

# Small Business Reference Guide



Greater Key West Chamber of Commerce

510 Greene Street, 1st Floor

Key West, FL 33040

(305) 294-2587 [www.KeyWestChamber.org](http://www.KeyWestChamber.org)

## **A Reference Guide for Doing Business in Key West**

This booklet by the Greater Key West Chamber of Commerce is meant as a general guidance to those interested in joining the business community of Key West. Once you have successfully followed these guidelines and established your business, become a member of the Chamber of Commerce, to affiliate with other professionals and attend beneficial networking opportunities. The Greater Key West Chamber of Commerce works as a catalyst for business success, a convener of leaders, and a champion for a sustainable thriving community.

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# Small Business Reference Guide

## PREPARATION

### Write a Business Plan\*\*

Having no plan is not a good plan. The link below will help you create a business plan that will help you map out how to start and run your business successfully. When you put the time and thoughtful energy into this now and reap the benefits later. Most landlords and investors will require a well-made plan. Though there are many formats for a business plan, more traditional formats like the one below is geared toward obtaining a commercial loan and include both projections for sales and revenue, a review of the competitive landscape, and advice on and how to execute on your plans.

#### Example Business Plan Workbook

[https://www.keywestchamber.org/uploads/1/3/8/2/138254764/business\\_plan\\_workbook.pdf](https://www.keywestchamber.org/uploads/1/3/8/2/138254764/business_plan_workbook.pdf)

As an alternative, a business model canvas is a one-to-two-page visual representation of a business model, highlighting all key strategic factors. Where a lot of new businesses get stuck is thinking they need a 100-page business plan. The SBDC emphasizes starting small and getting ideas on paper to begin building out how a business will look. The business model canvas is an excellent way to start that journey. Here are links to assist in preparing your visual model canvas:

- SBDC at Duquesne Univ. (Business Model Canvas):  
<https://www.sbdcd.edu/Blog-Item-What-is-Business-Model-Canvas>
- SCORE (Business Model Can  
<https://philadelphia.score.org/blog/benefits-using-business-model-canvas-2>
- Strategyzer (Business Model Canvas Template):  
<https://www.strategyzer.com/canvas/business-model-canvas>

## **Develop a Marketing Plan**

Developing a viable presence in your target market takes time, money and persistence, and a solid marketing plan is vital for success. A strong marketing plan will identify business goals, set a schedule for marketing activities, and help ensure that you're spending your marketing funds wisely and appropriately. The days of opening a business and expecting customers to walk in are gone. You will need to designate a marketing budget appropriate to the scale of your venture. A strategic, multi-platform marketing plan need not be overwhelming, and often marketing plans can be combined within sections of your business plan (like competitive landscape or market research indications). Social media provides a relatively inexpensive way of building your business presence; posts that underscore your brand's voice and service or product expertise can be scheduled in advance to maximize visibility for your business. You could also use a professional marketing agency for website development, web and social media content creation, maintenance, and Search Engine Optimization (SEO) and content maintenance to keep your site current and relevant.

## **Chamber Advertising Opportunities:**

<https://www.keywestchamber.org/marketing--advertising-opportunities.html>

## **Consult with Industry Professionals**

The Greater Key West Chamber of Commerce can connect you with industry professionals that can help you plan and access valuable resources to start your business.

The Small Business Administration's (SBA) largest resource partner, Florida's Small Business Development Center (SBDC) and our local Center located at Florida International University (FIU), has local business consultants here in Monroe County providing high quality business consulting and free training to existing and new businesses to help them grow. To obtain help from a paid experienced professional at FSBDC at FIU, you will need to register online for assistance at <https://floridasbdc.org/request-consulting>.

## **Choose a Business Location**

The location can be a make or break for your business, and finding the right space is critical to your success in Key West. It is important to work with a knowledgeable local commercial realtor. Working with that Commercial Realtor will ensure you understand all your options and local regulations like zoning, and they will assist in negotiation to find the best deal to get you the most value for your investment dollar. Not every business has to be directly on Duval Street.

Many businesses do extremely well off-Duval Street and in the shopping centers in New Town. Rents vary from \$20 per square foot to over \$200 per square foot. Triple net leases are common in Key West from most Landlords.

#### *What Is a Triple Net Leased Property?*

In commercial real estate no two leases are the same. The three general categories of commercial leases are gross, modified gross, and triple net (or NNN). But within these three categories leases can and do vary from one to another.

Sometimes the terms and conditions of a lease are adapted to fit the specific needs of the tenant. For example, a landlord may offer a variable monthly rent to a tenant whose business is very seasonal, such as a candy store that makes most of its sales over Valentine's Day and the holiday season. The tenant pays a higher monthly rent during its busy seasons to offset the lower rent paid during the off season.

Other times a specific type of lease is used to minimize the items a landlord is responsible for and to pass through as much property expense as possible to the tenant, usually in exchange for a lower base rent. This type of lease is usually found with triple net leased property.

When looking at locations, the local Key West Planning department can be an excellent resource:

#### **City of Key West**

#### **Planning Department**

1300 White Street

Key West, FL 33040

(305) 809-3764

<https://www.cityofkeywest-fl.gov/318/Planning-Department>

#### **Develop a Financial Plan\*\***

#### *Need help financing your business?*

There are different avenues for you to get those resources. Outside of traditional commercial banks' loan products, banks will also offer government-backed Small Business Administration loans (7a, 504, etc.) working with each bank's assigned internal SBA lending specialist. You will find that the SBA will only lend directly to business owners during a formally declared disaster.

Venture Capital (VC) is another source for capitalization. While South Florida has made significant gains developing a market for VC activity, this form of financing is primarily used for high growth companies with huge potential markets upon build out. Venture Capital tends

to fund innovative or industry disruptive products that can scale up dramatically, which is why it is more commonly used in the tech sector.

Private investors can also provide “equity funding” in exchange for an ownership share in your business.

Research grants exist but generally they are traditionally used for a specific innovation which the Federal government has already identified as a need. The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are highly competitive programs that encourage domestic small businesses to engage in Federal Research/Research and Development (R/R&D) with the potential for commercialization. More details are available at [www.SBIR.gov/about](http://www.SBIR.gov/about).

All lenders will need reassurance that you can repay the loan. For this reason, the most difficult phase of your business to qualify for a loan is during the startup phase unless you have significant outside assets that can be pledged as collateral. Industry experience and credit history also affect lenders’ ability to assess the risk of loaning your business funds (evaluated using the 5C’s of credit: [https://www.score.org/sites/default/files/5ceesofcredit100113\\_000.pdf](https://www.score.org/sites/default/files/5ceesofcredit100113_000.pdf)). What lenders like to see is two to three years of financial statements indicating positive cash flow and a viable business that will be profitable over the long haul. Without the history of financial statements, a bank will most likely ask for two years of loan payments to be set up as a payment reserve to ensure your ability to make loan payments while building your business. There are also small business products available for certain types of businesses. A woman-owned and/or minority-owned business also might have access to different loan products through a non-profit lender known as a Community Development Finance Institution (CDFI). There is no CDFI located in the Keys, but both Ascendus and more recently the Miami Bayside Foundation (focused on minorities) serves businesses in the Keys. Ascendus can do micro-loans up to \$50,000. See their websites [ascendus.org](http://ascendus.org) or <https://miamibaysidefoundation.org/loan-programs/> for specific terms.

If you haven’t established a relationship with a personal banker, now is the time. Call the SBDC for a referral that fits you and your business best. Banking is a relationship business and lenders want your entire relationship from depository accounts like business checking to commercial lending and merchant services. SBDC’s access to capital consultants can help you navigate

various loan products and often have a wide array of relationships with lenders so you can find one with the best terms for funding your specific business activity.

## **LEGAL**

**The SBDC can walk you through the process of getting your business registered with the state, but you may wish to consult a lawyer or accountant about legal and tax implications for your specific business first.**

### **Determine the Legal Structure of Your Business**

You will want to make sure that your business is a success. You have many different ownership choices that have different benefits to your type of business. There is help to show you the best ownership style for you. The different types are: Sole Proprietorship, Partnership, Limited Liability Company (LLC), Corporation, S Corporation, Non-Profit or a Cooperative. Meet with a knowledgeable legal advisor early on and know the facts.

### **Bulk Sales Law**

If you plan to purchase an established business, it is essential that after your own thorough investigation you consult an attorney:

1. To protect you by contract in enforcing the representations or guarantees made to you by the seller.
2. To make sure that you follow the law in getting from the seller a proper statement of the business' creditors, sending them proper notice at least 10 days prior to completing the sale and providing their payment. Failure to do your due diligence will make you liable for those debts.

### **Register a Business Name\*\***

Register your business name with the State of Florida. Choose your business name to ensure that the name is not currently being used and/or that no one can use it later.

- Fictitious Name: Persons doing business for profit under a name that does not include a surname in the company name.
- Fictitious name search (DBA): <http://dos.sunbiz.org/ficinam.html>
- Fictitious name application: <https://dos.myflorida.com/sunbiz/forms/fictitious-name/>



- You may search and view the names indexed to Fictitious Business Names statements which expire five (5) years from the date filed in the office of the County Clerk.
- Statements must be filed in the county of the principal place of business and may also be filed in other counties if the requirements for filing in the county of the principal place of business have been met.

**Incorporation: \*\***

Information on Business Incorporation Procedures can be obtained by contacting the Florida Secretary of State.

Florida Secretary of State Office  
(904) 488-9000

## TAXES

**Register for your Federal Tax I.D. Number\*\***

Learn which tax identification number you'll need to obtain from the IRS and the Florida Department of Revenue. Check with your accountant or visit: [www.irs.gov](http://www.irs.gov).

**Register for State and Local Taxes**

In addition to a Federal tax ID number, your Florida business may also need a Florida state tax ID number. This is a unique identifying number for your business, but it has a different format, and is issued by the state government, rather than the Federal government.

You'll need a state tax ID number if you're going to hire employees in the state of Florida; if you're selling taxable goods and services in the state; or if you're going to owe excise taxes on goods like alcohol or tobacco.

One important note: the Federal Employee Identification Number (FEIN) number usually is generated and emailed to you a few days after application online. If required for your business, the State of Florida's tax ID number takes 4-6 weeks, so plan accordingly.

Once you know the form(s) of tax identification you need, you can then register with your state to obtain your state tax identification number, workers' compensation, and disability insurance. This will help make sure your business is covered in case of an employee accident on the job.

Regularly monitor the Florida Department of Revenue for changes in tax rates for sales tax and other necessary tax information that may affect your business.

### **Current Sales Tax Rates for Monroe County**

- Sales Tax: 1.5%
- Bed tax: 4%
- State tax: 6%

For more information, visit the Florida Department of Revenue:

Florida Department of Revenue

3118 Flagler Avenue,

Key West, FL 33040

(305) 292-6735

<http://www.floridarevenue.com/>

### **State Unemployment Insurance Tax**

If you hire employees, you will need to pay for State Unemployment Insurance Tax. This tax is applicable to new businesses and is assessed at the rate of 2.7% on the first \$7,000 of wages for each employee. This tax applies to businesses employing one or more employees for 20 weeks of the preceding or current year, or if \$1,500 or more in gross wages were paid in a Calendar Quarter.

Note: A corporate officer is considered an employee.

### **State Corporation Income Tax**

Corporations doing business or domiciled in Florida who file Federal tax returns are required to file an annual Florida State Corporation Tax Return due by May 1 of each year.

### **State Intangible Tax**

Since 2007 this tax is on:

- 1) a one-time tax on mortgages on real property, and
- 2) an annual tax on the value of leases of government property by nongovernmental entities.

## **State Tangible Personal Property Tax**

An inventory tax is due and payable upon receipt each November. It is a state tax administered at the County level by the local property appraiser.

## **Federal Taxes**

Every business with one or more employees is required by law to withhold Federal Income and Social Security taxes from wages paid and to file a quarterly return (IRS form 941). Every employee of a business must have Federal Income and Social Security tax withheld from each paycheck. Employers are responsible for 3 types of payroll collections and payments.

1. Income taxes
2. Employer and employee Social Security tax (FICA).
3. Federal Unemployment tax (FUTA). If you pay wages of \$1,500.00 or more in any calendar quarter or employed one or more employees for some portion of at least one day during each of 20 different calendar weeks, you are subject to the Federal Unemployment Tax (FUTA) and must file IRS Form 940.

Florida Department of Revenue  
3118 Flagler Avenue,  
Key West, FL 33040  
(305) 292-6735

Internal Revenue Service  
(800) 829-1040

## **OCCUPATIONAL LICENSES \*\***

*Monroe County requires all businesses to have proper business licenses.*

Monroe County Tax Collector  
Key West Location:  
1200 Truman Avenue  
Suite 101  
Key West, FL 33040  
(305) 295-5000

<https://www.monroetaxcollector.com/services/business-tax-receipts/>

## **Obtain Business Licenses and Permits**

The City of Key West will not approve your business license until you have applied for any necessary permits. Obtain required permits from the City of Key West Building Department for any electrical, plumbing, mechanical, and/or construction related to improvements of your tenant space. Apply for a sign permit to ensure your business' exterior sign meets the City's sign ordinances. Go to the City's Planning Division to get your Zoning Business Review and Business License signed. The City's Finance Department will then oversee the payment of your business license tax. Visit <https://www.cityofkeywest-fl.gov/317/Licensing-Division> for additional information.

### **City of Key West Building Department**

1300 White Street

Key West, FL 33040

(305) 809-3956

<https://www.cityofkeywest-fl.gov/157/Building-Department>

## **State Occupational Licenses:**

Under Florida law, some businesses may be required to acquire Certificates of Competency, or a State License. More information can be found at the Florida Department of Professional Regulation Construction Industry Licensing Board. You can search for industries that require a State Occupational Sales License at: <http://www.myfloridalicense.com/DBPR/>

Department of Business and Professional Regulation

<http://www.myfloridalicense.com/DBPR/>

(850) 487-1395

## **Understand Employer Hiring Responsibilities**

You want to make sure your business follows the law. You will need to understand the legal steps necessary in order to hire employees. Make sure that you are not hiring the wrong employees for your business or paying them under the right classifications. Carefully consider if a worker should be classified as an employee or an independent contractor. We recommend that you meet with a qualified employer lawyer.

An excellent resource for wage laws and regulations regarding employees, minimum wages, hourly vs salary, etc. Check out these resources:

- <https://www.minimum-wage.org/articles/fair-labor-standards-act>
- <https://www.minimum-wage.org/florida>
- <https://www.keepfloridaworking.com/labor-law-salaried-employee/>

### **National Requirements for New Hires**

To work in the United States, new employees must provide proof of authorization by filling out an I-9 form, providing one of the following documents.

#### **Form I-9 Acceptable Documents**

- Documents that Establish Both Identity and Employment Authorization.
- U.S. Passport or U.S. Passport Card.
- Form I-551, Permanent Resident Card or Alien Registration Receipt Card.
- Form I-766, Employment Authorization Document Card.

#### **Form I-9 Reminders**

All employees MUST:

- Complete Form I-9, Section 1 by first day of work for pay.
- Choose and present acceptable documents by third business day after first day of work for pay.

All employers MUST:

- Retain Form I-9 for all current employees (hired after November 6, 1986).
- Use Form I-9 revision date October 21, 2019,\* for new hires and reverifications **(Continue using this version after its expiration date of October 31, 2022, until further notice).**
- Complete Form I-9, Section 2 by third business day after first day of work for pay.
- Not use Form I-9 to prescreen.
- \*Find current Form I-9 version at [Form I-9, Employment Eligibility Verification](#).

### **Florida E-Verify Reporting Guidelines**

Florida now requires private employers with at least 25 employees to use E-Verify, the digital immigration verification tool, during their onboarding process, starting July 1, 2023.

Gov. Ron DeSantis signed [SB 1718](#) into law on May 10, 2023. It will increase penalties for noncompliance and for employers that knowingly hire undocumented workers. Notably, if employers use the E-Verify system in good faith, whether use is mandatory or voluntary, the government will presume they have not knowingly hired unauthorized workers.

All employers are required to complete the I-9 form within three days of a new hire's start date to verify identity and ensure employment authorization in the United States for every employee. E-Verify is an online tool that is operated by the U.S. Department of Homeland Security and allows employers that have completed Form I-9 to electronically verify employment eligibility for their new hires. Employers that sign up to use E-Verify may not do so selectively. Rather, they must use the system to verify all newly hires, regardless of whether they are U.S. citizens.

Currently, use of the E-Verify system is mandatory in Florida for public employers and private employers contracting with state and local governments or receiving state incentive dollars. The new law expands that requirement to all private employers with at least 25 employees. Employers that want to enroll in E-Verify can do so by visiting the official website.

### What is E-Verify?

- Free web-based service that's fast and easy to use.
- Electronically verifies the employment eligibility of:
  - Newly hired employees
  - Existing employees assigned to work on a qualifying federal contract\*
- Partnership between the U.S. Department of Homeland Security (DHS) and the Social Security Administration (SSA)

\*Contract that includes the [E-Verify Federal Acquisition Regulation \(FAR\) clause](#).

### How E-Verify and I-9 Form Work Together



Form I-9, Employment Eligibility Verification, is the key element of E-Verify's web-based employment eligibility verification. The Employer enters each new hire's information into their account on E-Verify to verify whether the individual is authorized to work. E-Verify electronically compares information the employer enters from Form I-9 to records available to the Social Security Administration and the U.S. Department of Homeland Security. The response

from a submission is one of the three above, either Employment Authorized, Tentative Notification, and E-Verify Needs More time.

**IMPORTANT:** Employers may not terminate, suspend, delay training, withhold or lower pay, or take any other adverse action against an employee because of the mismatch, until the mismatch becomes a Final Non-confirmation. If the employee chooses not to take action on the mismatch, the employer may terminate employment with no civil or criminal liability as noted in “Responsibilities of the Employer,” Article II, Section A paragraph 13 of the MOU. The case can be treated as a Final Non-confirmation and the employer should close the case in E-Verify. Employers must understand and follow the proper E-Verify procedures for that new hire which are designed to ensure fair treatment and due process for all employees: <https://www.e-verify.gov/employers/verification-process/tentative-nonconfirmations-mismatches>.

### **Employer Steps to Enroll in E-Verify**

Before you enroll, confirm if you are already enrolled in E-Verify at the enrollment website: (<https://www.e-verify.gov/employers/enrolling-in-e-verify>)

- Step 1: Visit [Enrollment](#) Website.
- Step 2: Set up a temporary Enrollment Point of Contact (POC) account to complete the enrollment process,
- Step 3: Select an account access method and enter company information,
- Step 4: Agree to the terms of use in the Memorandum of Understanding (MOU).
- Step 5: Print or save the MOU.

For additional in-depth information on how to properly fill out the I-9 and E-Verify, here is a presentation by E-Verify: <https://www.e-verify.gov/sites/default/files/everify/presentations/FormI9Presentation.pdf>

### **Seek approval for E-Verify® Logo Authorization**

You can use logos on websites, job announcements/applications, or company broadcasts to further advertise your company’s commitment to a legal workforce by applying for authorization at: <https://www.e-verify.gov/about-e-verify/trademark-and-logo-usage-guidelines>.

### **Florida New Hire Reporting Guidelines**

Beginning October 1, 2021, Florida businesses are required to report newly hired or re-hired employees and independent contractors who will earn more than \$600 per calendar year to the Florida Child Support Program within 20 days of hire.

If you use a payroll or accounting service, consider asking the service provider to report your new hires. Leading payroll services report new hires electronically for thousands of employers.

The Department of Revenue Child Support Program provides a variety of ways to report, including online and by mail or fax.

Click here to learn how to report:

[https://servicesforemployers.floridarevenue.com/Pages/how\\_to\\_report.aspx](https://servicesforemployers.floridarevenue.com/Pages/how_to_report.aspx)

For additional information, contact:

Florida New Hire Reporting Center  
P.O. Box 6500  
Tallahassee, FL 32314-6500  
Phone: 888-854-4791 or 850-656-3343

## **INSURANCE**

### **Obtain Insurance Coverage**

As a business owner, you have enough on your mind without having to worry about your insurance needs. You want to have the confidence that the business you've built or moved into is covered by a company that understands your business insurance needs. We suggest consulting with a licensed and experienced agency as you plan your business and prepare your budget. Explore whether you will need extra coverage such as terrorism coverage, special event policies, cyber insurance, and/or earthquake coverage. Business owners should protect their business as if it was their home.

### **Worker's Compensation Insurance:**

A business is required to carry Worker's Compensation insurance if employing three (3) or more individuals. For additional information, contact:

The Florida Department of Commerce Bureau of Worker's Compensation  
401 N.W. 2 Avenue  
Miami, Fl 33128  
(305) 377-5413

<https://www.myfloridacfo.com/division/wc>



## **Understand Employer Hiring Laws and Regulations**

You want to make sure your business follows the law. You will need to understand the legal steps you need to take to hire employees. Make sure that you are not hiring the wrong employees for your business. Carefully consider if a worker should be classified as an employee or an independent contractor. We recommend that you meet with a qualified employer lawyer.

An excellent resource for wage laws and regulations regarding employees, minimum wages, hourly vs salary, etc. Check out these resources:

- <https://www.minimum-wage.org/articles/fair-labor-standards-act>
- <https://www.minimum-wage.org/florida>
- <https://www.keepfloridaworking.com/labor-law-salaried-employee/>

## OTHER RESOURCES

### Trade Associations and Public Libraries

These facilities contain a wealth of information on your business. The library should have copies of the National Trade & Professional Associations of the United States, published by Columbia Books, Washington, D.C. This is a source of business and trade associations.

#### **Key West Library – Monroe County**

700 Fleming Street

Key West, Florida 33040

(305) 292-3595

### Counseling, Training & Publications

There are questions you will need answered as you proceed to operate your new business. Here are a few resources:

Florida Small Business Development Centers offer training workshops and courses in various areas of small business planning and management. You can request assistance from local consultants for the SBDC that live in Monroe County in partnership with business groups, and view on-demand information and trainings on their YouTube page:

<https://www.youtube.com/@FSBDCatFIU/videos>

#### **Florida SBDC at FIU**

111 Brickell Avenue, 3<sup>rd</sup> Floor South Tower

Miami, FL 33131

(305) 779-9230

<https://business.fiu.edu/centers/sbdc/index.cfm>

Service Corps of Retired Executives (SCORE) is an organization sponsored by U.S. Small Business Administration (SBA). Their counseling is provided without charge.

#### **SCORE (Service Corps of Retired Executives)**

1320 South Dixie Highway, Suite 501

Coral Gables, FL 33146

(305) 536-5521

## **Employment Services**

**CareerSource South Florida** is responsible for initiating state and federally funded workforce development programs in Miami-Dade and Monroe counties.

### **CareerSource South Florida**

7300 Corporate Center Drive, Suite 500  
Miami, FL 33126

Key West Center  
1111 12<sup>th</sup> Street  
Key West, FL 33040  
(305) 242-5373  
[www.careersourcesfl.com](http://www.careersourcesfl.com)