



# BUSINESS RESOURCE GUIDE

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## 20 QUESTIONS FOR STARTING A BUSINESS

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1. Is there a market demand for the product or service my business will provide?
2. How strong is the market demand for my business idea?
3. How quickly can my product or service adapt in a competitive and fast-changing marketplace?
4. From where did the market demand for my business originate?
5. How long will the market demand for my business last?
6. Is the demand going to last long enough for the initial investment?
7. How will price affect the market demand for my business?
8. Who are my target customers? Will they afford the price for my product or service?
9. Who will be the first ten people buying my product or service?
10. What are the benefits of my product or service? How would my target customers describe my product?
11. How much time will pass between purchases by a typical customer?
12. What sales methods and techniques will be necessary to market my product or service?
13. How much time and money is required to sell my product or service?
14. How will I respond to changes in the demand for my product or service? Will I be able to react quickly?
15. How much will my sales methods cost my business?
16. Who is my competition and where are they located?
17. How well do I understand my competition?
18. What is my competition doing right now?
19. How will my business respond to the competition on price, warranties, and customer service?
20. Can I afford to remain competitive? Can I keep up with or beat my competition?

# CHECKLIST FOR STARTING A BUSINESS

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## Evaluate Your Business Idea:

- \_\_\_ Assess and analyze your own strengths and weaknesses as they relate to your business idea.
- \_\_\_ Create a list of personal and business goals.
- \_\_\_ Discuss your business idea with stakeholders (friends, family, partners) and assess their attitudes.
- \_\_\_ Evaluate the marketplace and the market demand for your business idea.
- \_\_\_ Assess your own financial resources and prepare a personal financial statement.
- \_\_\_ Determine your need for outside financing and explore potential sources for additional funding.
- \_\_\_ Begin to determine the start-up costs and the operating costs for the business.
- \_\_\_ Begin to make projections of the costs and the income (*refer to Montana WBC Business Plan Guide*).

## Business Planning and Market Research:

- \_\_\_ Begin to research and write a business plan (*refer to Montana WBC Business Plan Guide*).
- \_\_\_ Who will buy your product or service? Identify and research your customer target market.
- \_\_\_ Who are your competitors? Assess the competition for your customer target market.
- \_\_\_ What is unique about your product or service? Define it from your target customer's perspective.
- \_\_\_ How will you distribute your product or service?
- \_\_\_ Where will your business be located? How important is the location to your customer target market?
- \_\_\_ What is your pricing strategy? Think about your costs, your competitors, and your customer viewpoint.
- \_\_\_ Begin to think about how you will promote your business and how you will reach your target market.
- \_\_\_ Determine your need for employees. Begin to think about specific job duties that will need to be addressed.
- \_\_\_ Determine the gap between your personal skills and abilities and where you will need help.
- \_\_\_ Identify potential sources of help (family or family).
- \_\_\_ Determine your specific requirements for employees and develop job descriptions.

## Establishing a Business:

- \_\_\_ Consult with an attorney and an accountant for professional advice on how to organize your business.
- \_\_\_ Determine the form of business legal structure or organization(*refer to pages 9-11*).
- \_\_\_ Determine a business name and research its availability, including a domain name for an internet address. Secure the domain name. Register the business name with the Montana Secretary of State (*refer to page 12*).
- \_\_\_ File organizational documents with the Montana Secretary of State (*refer to page 12*).
- \_\_\_ Apply for federal and state tax identification numbers.
- \_\_\_ Apply for professional licenses, if necessary.
- \_\_\_ Apply for local licenses, if necessary. Review local codes to determine what is required.
- \_\_\_ Determine the type(s) of insurance coverage you will need and identify an insurance provider.
- \_\_\_ Apply for workers' compensation insurance, if hiring employees.
- \_\_\_ Open business banking accounts.

# LENDING REQUIREMENTS

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Lenders often talk about the “5Cs of lending”. They are: Cash Flow, Character, Credit, Capital, and Collateral.

**Cash Flow** – Ability to repay the loan is determined by cash flow projections. Your business must be profitable sometime in the first year or early in the second year when considering startup costs and matching month-by-month expenses to month-by-month revenues.

**Character** – Experience you bring to the table, such as small business management and education. The fact that you can produce something people in the market want to buy does not guarantee the success of your business. You also have to manage marketing, hiring employees, record keeping, problem solving, and planning.

**Credit** – Your credit background is important. If you feel you have credit problems, obtain a copy of your credit report in advance and be prepared to explain any problems or discrepancies. Your credit *will* be checked and your score will be a major factor. (*Refer to page 15 for contact information for credit reporting agencies*).

**Capital** – You must put cash in your business if you expect someone else to provide funds. There are no 100% financing programs. Be prepared to provide at least 20% of all startup costs and/or equipment.

**Collateral** – Lenders want security for the funds they lend with a pledge of business assets (vehicles, equipment, etc.) and if necessary, personal assets. Home equity funds obtained through separate financing may be subsequently used for business financing.

## Lenders will require certain documents:

- Business plan (including projected financial statements)
- Personal financial statement
- At least one year of projected monthly cash flows, income statement and balance sheet
- Sources and uses of funds statement
- 3 years of personal federal income tax returns
- 3 years of business federal income tax returns or audited financial statements

## Additional documents may be required:

- An appraisal of land and building; and any written cost estimates for construction
- Any relevant contracts, leases, or buy-sell agreements
- Letter of commitments from other lender or investor
- Personal financial statement of guarantors or co-signers
- Articles of organization, articles of incorporation, partnership agreement, and by-laws

# BUSINESS FINANCING

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There are several sources to consider when looking for business financing. The primary source of capital for most new businesses comes from savings and other forms of personal resources. Many entrepreneurs also look to private sources such as friends and family. The most common source of business financing is a financial institution such as a bank or credit union.

Bank Name	Location	Phone	Branch(s)
American Bank	Bozeman	587-1234	Livingston, Big Sky
American Federal Savings Bank	Bozeman	586-0251	---
Amsterdam Churchill Bank	Manhattan	282-7175	---
Bank of the Rockies	Livingston	222-9010	Clyde Park, Emigrant
Bank of Bozeman	Bozeman	587-5626	---
Big Sky Western Bank	Bozeman	582-1500	Belgrade, Big Sky
Elkhorn Federal Credit Union	Three Forks	285-6806	---
First Community Bank	Three Forks	285-9999	---
First Interstate Bank	Bozeman	586-4555	Belgrade, Gardiner, Livingston
First National Bank of Montana	Bozeman	585-1333	
First Security Bank	Bozeman	585-3800	Belgrade, Three Forks, W. Yellowstone
Heritage Bank	Bozeman	582-9188	---
Manhattan State Bank	Manhattan	284-3255	---
Mountain West Bank	Bozeman	587-5600	---
Rocky Mountain Bank	Bozeman	556-7600	---
Sky Credit Union	Livingston	222-1750	Bozeman
Sterling Savings Bank	Bozeman	586-2309	Livingston
Stockman Bank	Bozeman	556-4100	---
Three Forks State Bank	Three Forks	285-0500	---
U.S. Bank	Bozeman	585-5222	---
Valley Bank of Belgrade	Belgrade	388-9550	---
Wells Fargo Bank Montana	Bozeman	586-3381	Livingston
Yellowstone Basin Bank	W. Yellowstone	646-4000	---

**U.S. Small Business Administration (SBA)** programs are another resource for funding. To better understand their guarantee, some frequently asked questions have been outlined below. Visit [www.sba.gov](http://www.sba.gov) for additional information about the program.

**What is the SBA?** The U.S. Small Business Administration is an independent agency of the U.S. Government. It is charged with the responsibility of providing four primary areas of assistance to American small businesses. These are: advocacy, management, procurement, and financial assistance. Financial assistance is delivered primarily through SBA's investment programs, business loan programs, disaster loan programs, and bonding for contractors.

**What is an SBA Guarantee?** It works like an insurance policy for a bank making a loan. Under the guarantee concept, commercial lenders make and administer the loans. The business applies to a lender for their financing. The lender decides if they will make the loan internally or if the application has some weaknesses which, in their opinion, will require an SBA guarantee if the loan is to be made. The SBA guarantee is made to the lender to assure the lender that in the event the borrower does not repay their obligation and a payment default occurs, the SBA will

reimburse the lender for its loss, up to the percentage of SBA's guarantee. Under this program, the borrower remains obligated for the full amount due. Although there are additional fees for a SBA guarantee, it may be the only way you will qualify for a business loan from your bank, especially if you are starting a new business or have little collateral. Also, the time you have to repay the loan is usually longer than the term a commercial lender would give. And, in some cases you may only have to invest 10% of your own cash into the business, rather than the normal 20-30%.

## **ADDITIONAL FINANCING PROGRAMS**

No matter the option of funding, most lenders require that financial documents be supplied with the application. These documents include an owner's personal financial statement, a projected cash flow, projected income statements and balance sheet; and possibly other documents as well. (*Refer to Montana WBC Business Plan Guide.*)

### **MicroBusiness Finance Program**

Start-up or existing Montana-based businesses with 10 or fewer employees and gross annual revenue of less than \$500,000 can apply for a MicroBusiness loan up to \$35,000. This loan program is especially useful for those who have a business effort in progress, but require capital for new equipment or expansion to new markets. This fund is administered through non-profit MicroBusiness Development Corporations (MBDC's), located throughout Montana. Contact the Small Business Development Center for application guidelines.

### **Community Express Loan Program**

The Community Express Loan Program provides working capital loans to small businesses from \$5,000 to \$50,000 with an easy and expedited application process. This loan program requires no collateral, but does consider the personal credit score of each applicant. Business Loan Express (BLX) ([www.blx.net](http://www.blx.net)) is the nationwide SBA preferred lender for the Community Express Loan Program and Prospera Business Network provides the required technical assistance through the process. A written business plan will be required. Contact the Small Business Development Center for further details and to begin the application process.

### **Local Revolving Loan Funds (RLF's)**

There are revolving loan funds for Gallatin County and Park County businesses. Each loan fund has unique requirements, but all RLF's share the requirement that the business creates and retains jobs with the proceeds. The Gallatin County RLF serves businesses located in Gallatin County and outside Bozeman and Belgrade city limits. The Park County RLF serves businesses located in Park County and outside Livingston city limits. Within city limits, RLF's are available in the City of Bozeman, City of Belgrade, and City of Livingston. Visit [www.ProsperaBusinessNetwork.org](http://www.ProsperaBusinessNetwork.org) or [www.mtfinanceonline.com](http://www.mtfinanceonline.com) for more information.

# GRANTS

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Grant money is not only scarce, but the time invested in applying, performing work required, and reporting on the use of funds may be better spent elsewhere in your business. Grants are generally given for clear and specific purposes. Generally speaking, grant money to start a for-profit business does not exist.

Many foundations offer grants to individuals for educational purposes in the form of scholarships, fellowships, and funds for special studies or research. Many offer grants to non-profit organizations. Many others offer grants to educational institutions for special studies and research. Generally, foundations do not make grants to for-profit businesses. When an individual finds a grant that assists their business, it is usually for a very specific purpose and not for general business operating purposes. For more information on foundations, visit Foundation Center: [www.fdncenter.org](http://www.fdncenter.org)

Government grants are only given for specific purposes. The federal government as a whole does not offer grants. Various agencies offer grants for business activities that fit with their missions. Visit [www.sba.gov/SBIR](http://www.sba.gov/SBIR) for information about various agencies that award grants to for-profit businesses. The SBIR-Small Business Innovation Research grants are very specific for the federal agency awarding the grant. For example, the Department of Defense awards grants to technology companies that will do specific research benefiting the mission of that agency.

A grant sounds like “free money.” However, in most cases, the individual searching for a grant has to put an enormous amount of work into finding a suitable match and writing a detailed proposal for the grant. A grant proposal can be very similar to a business plan. Unfortunately, some unscrupulous operators sell manuals, workshops, and other materials on how to obtain “free” grant money to start a for-profit business. Federal government grant programs generally support non-profit organizations, intermediary lending institutions, and state and local governments and are not given directly to small businesses. Unless there is a specific purpose for a business to seek a grant, a business owner can better put that effort into working on improvements to their business.

# MARKET RESEARCH

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**What is market research?** According to the American Marketing Association, market research is the systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services. Every small business should ask the following questions to devise an effective marketing strategy.

- Who are my customers and potential customers?
- What kind of people are they?
- Where do they live?
- Can they buy? Will they buy?
- Am I offering the kinds of goods or services they want – at the best place, at the best time, and in the right amounts?
- Are my prices consistent with what buyers view as the product's value?
- Are my promotional programs working?
- How does my business compare with my competitors?

Market research is not a perfect science. It deals with people and their constantly changing feelings and behaviors, which are influenced by countless subjective factors. To conduct market research you must gather facts and opinions in an orderly, objective manner to find out what people want to buy, not just what you want to sell them.

**Why is market research so important?** It is impossible to sell products or services that customers do not want. Learning what customers want, and how to present it attractively, drives the need for market research. Small business has an edge over larger concerns in this regard. Large businesses must hire experts to study the mass market, while small-scale entrepreneurs are close to their customers and can learn much more quickly about their buying habits. Small business owners have a sense their customers' needs from years of experience, but this informal information may not be timely or relevant to the current market. Market research focuses and organizes marketing information. It ensures that such information is timely and permits businesses to:

- Reduce business risks
- Spot current and upcoming problems in the current market
- Identify sales opportunities
- Develop plans of action

# MARKET RESEARCH (continued)

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## TEN BEST SITES FOR DATA RESEARCH

### **U.S. Census Bureau** <http://www.census.gov>

The Census Bureau site will lead you to the full range of popular and obscure Census data series. The site has a comprehensive A-to-Z listing of data subjects.

**American FactFinder** <http://factfinder.census.gov> and **CenStats** <http://censtats.census.gov> are query-based means for accessing data for your area from a variety of Census series.

### **U.S. Bureau of Labor Statistics** <http://www.bls.gov>

Bureau of Labor Statistics (BLS) has a wealth of information available through its Web site. BLS jobs, wages, unemployment, occupation, and prices data series are available through a much improved query-based system. Also see **Economy at a Glance** <http://www.bls.gov/eag> for an integrated set of BLS data for states and metro areas.

### **Bureau of Economic Analysis** <http://www.bea.gov>

The Bureau of Economic Analysis (BEA) makes its Gross State Product, Regional Economic Information System (REIS), and foreign direct investment data available on its Web site. You can also use this site to access BEA's national income account data and its publication of record, the Survey of Current Business.

### **FedStats** <http://www.fedstats.gov>

The FedStats web site, maintained by the Federal Interagency Council on Statistical Policy, provides clickable maps to obtain state and local data profiles drawn from multiple federal statistical agencies, with links to the original data sources. It also offers links to the web sites of over 70 federal statistical agencies. If you want to get a quick overview of what federal agencies provide what kinds of data, come here.

### **Geospatial and Statistical Data Center, University of Virginia** <http://fisher.lib.virginia.edu>

The University of Virginia's Geospatial and Statistical Data Center provides a query-based system for obtaining a wide variety of federal data by state and area, including REIS, County Business Patterns, and historical Census Data.

### **Geography Network, ESRI** <http://www.geographynetwork.com>

Through the Geography Network, you can access a wide range of geographic content, including live maps, downloadable data, and more advanced services, from hundreds of providers around the U.S. and the globe.

### **Regional Economic Conditions, Federal Deposit Insurance Corporation** <http://www2.fdic.gov/recon>

The Regional Economic Conditions site produced by the FDIC is high value added. Not only does it provide access to employment, income, housing, and real estate data for states, counties and metropolitan area, it offers tools to build maps, tables, and charts.

### **State of the Cities Data Systems, Department of Housing and Urban Development** <http://socds.huduser.org>

HUD's Office of Policy Development & Research has worked with federal statistical agencies to produce special data runs on a number of economic performance indicators for metro areas, including demographics, employment, and crime. The unique aspect of this site is that data are disaggregated by central cities and suburbs.

### **Economagic.com** <http://www.economagic.com>

Economagic.com gives you easy access to more than 100,000 data series including state, metro and county employment data compiled by federal statistical agencies. The site will create spreadsheet files of data on-line as well as graphing data in your internet browser. Registered users can generate forecasts from historical data.

# MARKET RESEARCH (continued)

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## ADDITIONAL RESEARCH SITES

<b>Online Directory of Associations</b>	<a href="http://www.asaenet.org">http://www.asaenet.org</a>
<b>Ask a Librarian - U.S. Library of Congress</b>	<a href="http://www.loc.gov/rr/askalib">http://www.loc.gov/rr/askalib</a>
<b>Population &amp; Demography Resources</b>	<a href="http://www.pstc.brown.edu">http://www.pstc.brown.edu</a>
<b>Business Financial Statistics</b>	<a href="http://www.bizstats.com">http://www.bizstats.com</a>
<b>Business Research Lab</b>	<a href="http://www.busreslab.com/evaluhd.htm">http://www.busreslab.com/evaluhd.htm</a>
<b>SBA Office of Advocacy Research &amp; Statistics</b>	<a href="http://www.sba.gov/advo/research">http://www.sba.gov/advo/research</a>
<b>Internet Public Library</b>	<a href="http://www.ipl.org">http://www.ipl.org</a>
<b>Encyclopedia of Associations</b>	<a href="http://www.gale.com">http://www.gale.com</a>
<b>National Trade &amp; Professional Associations</b>	<a href="http://www.columbiabooks.com">http://www.columbiabooks.com</a>
<b>Census &amp; Economic Information Center, Department of Commerce, State of Montana</b>	<a href="http://ceic.commerce.state.mt.us">http://ceic.commerce.state.mt.us</a>
<b>Bureau of Business and Economic Research, University of Montana</b>	<a href="http://www.bber.umt.edu">www.bber.umt.edu</a>
<b>EconData.Net</b>	<a href="http://www.econdata.net">www.econdata.net</a>
<b>Montana State Demographics by County</b>	<a href="http://rad.dli.state.mt.us">http://rad.dli.state.mt.us</a>
<b>National Information Clearinghouse</b>	<a href="http://sbdcnnet.utsa.edu">http://sbdcnnet.utsa.edu</a>

# BUSINESS AND ORGANIZATIONAL STRUCTURES

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Businesses may be structured in a variety of ways, each with its own advantages and disadvantages. We recommend that you consult with an attorney, accountant, or financial adviser to help you determine which structure best suits your needs.

An **Assumed Business Name** is any business name other than the full, true, and correct name of a person.

A **Sole Proprietorship** is owned by a single individual (the sole proprietor) who has total control of and responsibility for his or her business, receives all profits, and can make important decisions quickly. The sole proprietor is also responsible for all taxes and liabilities of the business. The advantages of a sole proprietorship are its simple structure that avoids the legal structure of a corporation, and the sole proprietor has unlimited access to the income of the business. The disadvantages of a sole proprietorship are no liability protection, the inability to easily transfer interest in the business during the life of the owner, restrictions on the tax deductibility of medical insurance for the owner, and all profits are taxed as self-employment, personal income.

A **General Partnership** is an association of two or more people acting as co-owners of a for-profit business. Individuals may create a partnership by oral or written agreement. Partners share personal liability for all claims against the partnership, as well as share all profits and losses. Profits are taxed as personal income for each individual partner. The advantages of a general partnership are its simple structure that avoids the legal structure of a corporation, the partners have unlimited access to the income of the company, the partnership can make unequal distributions of profits, and it is easy to transfer ownership interest. The disadvantages of a general partnership are no liability protection; all profits are taxed as self-employment, personal income; and the restrictions on the tax deductibility of medical insurance for partners.

A **Limited Liability Partnership** is more closely regulated than a general partnership. There must be at least one general partner who manages the business and who is fully and personally responsible for all claims against the business (incurs unlimited liability). In addition, there are investors who play no part in the management of the business and whose liability for the business is limited to the extent of their investment. To establish a limited partnership, you must file an Application for Registration or Renewal of a Limited Liability Partnership with the Montana Secretary of State's Office. Limited partnerships must also file a Certificate of Domestic Limited Partnership with the Montana Secretary of State's Office.

A **Limited Liability Company** offers both the protections from personal liability of a corporation and the favorable tax treatment of a partnership. It provides for flexibility in the contribution and distribution of assets. Under this type of structure, you need not hold annual meetings, but you do need to file Articles of Organization and annual reports with the Montana Secretary of State's Office. Professional limited liability companies have the same requirements as professional corporations (see below).

A **Corporation** is a more complex form of business organization. It exists apart from its owners or shareholders and is a legal entity in its own right. As a separate entity, it has its own rights, privileges, and liabilities apart from the individuals who form it. A corporation has shareholders who invest money in the business and therefore own it. The shareholders hold an annual meeting at which they elect a board of directors. The board makes policy decisions for the company and selects the corporate officers who manage the company's daily affairs. A corporation affords limited liability to its shareholders and can continue on after the death of or transfer of shares by one or more of the owners. A corporation pays taxes on its profits, and its shareholders pay personal income taxes on dividends.

There are several types of corporations; some operate for profit and other are not for profit. Consult an attorney to advise you as to which type best suits your needs.

- The **C Corporation** designation refers to a standard, for-profit, state-formed corporation. A corporation which is properly formed and operated as a corporation assumes a separate legal and tax life distinct from its shareholders. The shareholders are the owners of a corporation. A corporation pays taxes at its own corporate income tax rates and files its own corporate tax forms each year. The owners pay individual income tax only on money they receive from the corporation as salary, bonuses, or dividends. Normally, a corporation's management and control is vested in the board of directors who are elected by the shareholders of the corporation. You must file Articles of Incorporation with the Montana Secretary of State's Office to establish a C corporation.
- An **S Corporation** is a regular corporation that has elected "S corporation" tax status. Forming an S corporation lets you enjoy the limited liability of a corporate shareholder but pay income taxes as if you were a sole proprietor or partner. All business profits or losses "pass through" to the owners, who report them on their personal income tax returns (as in sole proprietorships, partnerships, and LLCs). The S corporation itself does not pay any income tax, although an S corporation with more than one owner must file an informational tax return like a partnership or LLC, to report each shareholder's portion of the corporate income. You must apply to the Internal Revenue Service (IRS) to get an S corporation status. The IRS places limits on who can be a shareholder.
- **Statutory Close Corporations** allows a business to eliminate many of the formalities of a standard corporation. For example, the business can elect to operate without a board of directors. A shareholder of a statutory close corporation may not sell his shares in the business without the approval of the other shareholders. You must file Articles of Incorporation with the Montana Secretary of State's Office.
- **Professional Corporations** may be formed by individuals who are licensed in certain professions. This provides them with the benefits of a corporate structure for the business aspects of their practices while preserving the personal and professional relationship between them and the clients they serve. Shareholders may only be people who are licensed to render the specific professional service; at least half of the officers and directors must also be licensed. A professional corporation must file Articles of Incorporation with the appropriate professional licensing entity.
- **Nonprofit Corporations** are established solely for the benefit of charitable, religious, educational, or scientific purposes. No earnings are distributed to members, trustees, officers, or other individuals, except for compensation for services rendered. A nonprofit corporation is exempt from income tax. You must apply to the IRS for nonprofit status, and you must file Articles of Incorporation with the Montana Secretary of State's Office.

# COMPARISON OF LEGAL FORMS AND STRUCTURES

Type of Entity	Main Advantages	Main Drawbacks
<b>Sole Proprietorship</b>	Simple and inexpensive to create and operate. Owner reports profit or loss on personal tax return.	Owner personally liable for business debts.
<b>General Partnership</b>	Simple and inexpensive to create and operate. Owners (partners) report their share of profit or loss on their personal tax returns.	Owners (partners) personally liable for business debts.
<b>Limited Partnership</b>	Limited partners have limited personal liability for business debts as long as they don't participate in management. General partners can raise cash without involving outside investors in management of business.	General partners personally liable for business debts. More expensive to create than general partnership. Suitable mainly for companies that invest in real estate.
<b>Regular C Corporation</b>	Owners have limited personal liability for business debts. Fringe benefits can be deducted as business expense. Owners can split corporate profit among owners and corporation, paying lower overall tax rate.	More expensive to create than partnership or sole proprietorship. Paperwork can seem burdensome to some owners. Separate taxable entity.
<b>S Corporation</b>	Owners have limited personal liability for business debts. Owners report their share of corporate profit or loss on their personal tax returns. Owners can use corporate loss to offset income from other sources.	More expensive to create than partnership or sole proprietorship. More paperwork than for a limited liability company which offers similar advantages. Income must be allocated to owners according to their ownership interests. Fringe benefits limited for owners who own more than 2% of shares.
<b>Professional Corporation</b>	Owners have no personal liability for malpractice of other owners.	More expensive to create than partnership or sole proprietorship. Paperwork can seem burdensome to some owners. All owners must belong to the same profession.
<b>Nonprofit Corporation</b>	Corporation does not pay income taxes. Contributions to charitable corporation are tax-deductible. Fringe benefits can be deducted as business expense.	Full tax advantages available only to groups organized for charitable, scientific, educational, literary, or religious purposes. Property transferred to corporation stays there; if corporation ends, property must go to another nonprofit.
<b>Limited Liability Company (LLC)</b>	Combines a corporation's protection from personal liability for business debts and pass-through tax structure of a partnership. Significantly easier to maintain than a corporation. IRS rules now allow LLCs to choose between being taxed as partnership or corporation.	More expensive to create than a partnership or sole proprietorship. State laws for creating LLCs may not reflect latest federal tax changes.
<b>Professional Limited Liability Company</b>	Same advantages as a regular limited liability company. Gives state licensed professionals a way to enjoy those advantages.	Same as for a regular limited liability company. Members must all belong to the same profession.
<b>Limited Liability Partnership</b>	Mostly of interest to partners in old line professions such as law, medicine, and accounting. Owners (partners) are not personally liable for the malpractice of other partners. Owners (partners) report share of profit or loss on personal tax returns.	Unlike a LLC or a professional limited liability company, owners (partners) remain personally liable for many types of obligations owed to business creditors, lenders, and landlords. Often limited to a short list of professions.

# LICENSING AND REGISTRATION

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## Local Business Licensing

City of Bozeman	<a href="http://www.bozeman.net">http://www.bozeman.net</a>	406-582-2327
City of Belgrade	<a href="http://www.ci.belgrade.mt.us">http://www.ci.belgrade.mt.us</a>	406-388-3760
City of Livingston	<a href="http://www.ci.livingston.mt.us">http://www.ci.livingston.mt.us</a>	406-222-2005
City of Three Forks		406-285-3431
Town of Manhattan		406-284-3235

Note: No business license is required by Gallatin County or Park County if the business is located outside the jurisdictional limits of a city.

## Register a Business Name

State of Montana, Secretary of State, Business Services Bureau		406-444-3665
<a href="http://sos.mt.gov/bsb/new_business.asp">http://sos.mt.gov/bsb/new_business.asp</a>		
Forms and fees to reserve and register an assumed business name.		

## File Organizational Documents

State of Montana, Secretary of State, Business Services Bureau		406-444-3665
<a href="http://sos.mt.gov/BSB/Business_Forms.asp">http://sos.mt.gov/BSB/Business_Forms.asp</a>		
Forms and fees to file articles of organization, articles of incorporation, partnership agreements, etc.		

## Apply For Montana Business Licensing

Montana Department of Revenue, One-Stop Business Licensing		406-444-6900
<a href="http://mt.gov/revenue/programsandservices/onestop.asp">http://mt.gov/revenue/programsandservices/onestop.asp</a>		
*Required for food service, construction, hotels, automotive, child care services, liquor, gaming, etc.		

## Apply For Workers' Compensation Insurance

Montana State Fund		406-444-6500
State of Montana, Department of Labor and Industry – Employment Relations Division, Workers' Compensation Regulation Bureau		406-444-7734
<a href="http://erd.dli.mt.gov/wcregs/wcrhome.asp">http://erd.dli.mt.gov/wcregs/wcrhome.asp</a>		

## Independent Contractor Registration

State of Montana, Department of Labor & Industry – Employment Relations, Independent Contractor Central Unit		406-444-9029
<a href="http://www.mtcontractor.com">http://www.mtcontractor.com</a>		
Form to apply for an Independent Contractor Exemption Certificate		

## Montana Construction Contractor Registration

State of Montana, Department of Labor & Industry – Employment Relations, Construction Contractor Registration Unit		406-444-7734
<a href="http://www.mtcontractor.com">http://www.mtcontractor.com</a>		
Form to apply to register as a construction contractor in Montana		

## Apply For a Federal Employer Identification Number (EIN), or Employer Tax ID Number

Internal Revenue Service (IRS)		800-829-4933
<a href="http://www.irs.gov/businesses">www.irs.gov/businesses</a>		

# EMPLOYER/EMPLOYEE RESOURCES

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## Montana Employer/Employee Resource Center

Bozeman Job Service Workforce Center  
406-582-9200  
<http://bozemanJSC@mt.gov>

## Montana Employment Laws (wage and hourly)

State of Montana, Department of Labor & Industry – Labor Standards Bureau  
406-444-5600  
<http://dli.mt.gov/resources/laws.asp>

## Montana Employer “New Hire” Reporting

State of Montana, Department of Revenue  
406-444-6900  
<http://mt.gov/revenue>

## Worker’s Compensation Insurance

Montana State Fund  
406-444-6500  
[www.montanastatefund.com](http://www.montanastatefund.com)

State of Montana, Department of Labor & Industry – Employment Relations Division,  
Workers’ Compensation Regulation Bureau  
406-444-7734  
<http://erd.dli.mt.gov/wcregs/wcrhome.asp>

## State of Montana Payroll Withholding Tax

Montana Department of Revenue  
406-444-6900  
[www.mt.gov/revenue](http://www.mt.gov/revenue)

## Employee Federal Income, Social Security, & Unemployment Tax Withholding

Obtain IRS Publication 583, *Starting a Business and Keeping Records*  
Obtain IRS Publication 334, *Tax Guide for Small Business*

IRS Taxpayer Assistance Center - Bozeman  
220 West Lamme, Bozeman  
406-582-8671

IRS Business Tax Assistance Center  
800-829-4933  
[www.irs.gov](http://www.irs.gov)

# ADDITIONAL RESOURCES

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## Montana Government

State of Montana  
<http://mt.gov>

Secretary of State  
<http://sos.mt.gov>

Governor's Office of Economic Development  
<http://business.mt.gov>

Montana Film Office  
Department of Commerce  
406-841-2876  
<http://montanafilm.com>

Food & Consumer Safety  
Department of Public Health & Human Services  
406-444-2408  
[www.dphhs.mt.gov](http://www.dphhs.mt.gov)

Made in Montana Program  
Department of Commerce  
406-841-2757  
[www.madeinmontanausa.com](http://www.madeinmontanausa.com)

## Consumer Information & Demographics

Census & Economic Information Center  
Department of Commerce, State of Montana  
406-444-2896  
<http://ceic.commerce.state.mt.us>

Bureau of Business and Economic Research  
University of Montana  
406-243-5113  
[www.bber.umt.edu](http://www.bber.umt.edu)

EconData.Net  
[www.econdata.net](http://www.econdata.net)

Montana State Demographics by County  
<http://rad.dli.state.mt.us>

National Information Clearinghouse  
<http://sbdnet.utsa.edu>

U.S. Bureau of Labor Statistics  
<http://stats.bls.gov>

U.S. Census Bureau  
<http://www.census.gov>

## Nonprofits

Action Without Borders/Idealist.org  
212-843-3973  
[www.idealists.org](http://www.idealists.org) or [www.nonprofits.org](http://www.nonprofits.org)

## International Trade

Montana Department of Commerce,  
International Trade Office  
[www.exportmontana.com](http://www.exportmontana.com)

Montana World Trade Center  
406-243-6982  
[www.mwtc.org](http://www.mwtc.org)

## Sample Business Plans

Bplans.com  
[www.bplans.com](http://www.bplans.com)

My Own Business  
[www.myownbusiness.org](http://www.myownbusiness.org)

## Government Contracting

Federal Business Opportunities  
[www.fedbizopps.gov](http://www.fedbizopps.gov)

U.S. Government Procurement  
[www.pro-net.sba.gov](http://www.pro-net.sba.gov)

State of Montana Contracting  
406-444-3923  
<http://mt.gov/business.asp>

MT Procurement Technical Assistance Center  
Big Sky Economic Development Authority  
406-869-8413  
[www.bigskyeda.org](http://www.bigskyeda.org)

## Manufacturing

Montana Manufacturing Center  
406-994-3812  
[www.mtmanufacturingcenter.com](http://www.mtmanufacturingcenter.com)

Thomas Register of American Manufacturers  
800-699-9822  
[www.thomasregister.com](http://www.thomasregister.com)

## Business Assistance (SBA Resource Partners)

Montana Women's Business Center (WBC)  
406-587-3113  
[www.MontanaWBC.org](http://www.MontanaWBC.org)

Small Business Development Center (SBDC)  
406-222-7227  
[www.nrmrcd.org](http://www.nrmrcd.org)

Service Corps of Retired Executives (SCORE)  
406-586-5421  
[www.score.org](http://www.score.org)

## **Business Resources**

Business Utility Zone Gateway  
[www.buzgate.org](http://www.buzgate.org)

Small Business Sourcebook  
[www.gale.com](http://www.gale.com)

## **Marketing**

American Marketing Association  
[www.marketingpower.com](http://www.marketingpower.com)

Guerilla Marketing Online  
[www.gmarketing.com](http://www.gmarketing.com)  
[www.guerillapr.net](http://www.guerillapr.net)

Sales and Marketing Management Magazine  
[www.salesandmarketing.com](http://www.salesandmarketing.com)

Direct Marketing Association  
[www.the-dma.org](http://www.the-dma.org)

## **Legal Resources**

Nolo  
[www.nolo.com](http://www.nolo.com)

FindLaw  
[www.findlaw.com](http://www.findlaw.com)

IncorporatingInfo  
[www.incorporatinginfo.com](http://www.incorporatinginfo.com)

## **Consumer Credit Reporting Agencies**

Equifax  
800-685-1111  
<http://www.equifax.com/>

Experian  
888-397-3742  
<http://www.experian.com>

Trans Union  
800-916-8800  
<http://www.transunion.com>

## **Construction/Building Industry**

Southwest Montana Building Industry Association  
406-585-8181  
[www.swmbia.org](http://www.swmbia.org)

## **Entrepreneurship**

Ewing Marion Kauffman Foundation  
eVenturing  
[www.eventuring.org](http://www.eventuring.org)

## **Home Based Businesses**

National Association of Home Based Businesses  
[www.usahomebusiness.com](http://www.usahomebusiness.com)

## **Grants**

U.S. Government  
[www.grants.gov](http://www.grants.gov)

U.S. Small Business Administration, Office of  
Technology  
[www.sba.gov/SBIR](http://www.sba.gov/SBIR)

Catalog of Federal Domestic Assistance  
[www.cfda.gov](http://www.cfda.gov)

Foundation Center  
[www.fdncenter.org](http://www.fdncenter.org)

Council on Foundations  
[www.cof.org](http://www.cof.org)

## **Patents, Trademarks & Copyrights**

U.S. Patent & Trademark Office  
[www.uspto.gov](http://www.uspto.gov)

U.S. Copyright Office  
[www.copyright.gov](http://www.copyright.gov)

Montana Tech Library, Patent Depository  
406-496-4281  
[www.mtech.edu/library](http://www.mtech.edu/library)

Antoinette Tease PLLC  
406-591-3689  
[www.teaselaw.com](http://www.teaselaw.com)

## **U.S. Government Websites**

U.S. Small Business Administration  
[www.sba.gov](http://www.sba.gov)

Business Link to Federal Government  
[www.business.gov](http://www.business.gov)

# LOCAL RESOURCES

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## Local Business Organizations

Prospera Business Network  
406-587-3113  
[www.ProsperaBusinessNetwork.org](http://www.ProsperaBusinessNetwork.org)

Downtown Bozeman Association  
406-586-4008  
[www.downtownbozeman.org](http://www.downtownbozeman.org)

Gallatin Valley Independent Business Alliance  
406-570-0409  
[www.gviba.org](http://www.gviba.org)

Gallatin Association of Realtors  
406-585-0033  
[www.gallatinrealtors.com](http://www.gallatinrealtors.com)

## Chambers of Commerce

Bozeman Area Chamber of Commerce  
406-586-5421  
[www.bozemanchamber.com](http://www.bozemanchamber.com)

Belgrade Area Chamber of Commerce  
406-388-1616  
[www.belgradechamber.org](http://www.belgradechamber.org)

Big Sky Chamber of Commerce  
406-995-3000  
[www.bigskychamber.com](http://www.bigskychamber.com)

Livingston Area Chamber of Commerce  
406-222-0850  
[www.yellowstone-chamber.com](http://www.yellowstone-chamber.com)

Manhattan Chamber of Commerce  
406-284-4162  
[www.manhattanmontana.com](http://www.manhattanmontana.com)

Three Forks Chamber of Commerce  
406-285-4753  
[www.threeforksmontana.com](http://www.threeforksmontana.com)

West Yellowstone Chamber of Commerce  
406-646-7701  
[www.wyellowstone.com/chamber](http://www.wyellowstone.com/chamber)

Montana Chamber of Commerce  
406-442-2405  
[www.montanachamber.com](http://www.montanachamber.com)

## Business and Entrepreneur Assistance

Small Business Development Center (SBDC)  
406-222-7227  
[www.nrmrcd.org](http://www.nrmrcd.org)

Service Corps of Retired Executives (SCORE)  
406-586-5421  
[www.score.org](http://www.score.org)

Montana Women's Business Center (WBC)  
406-587-3113  
[www.prosperabusinessnetwork.org](http://www.prosperabusinessnetwork.org)  
[www.montanawbc.org](http://www.montanawbc.org)

Career Transitions/Montana WBC Sub-center  
406-388-6701  
[www.careertransitions.com](http://www.careertransitions.com)

Montana Manufacturing Center  
406-994-3812  
[www.mtmanufacturingcenter.com](http://www.mtmanufacturingcenter.com)

Workforce Services Regional Offices  
[www.montanajobs.us](http://www.montanajobs.us)

TechRanch  
[www.techranch.org](http://www.techranch.org)

TechLink  
[www.techlinkcenter.org](http://www.techlinkcenter.org)