(PB2PO-r8/93)

State of New Jersey PAYMENT VOUCHER (PBPV1-r3/93)

Check the agency purchase order carefully. Verify that the prices are the same that you bid or quoted. Read the document carefully and understand the terms and conditions of the order or job.

Clarify any discrepancies before you perform the service or supply the goods. Failure to obtain prior authorization to change the order in any way will delay payment. Perform the service or supply the goods authorized.

Upon the state’s acceptance of the service or goods, complete and mail the payment voucher to the address listed in item (E) “Send Completed Form To.”

Read the payee instructions on the reverse side of the Payment Voucher.

If not already filled in by the agency placing the order, complete items (A) through (D).

Sign the “Payee Declaration” (F). Be sure to write your title and the current date.

In “Payee Reference Number” (G) include the businesses’ invoice number, billing number or any other identification for reference purposes. This will be recorded on the check stub and assist you in payment identification. Do not use more than 30 characters.



## Important

Keep a record of the payment voucher. Address changes should be made in writing to:

Department of the Treasury  
Office of Management and Budget – Vendor Control  
PO Box 221  
Trenton, NJ 08625-0221  
609-292-6746

All other changes (business address, phone number, identification number, etc.) should be made in writing to:

Department of the Treasury  
Purchase Bureau – Vendor Change  
PO Box 230  
Trenton, NJ 08625-0230  
609-292-4700

## Subcontractors

It is your responsibility to get written agreements or contracts from prime contractors performing state contracts. Finalize working hours, pay, overtime, holidays and expected project completion dates. Determine whether the prime contractor is bonded. If necessary, contact the bonding company that issued the performance bond. It is your responsibility to keep proper records of the hours and days you worked.

## ADDITIONAL PROCUREMENT RESOURCES

When it comes to government contracts, New Jersey offers a variety of resources to help small companies take advantage of these important opportunities.

If a business has a product or service utilized by the state and you are interested in receiving a Request for Proposal, call or write for a

Bidder’s Mailing List Application Mailing List Application at:

New Jersey Department of Treasury  
Division of Purchase and Property  
Purchase Bureau - Bid List Management  
PO Box 230  
Trenton, NJ 08625-0230  
609-984-5396

Submit your application online at  
[www.state.nj.us/treasury/purchase/forms/forms.htm](http://www.state.nj.us/treasury/purchase/forms/forms.htm)

## Casino Industry

If a business is interested in transacting business with Atlantic City Hotels/Casino or you require information regarding vendor registration, licensing or general procedures for the casino industry, contact:

State of New Jersey Casino Control Commission  
License Division Enterprise License Bureau  
Tennessee Avenue and Boardwalk  
Atlantic City, NJ 08401  
609-441-3555

## Bidding of Construction Contracts

Before a construction firm can compete for public works construction projects, its qualifications must be verified by the Division of Property Management & Construction (DPM&C).

The firm will be asked to submit to DPM&C a completed Request for Classification (form DPMC-27), which fully describes the company's financial ability, responsibility, plant and equipment, organization, ownership, relationships and prior experience.

If the business is a construction contractor, architectural or engineering firm, contact information is below:

New Jersey Department of Treasury  
Division of Property Management and Construction  
33 West State Street, 9th Floor  
PO Box 034  
Trenton, NJ 08625-0034  
Call 609-943-3400  
[www.state.nj.us/treasury/dpmc](http://www.state.nj.us/treasury/dpmc)

For assistance with Bonding Requirements, contact the New Jersey Business Action Center at 1-800-JERSEY-7.

## Pre-qualification Application

Construction Firms

To request form GSA27 (Request for Classification for Contractors), call 609-943-3400.

Architectural and Engineering Firms

- To request Form 48A (Consultant Services Questionnaire), call 609-943-3400.

Highway and/or Bridge Construction Contractor

- To request Form DC-74A (Pre-qualification Application)  
New Jersey Department of Transportation 1035  
Parkway Avenue  
P.O. Box 605  
Trenton, NJ 08625-0605  
609-530-2103

## The Port Authority of NY/NJ New Jersey Transit Corporation

If a business is seeking opportunities with the Port Authority of NY/NJ and needs information or pre-qualification policies and procedures, call or write:

The Port Authority of NY/NJ  
1 Madison Ave 7th floor  
New York, NY 10010  
212-435-3905  
[www.panynj.gov](http://www.panynj.gov)

If a business is seeking opportunities with the NJ Transit Corporation and needs information or pre-qualification policies and procedures, call or write:

NJ Transit Corporation  
One Penn Plaza  
Newark, NJ 07105  
973-491-7546  
[www.njtransit.com](http://www.njtransit.com)

## New Jersey Turnpike Authority

The New Jersey Turnpike Authority operates the New Jersey Turnpike, the Garden State Parkway and the PNC Arts Center. The authority is responsible for the maintenance and operation of the toll roads.

If a business is seeking opportunities with the NJ Turnpike Authority and needs information or pre-qualification policies and procedures, call or write:

New Jersey Turnpike Authority  
PO Box 5042  
Woodbridge, NJ 07095  
Attn: Bid Supervisor  
732-750-5300 x8253  
[www.state.nj.us/turnpike](http://www.state.nj.us/turnpike)

## South Jersey Transportation Authority

The Authority operates the Atlantic City Expressway and Atlantic City International Airport.

The South Jersey Transportation Authority (SJTA) has recently launched its web-based Electronic Bidding System (eBid) and properly-registered vendors are now able to download certain solicitations from the eBid website.

At present, the SJTA is posting only “no fee” solicitations on the eBid system. In the future, properly-registered vendors will have the ability to purchase specifications and submit their bids/proposals through the eBid system.

If a business is seeking opportunities with the South Jersey Transportation Authority and needs information or pre-qualification policies and procedures, call or write:

South Jersey Transportation Authority  
P.O. box 351  
Hammonton, NJ 08037  
609-965-6060  
[www.sjta.com](http://www.sjta.com)

## The Procurement Technical Assistance Center at New Jersey Institute of Technology (NJIT)

The purpose of NJIT Procurement Technical Assistance Center (PTAC) is to find, negotiate, and acquire government contracts for New Jersey based businesses (excluding Union County). At no cost to the business, the Center’s Procurement Specialists provide assistance in navigating the private and public sector procurement processes with one-on-one and group counseling, proposal reviews, certification and registration assistance, marketing, post award requirements and specialized training.

The New Jersey Institute of Technology Defense Procurement Technical Assistance Center operates under a cost-sharing cooperative agreement between the Department of Defense and the university.

The center provides marketing, contractual and technical assistance to women- and minority-owned enterprises and small businesses in New Jersey that are interested in expanding their customer base to state and federal governmental agencies as well as large corporations.

Part of a national network of more than 100 centers, the NJIT Procurement Center reflects the university’s commitment to public service by offering a competitive edge to businesses by making available realistic outreach services free of charge.

The center assists with generating employment, improving the business climate and fostering economic stability. Workshops are

held throughout the state on a weekly basis and give participants a basic understanding of the procurement process. One-on-one counseling provides expert advice on all phases of contracting. The Center’s main office is located on the campus of NJIT in Newark, with satellite offices in Trenton, Mount Holly and Atlantic City.

The Procurement Technical Assistance Center offers businesses an integrated marketing solution that includes, but is not limited to, the following:

- Access to marketing information on competitors’ pricing history of the products that you sell.
- Bid matching a product or service to federal or state government buyers’ requirements and e-mailing the results daily. This information provides you with both prime and subcontracting opportunities.
- Review of a proposal bid package, including a detailed explanation of the significance inherent in government unique terms and conditions as governed by the Federal Acquisition Regulations and New Jersey Statutes.
- Assistance in placing a company’s vital marketing information where buyers go to find vendors such as SAVI-II, PRO-Net and the Central Contractor Registration Web sites.
- Information as to the various methods of responding to the customer’s purchasing requirements by introducing business to the various forms of Electronic Commerce-EDI.
- Leverage a firm’s unique characteristics by positioning your firm to fully utilize the various marketing tools available to be more competitive, such as: certification as a Woman Business Enterprise (WBE), a Minority Business Enterprise (MBE), a Disadvantaged Business Enterprise (DBE), an 8(a) firm, a Small Disadvantaged Business (SDB), a HUBZone and a Service Disabled Veteran company.
- Information on government-financed research programs under the Small Business Innovation Research program (SBIR).
- Assist with disputes resolution, bid protests and Certificate of Competence to avoid loss of sales volume.

For more information contact:

NJIT/PTAC Headquarters  
323 Dr. Martin Luther King Blvd.  
Fenter Hall, Room 490  
Newark, NJ 07102  
[ptac@njit.edu](mailto:ptac@njit.edu)  
973-596-3105  
[www.njit.edu/DPTAC](http://www.njit.edu/DPTAC)

## Section 6: Export Assistance

### OFFICE OF EXPORT PROMOTION

The Office of Export Promotion works with New Jersey's small and mid-sized companies interested in expanding their products and services through export. Companies interested in global business activity can tap into a number of resources available through NJBAC's Export Promotion unit.

Recently, the Office of Export Promotion received the President's E Star Award for Export Service from the U.S. Department of Commerce and recognizes persons, firms, or organizations that contribute significantly in the effort to increase U.S. exports.

The Office of Export Promotion also collaborates with universities and various organizations, like the U.S. Export Assistance Centers, in an effort to develop small businesses into new exporters and help existing small business exporters expand their markets.

Services from the Office include:

- Identify global business opportunities
- Locate buyers and potential markets and test local demand
- Provide educational opportunities and acquaint you with resources to learn more about exporting basics, regulatory compliance, customs procedures, reporting and other topics.
- Develop a viable export plan
- Provide government-to-government advocacy
- Navigate the complexities of the global marketplace

For more information call the Office of Export Promotion Business Helpline at 1-800-JERSEY-7.

### NEW JERSEY STATE TRADE EXPANSION PROGRAM (NJ STEP)

Funded in part through a grant with the U.S. Small Business Administration, the Office of Export Promotion administer the NJ STEP. This program provides financial awards on a first come, first served competitive basis, to New Jersey eligible small business concerns that are new to export, as well as those businesses that currently sell their goods and services to other countries.

Eligible businesses will be considered to receive financial awards to partially offset export promotion costs such as the following:

- Participation in International and U.S. Trade Events
- Participation in Department of Commerce Organized Trade Missions
- Fees for services provided by the U.S. Commercial Service (USCS)

For more information, go to [www.nj.gov/state/bac-njstep.shtml](http://www.nj.gov/state/bac-njstep.shtml).

### OFFICE OF INTERNATIONAL TRADE AND INVESTMENT (OITI)

Housed within the New Jersey Economic Development Authority (EDA), OITI's mission is to foster sustainable job growth and innovation by widening New Jersey's global reach and supporting international trade and investment. OITI undertakes multiple initiatives with an emphasis on establishing international partnerships and attracting new investors to the State through the following efforts:

- Creating the State's Foreign Direct Investment (FDI) attraction strategies
- Liaising with the foreign diplomatic and business community in the greater New Jersey/New York region
- Coordinating Governor-led international trade and investment missions, and organization of incoming business delegations from foreign countries
- Designing new programs and initiatives for international company recruitment and retention
- Participating in international trade and investment promotion events to showcase New Jersey as a leading FDI destination in the U.S.
- Advising foreign businesses and investors on the opportunities offered by the EDA's incentive programs; and introducing them to relevant State agencies and private business organizations
- Establishing partnership agreements with international sister agencies
- Coordinating the State's overseas network of promotion centers

For more information call the EDA at (609) 858-6700.

## INTERNATIONAL TRADE ADMINISTRATION (ITA)

Through its Export Assistance Centers, the International Trade Administration:

- Promotes trade and investment, and ensures fair trade at home and abroad through the rigorous enforcement of U.S. trade laws and agreements
- Creates opportunities for U.S. firms by providing focused export assistance and market research, and fostering level playing fields for American business around the world
- Directs efforts to promote the United States as the leading destination for foreign investment

ITA has two Export Assistance Centers in New Jersey. The offices that work with established, export ready, companies to help them sell their U.S. made (must have 51% U.S. content) goods and services to foreign markets.

The Export Assistance Centers are as follows:

- Northern NJ Commercial Service, Newark
- Central-Southern NJ Commercial Service, Lawrenceville

For more information, go to [2016.export.gov/newjersey/contactus/index.asp](http://2016.export.gov/newjersey/contactus/index.asp).

## STATE OF NEW JERSEY DEPARTMENT OF AGRICULTURE EXPORT DEVELOPMENT

The export development program annually supports New Jersey companies at domestic and international trade shows.

Support is provided to eligible New Jersey firms in the following areas:

- Trade Show Assistance
- Trade Leads and Program Information
- Product Promotion Assistance

For further information, go to [www.nj.gov/agriculture/divisions/md/prog/export.html](http://www.nj.gov/agriculture/divisions/md/prog/export.html).

- Business Development Assistance provides volunteer consultants with international trade experience from Service Corps of Retired Executives (SCORE) to help small businesses entrepreneurs make a preliminary assessment of their export marketing plans. In addition, export-training programs are co-sponsored by the SBA with various colleges and other organizations interested in international trade promotion.

- SBAtlas is a program where international market information is available for specific products that a small business is planning to export. Small firms can receive general information on whether there is a market for their products overseas, what the trends have been in these markets and what competition they will encounter in specific country markets.
- The Export Legal Assistance Network is comprised of volunteer attorneys who provide New Jersey companies with a free one-hour consultation on subjects such as basic contractual agreements, letters of credit, joint venturing and licensing agreements, as well as an overview of legal requirements involved in entering particular markets. Comprised of knowledgeable lawyers from the Federal Bar Association, they will provide an initial legal consultation free of charge to companies in the beginning stages of exporting. They offer information regarding basic contractual requirements, taxes and regulations, banks, freight forwarders, insurance companies and state and federal programs to expand into particular markets.

To get in contact with the Export Legal Assistance Network visit:

Tel: 1-800-USA-TRAD(E) (1-800-872-8723)

Fax: (202) 482-4473

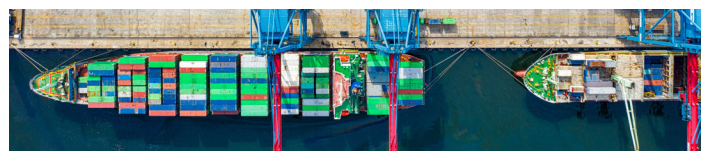
E-mail: [tic@mail.doc.gov](mailto:tic@mail.doc.gov)

Internet: [www.export.gov](http://www.export.gov)

Available on the U.S. Customs and Border Protection Web site at [www.cbp.gov/](http://www.cbp.gov/).

## Additional Sources of Import Assistance

- *Foreign Embassies and Consulates in the United States* – Promotion of their country's goods and services: [www.embassy.org/embassies/index.html](http://www.embassy.org/embassies/index.html)
- *Customs Importation Guidelines for Commercial Importers* – Importing into the United States: [www.usitc.gov/trade](http://www.usitc.gov/trade)
- *Freight Forwarders*: Local business telephone listings often feature a freight forwarder or transportation heading. The National Customs Brokers and Forwarders Association of America provides exporters with information on their members. [www.ncbfaa.org/](http://www.ncbfaa.org/)



## SOURCES OF FINANCIAL ASSISTANCE

### Export Financing

Numerous export-financing sources are available. Business seeking financing assistance should first check with local or regional banks. In many cases these banks have international financing services.

In addition to local and regional lenders, exporters can obtain information from the following funding sources:

- New Jersey Economic Development Authority (EDA) works with New Jersey banks to provide revolving lines of credit to finance confirmed foreign orders. The EDA also has other bond financing and loan programs.
- Export-Import Bank of the U.S. helps exporters make sales when other sources of assistance are unavailable or inadequate. There are four available programs: Working Capital Guarantees; Export Credit Insurance; Loan Guarantees to Lenders; and Direct Loans. Exported goods must contain 50 percent of U.S. made material.
- Working Capital Guarantees are offered to lenders so they can provide exporters with working capital needed to buy, build or assemble U.S. products for export sales. The guarantees cover 90 percent of interest and principle.
- U. S. Small Business Administration (SBA) offers loan guarantees through its Export Working Capital Program to help small businesses export by providing financing for loans up to \$1 million.
- SBA Export Express is a loan program to help small businesses with exporting potential that need funds to buy or produce goods and/or services for export. Loans may be used for most business purposes including expansion, equipment purchases, working capital, inventory to real estate acquisition, and trade shows. Loans range up to \$300,000.
- The SBA offers financial assistance and business development services to exporters. To be eligible for these programs, firms must meet SBA size standards for the industry in which they are principally engaged.
- Through the Export Revolving Line of Credit program, the SBA can guarantee up to 85 percent of a bank line of credit to a small business exporter, not to exceed \$750,000 for SBA's share. In addition, the SBA and the Export-Import Bank of the U.S. (Ex-Im Bank) can co-guarantee up to 85 % of the loan amount of loans in amounts ranging from \$200,000 to \$1 million extended by private lenders.

Export-Import Bank of the U.S. (Ex-Im Bank) has a number of programs including:

- Export Credit Insurance that protects exporters and lenders against both commercial and political risks of a foreign buyer defaulting on payment.
- A variety of policies that establish short-term and medium-term sales, either on a single-buyer or multi-buyer basis and special programs that address the needs of small businesses and environmental exporters.
- Loan Guarantees to Lenders that encourage sales of U.S. – made capital equipment to creditworthy foreign buyers by having Ex- Im Bank assume all of the political and commercial risks of non-payment.

For more information about Export Financing, call 1-800-JERSEY-7 or go to [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov).

### New Jersey Banks with International Departments

Many banks have international departments that provide specialized services that are required for international trade transactions.

These services may include assistance in remittance and collection, currency exchange, commercial letters of credit, financing exports, establishing payment terms, collecting export receivables and providing necessary financial documentation.

Banks can also serve as a channel for trade leads and a source of credit information on potential customers through their contacts with their correspondent banks or through inquiries submitted by foreign entities.

#### Services:

- Collections
- Credit Information on Potential Foreign Customers
- Funds Transfer
- International Money Orders
- Foreign Exchange
- Foreign Currency Loans

#### Trade Financing:

- Acceptance Financing
- FCIA/Ex-Im Bank Financing Import Lines of Credit/Loans
- Import/Export Letters of Credit
- Pre-Export Financing
- Export Insurance

U.S. Commercial Services also has offices at:

Export Assistance Center 744 Broad Street  
Newark, NJ 08102  
973-645-4682  
[www.buyusa.gov](http://www.buyusa.gov)

The International Trade Administration serves as a comprehensive resource for information on all U.S. federal government export assistance programs. Country-specific export counseling and customs procedures are among the available services.

1-800- 872-8723  
[www.export.gov/tic](http://www.export.gov/tic)

The U.S. Agency for International Development, Global Technology Network (GTN) consists of a network of domestic and international partners that assist U.S. small and medium-sized firms seeking access to emerging overseas markets. GTN operates as an Internet-based communications and trade lead system, with a primary focus on agribusiness, communications and information technology, environment and energy, and health technology.

1-800-USA-Trade  
[www.usgtn.net](http://www.usgtn.net)

New Jersey's District Export Council is an affiliate of the U.S. Department of Commerce and is an association of successful business leaders who provide guidance and assistance to companies seeking to sell or expand in foreign markets.

973-645-4682  
[www.newjerseydec.com](http://www.newjerseydec.com)

## ADDITIONAL RESOURCES

### District Export Councils (DECs)

District Export Councils are organizations of business leaders from local communities, appointed by various U.S. Secretaries of Commerce, whose knowledge of and expertise in international business provides a source of professional advice for their region's local firms. DECs are closely affiliated with the U.S. Commerce Department's Export Assistance Centers and the U.S. and Foreign Commercial Service.

New Jersey companies are serviced by the following DECs:

- New Jersey District Export Council
  - › [www.njdec.org/](http://www.njdec.org/)
- Mid-Atlantic District Export Council
  - › [2016.export.gov/pennsylvania/philadelphia/midatlanticdec/index.asp](http://2016.export.gov/pennsylvania/philadelphia/midatlanticdec/index.asp)

## EXPORT.GOV

Export.Gov is a website where future international trade promotions are advertised.

It also brings together brings together US Government resources to assist U.S. businesses in planning their international sales strategies and succeed in today's global marketplace. More information is available at: [www.export.gov/](http://www.export.gov/).

## US CUSTOMS AND BORDER PROTECTION

In order to avoid potential problems in the clearance of your merchandise, U.S. Customs and Border Protection (CBP) strongly recommends that you familiarize yourself with CBP policies and procedures prior to actually importing/exporting your goods. You should also be aware of any entry requirements specific to the particular commodity you are importing/exporting, including those of other federal agencies. To assist you, we offer the following tips for new importers and exporters.

CBP does not require an importer to have a license or permit, but other agencies may require a permit, license, or other certification, depending on the commodity that is being imported. CBP acts in an administrative capacity for these other agencies, and you may wish to contact them directly for more information. You can find links to other government agencies and departments at USA.gov. There is a listing of other government agencies in the appendix section of the publication at [www.cbp.gov/sites/default/files/documents/Importing%20into%20the%20U.S.pdf](http://www.cbp.gov/sites/default/files/documents/Importing%20into%20the%20U.S.pdf).

When members of the trade community or individuals from the public request information from CBP, there are circumstances when the information being sought can be provided only if the request is pursuant to the provisions of the Freedom of Information Act (FOIA). The CBP Web site has a comprehensive explanation of the agency FOIA program, including background and general information about FOIA law, FOIA regulations, and specific instructions making a FOIA request.

General Inquiries: (1-877) CBP-5511  
International Callers: (202) 325-8000  
TDD: (1-866) 880-6582



## Trade Advocacy

The State assists New Jersey companies with specific trade or export related issues in an effort to overcome trade barriers, bureaucratic problems, or unfair trading practices. Advocacy service includes:

- Support of New Jersey companies' products and services in international procurement competitions
- Assistance for New Jersey companies to receive payments for exported products
- High-level, government-to-government advocacy on behalf of New Jersey firms competing for international projects

Further information can be obtained by contacting the New Jersey Business Action Center at 1-800-JERSEY-7 or U.S. Department of Commerce Advocacy Center at:

U.S. Department of Commerce  
4th Street & Constitution Avenue, NW, Rm. 384-A  
Washington, DC 20230  
(202) 482-3896 / voice  
(202) 482-3508 / fax

## Section 7: Resources

### NEW JERSEY BUSINESS ACTION CENTER

***“We’re from state government and we’re here to help your business grow!”***

Whether you are an entrepreneur, own a business on “Main Street”, are located on a corporate campus, or interested in expanding your products and services through export, we’re here for you. The New Jersey Business Action Center (NJBAC) is an integral part of the Governor’s “fairer and stronger” economic agenda focused on helping businesses grow. The NJBAC is a business-first resource that can help you get answers from government agencies, all at no cost and strictly confidential.

The NJBAC is comprised of 4 distinct, interconnected, business centric units that include the Office of Business Advocacy; Office of Small Business Advocacy; Office of Planning Advocacy; and the Office of Export Promotion.

Throughout New Jersey’s 565 municipalities our team of Business Advocates are able to serve businesses in every single one.

#### **Business Questions? NJBAC Has Answers!**

**How do I start a business?** Our Business Advocates will provide guidance on choosing your company’s name, legal entity type, small business and minority certification and licensing. We will help you find a mentor to guide you as you start your business and develop a business plan. We can advise you on the variety of financial resources available to small businesses and start-ups through state agencies, community-based micro-lenders and other valuable sources.

**How do I find employees?** We can guide you where to find the employees you need to run your business and where you can learn Best Practices as an employer. In addition, we provide ongoing support with a centralized Business Helpline 1-800-JERSEY-7.

**Do I need to go it alone?** Our Business Advocates can provide project management services to guide your company through building and financing options. We can help and support you through the permitting processes for local and state regulatory approvals with state agencies and departments, such as the Department of Environmental Protection, the Department of Community Affairs and the New Jersey Department of Transportation. The team studies all of the issues your business is facing, assesses the situation and formulates solutions.

**How can I expand my company’s marketplace?** Ever think of growing your business products or services through export? We can assist you in identifying global business opportunities and developing an export plan. We can also guide you through customs regulations and procedures. Once you have entered the global marketplace we can connect you with federal resources available abroad.

**How do I enter the global market?** You’re in luck. Our International Business Advocacy team will provide you with a suite of services that have received the President’s “E Star” Award from the U.S. Department of Commerce, the Nation’s highest honor for export excellence recognizing organizations that contribute significantly in the effort to increase U.S. exports.

**Does it cost a lot of money to promote my products internationally?** It depends. You may be eligible for funding through the New Jersey State Trade Expansion Program (NJ STEP). The Program is funded in part through a grant with the U.S. Small Business Administration (SBA). NJ STEP provides financial awards on a first come, first served competitive basis, to New Jersey eligible small business concerns that are new to export, as well as those businesses that currently sell their goods and services to other countries. For details, please visit our website [www.nj.gov/state/bac/bac-njstep.shtml](http://www.nj.gov/state/bac/bac-njstep.shtml).

Located within the New Jersey Department of State, we are a business advocacy team dedicated to solving problems and maximizing growth opportunities for New Jersey businesses of all sizes.

For additional information on the products and services we offer to help your business grow, visit us on our website:

[www.nj.gov/state/bac/bac.shtml](http://www.nj.gov/state/bac/bac.shtml) or call our Business Helpline at 1-800-JERSEY-7. Professionally trained staff are available to provide you with direct assistance, guidance and information about state services available to the business community.



## REGIONAL ALLIANCE FOR SMALL CONTRACTORS, INC.

### An Innovative Industry Partnership

A group of prestigious New York/New Jersey construction firms and public agencies joined together in 1990 to form the Regional Alliance for Small Contractors (RASC), a not-for-profit corporation.

The RASC works to promote the advancement of minority, women, the disadvantaged and small local business entrepreneurs, with their development and management. They also promote policies and practices that improve the competitive position of S/M/W/D/LBE contractors to realize growth in the construction and related industries, and expand the capacity of these firms to undertake contracts of increasing size and complexity.

The RASC has these primary goals:

- Increase the number and size of contracts awarded to small businesses in construction and expands the range of their business opportunities.
- Expand the capacity of S/M/W/DBE businesses to undertake contracts of increasing size and complexity and to support their overall development.
- Strengthen the regional construction industry by promoting policies and practices that improve the competitive position of minority- and women-owned enterprises and small businesses.
- Promote the advancement of minorities and women as owners, managers and employees in the construction industry.

Volunteers from major construction firms are available to coach contractors interested in working on transportation and building projects. The facility contains a bid room, library, project specifications, educational materials and a workstation. The center is open Monday through Friday, 9 A.M. to 5 P.M.; evening and Saturday hours of operations are available by appointment.

The Regional Alliance For Small Contractors, Inc.  
The Port Authority Bus Terminal  
625 8th Avenue, North Wing, Second Floor  
New York, NY 10018  
Phone: 212-268-2991  
Fax: 212-268-7509  
[www.regional-alliance.org](http://www.regional-alliance.org)

### Program Contents

RASC operates a multifaceted program, which enables S/M/W/DBE contractors to realize success and growth in construction and related industries. Programs consist of an array of financial, management, marketing and contract compliance services.

### Managing Growth

Experienced S/M/W/DBE contractors learn how to effectively manage and grow their businesses through an innovative and intensive professional training program called Managing Growth.

This series of more than 30 business and construction management training classes is designed and taught by senior construction executives and technical experts from RASC member firms focusing on practical applications to problems frequently encountered on the job site and in the office. Courses range from 10-18 hours in duration.

Some of the courses offered include:

- Contract Administration
- Estimating
- Project Management
- Project Planning and Scheduling
- Financial Strategies for the Growing Contractor
- Internet and the Construction Industry
- Construction Contract Law and Safety

### Contract Compliance Services

RASC provides all services necessary to ensure that construction managers and owners comply with their project's federal, private or public sector EEO/AA/DBE obligations to administer and oversee program requirements.

RASC has developed comprehensive contract compliance programs and a data tracking system, monitoring programs and procedures to facilitate projects in excess of \$1 billion.

### Financing Small Contractors

The Bonding and Loan Assistance Program, helps small contractors prepare applications for loans and bonds. Through participating banks, sureties and public lenders, contractors can receive working capital at market rates.

## Contractors' Opportunities Clearinghouse

This program offers the opportunity to meet and speak one-on-one with representatives from large public development agencies and major construction firms.

S/M/W/DBE contractors learn about upcoming construction projects for the year and how to do business with the participating sponsors.

## Outreach Referral Service

Each year, numerous calls are received from project owners, construction managers and developers seeking minority and women contractors. From our database of information, RASC makes referrals in response to these requests, providing business opportunities for hundreds of contractors.

## ACCESS TO RESEARCHERS AND UNIVERSITIES

### Research with New Jersey database

Several of New Jersey's most prominent universities, in collaboration with the New Jersey Economic Development Authority and the Office of the Secretary of Higher Education, have compiled the Research with New Jersey database. The database is designed to help businesses, researchers and experts in the STEM fields (science, technology, engineering and math) find each other to spur collaboration between academia and the private sector. Academic papers on a variety of subjects can also be accessed through the database.

The database is free and easy to use. It can be accessed online at: [www.researchwithnj.com](http://www.researchwithnj.com)

## THE NEW JERSEY SMALL BUSINESS DEVELOPMENT CENTERS (NJSBDC)

The New Jersey Small Business Development Centers (NJSBDC) network provides free management consulting services and affordable training to help established small business owners manage their businesses more effectively, gain access to financing, create new jobs and generate new revenue in New Jersey. NJSBDC is part of a national partnership between the federal and state governments, colleges and universities and the private sector.

Twelve full-service regional offices provide assistance with a range of business topics including business planning, marketing and accessing financing.

Small business owners are assisted in exploring the feasibility of their business ideas, assessing their business plans, making cash flow projections and developing accurate financial statements, formulating marketing

strategies and preparing loan applications. NJSBDC also assists prime and sub-contractors to do business with the State and obtain certification to do business with corporations and the Federal government.

Statewide specialty programs work with growing companies to provide assistance for implementation of information technology, identifying and soliciting government contracts, commercializing new technologies and exploring opportunities in international trade.

## Small Business Registration and Government Procurement

The NJSBDC Small Business and Government Procurement program helps established businesses acquire the appropriate registrations and certifications to bid on Federal, State and local contracts. Special assistance is available to help companies certify their business as Small Business Enterprises (SBE), Women Business Enterprises (WBE), and Minority Business Enterprises (MBE) in conjunction with New Jersey's set-aside program for bidding on State contracts. Small businesses receive assistance with identifying and soliciting government, corporate and federal contracts and are provided with manufacturing opportunities. The Procurement program also provides coaching and training on doing business with the various entities.

## Pre-Qualification Assistance Programs (Emerging Markets)

The Emerging Markets/Special Projects (EM/SP Program) was created to expand opportunities for growth segments of the population, including African-Americans, Latinos and Asian-Americans.

The EM/SP Program works with entrepreneurs and business owners to become involved in economic development initiatives, identify new markets and take advantage of franchise opportunities. The program assists construction and construction-related professional service companies to become pre-qualified and classified for construction projects with NJ School Construction Corporation.

To become pre-qualified for construction projects with the NJ School Construct Corporation visit [www.njsda.gov/NJSDA/Business/Prequalification](http://www.njsda.gov/NJSDA/Business/Prequalification).



## E-Business Services

The NJSBDC E-Business program works with established small businesses to integrate information technology into their business plans. Services include evaluation of existing Web sites, recommendations for new Web design strategies and assistance in identifying technology resources and working with vendors.

In addition, this program coordinates market research services on behalf of NJSBDC clients.

## International Trade

The NJSBDC International Trade program helps small businesses expand their domestic operations by exploring opportunities to market internationally and leverage existing export resources offered by the State and Federal governments.

## Technology Commercialization

Since NJSBDC began providing services in 1977, over 290,000 people have received free, confidential, one-to-one consulting and affordable education.

NJSBDC is funded by the U.S. Small Business Administration; New Jersey Commerce Commission; Rutgers Business School: Graduate Programs: Newark and New Brunswick; and a network of college and university hosts throughout New Jersey.

## NJSBDC HEADQUARTERS

### New Jersey Small Business Development Centers

#### Rutgers Business School-Newark and New Brunswick

University Heights - 49 Bleeker Street  
Newark, NJ 07102-1913  
973-353-1927  
FAX 973-353-1110  
[www.njsbdc.com](http://www.njsbdc.com)

#### Stillman School of Business at Seton Hall University

(Satellite Location to NJSBDC at Rutgers-Newark)  
(973) 353-5950  
[rnsbdc@business.rutgers.edu](mailto:rnsbdc@business.rutgers.edu)

#### NJSBDC Specialty Programs (Statewide)

E-Business Services  
49 Bleeker Street  
Newark, NJ 07102-1913  
800-432-1565  
[www.njsbdc.com/ebusiness](http://www.njsbdc.com/ebusiness)

#### Emerging Markets/Special Projects

43 Bleeker Street  
Newark, NJ 07102-1913  
973-353-5950  
[www.njsbdc.com/schoolconstruction](http://www.njsbdc.com/schoolconstruction)

#### Government Procurement Programs

43 Bleeker Street  
Newark, NJ 07102-1913  
973-353-5960  
[www.njsbdc.com/procurement](http://www.njsbdc.com/procurement)

#### International Trade Program

49 Bleeker Street  
Newark, NJ 07102-1913  
800-432-1565  
[www.njsbdc.com/international](http://www.njsbdc.com/international)

#### Technology Commercialization Center

43 Bleeker Street  
Newark, NJ 07102-1913  
800-432-1562  
[www.njsbdc.com/scitech](http://www.njsbdc.com/scitech)





**NJSBDC REGIONAL OFFICES**

The New Jersey Small Business Development Centers’ network is committed to guiding established small business owners and aspiring entrepreneurs to create and expand their business enterprises which will, in turn, result in sustainable growth, job creation and statewide economic development and prosperity.

Regional NJSBDC Offices aren’t full-time staffed offices, instead they offer possible locations where in person SBDC services can be held upon request by small business owners.

**NJSBDC @ Richard Stockton College of Atlantic City (serves Atlantic, Cape Map and Cumberland counties)**

Carnegie Library Center  
 35 S. Dr. MLK Jr. Blvd.  
 Atlantic City, NJ 08401  
 609-626-3889  
[njsbdc.com/njsbdc-at-stockton-university-in-atlantic-city/](http://njsbdc.com/njsbdc-at-stockton-university-in-atlantic-city/)

**Affiliate Offices:**

- Cape May County Chamber of Commerce, Cape May Court House New Jersey
- Sun Bank, Atlantic City

**NJSBDC @ Ramapo College of NJ (serves Bergen County)**

505 Ramapo Valley Rd  
 Mahwah, NJ 07430  
 201-684-7135

**NJSBDC @ Rutgers Camden (serves Burlington, Camden, Gloucester, and Salem counties)**

419 Cooper Street  
 Camden, NJ 08102  
 856-225-6221  
[rsbdc.org/](http://rsbdc.org/)

**Affiliate Offices:**

- Camden County College in Camden
- Gloucester County Library in Mullica Hill
- Gloucester County Business and Economic Development in Woodbury
- Salem County Dept. of Economic Development in Salem
- Camden County Store in Voorhees
- Burlington County Library in Westhampton

**NJSBDC @ Rutgers Newark (serves Essex County)**

25 James St.  
 Newark NJ 07102  
 973-353-5950  
[www.rnsbdc.com/](http://www.rnsbdc.com/)

**NJSBDC @ New Jersey City University (serves Hudson County)**

Small Business Development Center  
 285 West Side Avenue, Suite 199  
 Jersey City, NJ 07305  
 201-200-2156

**Affiliate Offices:**

- Fleet Community Renaissance Initiative Center, Jersey City
- Hudson County Community College, Jersey City
- Bayonne Economic Development Corporation, Bayonne



**NJSBDC @ Raritan Valley Community College**  
(serves Hunterdon and Somerset counties)

Location:

Workforce Training Center  
Raritan Valley Community College  
118 Lamington Road  
Branchburg, NJ 08876

Mailing Address:

SBDC  
Raritan Valley Community College  
P.O. Box 3300  
Somerville, NJ 08876

908-526-1200 x8516

[www.sbdcrvcc.com/](http://www.sbdcrvcc.com/)

**Affiliate Offices:**

- Franklin Township Municipal Building, Somerset
- Yardville National Bank, Flemington

**NJSBDC @ The College of New Jersey**  
(serves Mercer County)

P.O. Box 7718  
2000 Pennington Avenue  
Ewing, NJ 08628  
609-771-2947  
[sbdc.tcnj.edu/](http://sbdc.tcnj.edu/)

**Affiliate Offices:**

- Trenton Business and Technology Center
- Rutgers Center for Advanced Foods Technology, Piscataway

**NJSBDC @ Rutgers New Brunswick**  
(serves Middlesex County)

Rutgers Business School  
Livingston Campus  
100 Rockefeller Road, Suite 4005C  
Piscataway, NJ 08854

**NJSBDC @ Brookdale Community College**  
(serves Monmouth and Ocean counties)

Brookdale Community College  
765 Newman Springs Road  
ATEC Building, Room 111  
Lincroft, NJ 07738  
732-842-8685  
[www.mosbdc.com/](http://www.mosbdc.com/)

**Affiliate Office:**

- Ocean County College in Toms River

**NJSBDC @ Northwest Jersey**  
(serves Morris, Sussex, and Warren counties)

150 Mountain Ave.  
Mountain Business Center, 2nd Floor  
Hackettstown, NJ 07840  
908-269-8475  
[www.nw-njsbdc.com/](http://www.nw-njsbdc.com/)

**Affiliate Office:**

- County College of Morris in Randolph, NJ 07869

**NJSBDC @ William Patterson University**  
(serves Passaic County)

131 Ellison Street  
Paterson, NJ 07505  
973-321-1378  
[www.wpunj.edu/sbdc/](http://www.wpunj.edu/sbdc/)

**Affiliate Office:**

- Paterson Urban SBDC in Paterson

**NJSBDC @ Kean University (serves Union County)**

Willis Hall 402B  
1000 Morris Avenue  
Union, NJ 07083  
908-737-4220  
[www.sbdckean.com/](http://www.sbdckean.com/)

**Affiliate Offices:**

- The Incubator in Plainfield
- Rplex in Elizabeth

## **BUSINESS MANAGEMENT COUNSELING FROM SCORE**

SCORE is a national non-profit organization dedicated to helping existing small businesses maximize their potential for success. They provide free, confidential, and professional business counseling to aspiring entrepreneurs who are launching their companies, and to small business owners or individuals planning on going into business.

SCORE's main goal is to connect small business owners with mentors who are experts in their industries (10,000 dedicated volunteers). It also offers online webinars and courses on various topics relating to starting and operating a business.

SCORE has hundreds of locations across the United States, including several dozen in New Jersey, and is partnered with the U.S. Small Business Administration.

SCORE's Northeast NJ chapter has more than 40 mentors, who are active, semi-retired or retired executives who have either achieved top-level positions in major firms or have owned and operated their own small- to mid-size companies.

SCORE also conduct affordable workshops on a variety of important business-related issues

You can request advice from a local mentor by dialing the number below.

Bergen County Administration Building  
1 Bergen County Plaza, Room 5B  
Hackensack, NJ 07601  
Email: [contact.northeastnj@scorevolunteer.org](mailto:contact.northeastnj@scorevolunteer.org)  
Phone: 201-336-6090  
[www.score.org](http://www.score.org)

To explore meeting locations near you, you can visit [snj.score.org/content/find-location](http://snj.score.org/content/find-location).

## **THE WOMEN'S BUSINESS CENTER**

The Women's Business Center supports and encourages women's business ownership by offering business skills and creating a support, referral and resource network.

To learn more about the Women's Business Center you can visit [laedawbc.com/contact/](http://laedawbc.com/contact/).

433 Market Street, 2nd Flr,  
Suite 202 Camden, NJ 08102  
Phone: 856-338-1177  
Email: [wbc@laeda.com](mailto:wbc@laeda.com)

## **FREQUENTLY UTILIZED CONTACTS**

### **Federal Trade Commission - Northeast Region**

1 Bowling Green  
New York, NY 10004  
877-FTC-HELP (382-4357)

### **New Jersey Department of Law & Public Safety, Division of Consumer Affairs**

124 Halsey Street  
Newark, NJ 07102  
973-504-6200  
[www.njconsumeraffairs.gov](http://www.njconsumeraffairs.gov)

### **New Jersey Library Association (NJLA)**

P.O. Box 1534  
Trenton, NJ 08607  
609-394-8032  
[www.njla.org](http://www.njla.org)

### **New Jersey Retail Merchants Association**

NJRMA  
414 Riverview Plaza  
Trenton, New Jersey 08611  
609-393-8006  
[www.njrma.org](http://www.njrma.org)

### **New Jersey State Bar Association**

One Constitution Square  
New Brunswick, NJ 08901-1520  
732-249-5000  
[tcms.njsba.com](http://tcms.njsba.com)


### **New Jersey Chamber of Commerce**

216 West State Street  
Trenton, NJ 08608  
609-989-7888  
[www.njchamber.com](http://www.njchamber.com)

### **New Jersey Business Action Center**

P.O. Box 820  
Trenton, NJ 08625-0820  
1-800-JERSEY-7 (1-800-537-7394)  
[www.nj.gov/state/bac](http://www.nj.gov/state/bac)



A photograph of four call center workers wearing headsets, smiling and talking on the phone. The focus is on a man in the center foreground, with others behind him.

Help is just a call away. Take advantage of the  
New Jersey Business Helpline.

**Business Questions? NJBAC Has Answers!**

- › How do I start a business in New Jersey?
- › What licenses do I need to operate my business?
- › Where do I go for financing for my business?

**1-800-JERSEY-7**

**8 am to 5 pm, Monday to Friday**

Spanish-speaking advocates are available

For 24/7 info, visit: [nj.gov/njbusiness](http://nj.gov/njbusiness)

**NJBAC** | New Jersey  
Business  
Action Center

**Philip D. Murphy**  
GOVERNOR



**Sheila Y. Oliver**  
LT. GOVERNOR

**Tahesha L. Way**  
SECRETARY OF STATE

**Melanie L. Willoughby**  
EXECUTIVE DIRECTOR  
609-633-8301  
[Melanie.Willoughby@sos.nj.gov](mailto:Melanie.Willoughby@sos.nj.gov)