

RECORDKEEPING IN SMALL BUSINESS

Financial Management Series

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INTRODUCTION

An appropriate record-keeping system can determine the survival or failure of a new business. For those already in business, good record-keeping systems can increase the chances of staying in business and the opportunity to earn larger profits. Complete records will keep you in touch with your business's operations and obligations and help you see problems before they occur.

This publication explains the characteristics of and procedure for establishing a good record-keeping system.

THE NEED FOR GOOD RECORDS

Accounting records furnish substantial information about your volume of business, such as how present and prior volumes compare, the amount of cash versus credit sales and the level and status of accounts receivable. In addition, good accounting records help to accomplish the following tasks.

Monitor Inventory

While a large inventory allows goods to be delivered when they are ordered, too large an inventory represents an excess investment. If your inventory does not turn over quickly, your business may lose profits due to obsolescence, deterioration or excess investment.

Any items removed from inventory for personal use should be set aside in a special account for two reasons: first, they need to be recognized separately for tax purposes and, second, including these items in business gross profit calculations can be misleading.

Control Expenses

Accounting records detail the amounts owed to suppliers and other creditors so that you can plan the availability of cash to meet your obligations. Such records also provide information regarding expenditures and allow you to establish controls over them. At all times, you must be aware of your individual expense requirements and how they relate to the overall picture.

Fulfill Payroll Requirements

Payroll is one of the largest expenses in a small business.

Adequate payroll records should meet the requirements of the

- ! Internal Revenue Service.
- ! State department of revenue.
- ! Local department of revenue.
- ! Workers' compensation laws.
- ! Wage and hour laws.
- ! Social security requirements.
- ! Unemployment insurance requirements.

For each of these categories you are required to provide annual reports and summaries. In addition, you must provide employees with the W-2 forms needed to file federal and other income tax returns. In order to provide this detailed information, it is essential for you to maintain good accounting records.

Determine Profit Margin

Good accounting records will indicate a business's level of profit, and provide specific information on the profitability of certain departments or lines of goods within your business. Such analysis is important to avoid continuing product lines far beyond their profitability. In most cases, you can avoid losses if you maintain current records and analyze the information from your records on an ongoing basis.

Improve Cash Flow

Good accounting records provide detailed reports of cash availability, both on hand and in the bank, and of cash shortages or the diversion of cash. Since cash is your most liquid asset, you must carefully account for it.

Use Supplier Discounts

A cash budget will provide the business owner with a projection of the availability of cash that may be used to pay invoices as they become due. Discounts from suppliers for prompt payment can amount to substantial savings. A 2 percent discount is common if you pay the bill in full within 10 days; if not, full payment is due within 30 days. In business, this is commonly referred to as "2/10, n/30" where n = the net sum due. It means you pay 2 percent less if you pay within 10 days or you pay full price within 30 days. Take into account that this discount is cumulative. If you make timely payments for each month of the year you will gain a 24 percent benefit (2 percent 12 months).

Measure Performance

Finally, good business records help you measure your business's performance by comparing your actual results with the figures in your budget and those of other similar businesses.

REQUIREMENTS OF A GOOD SYSTEM

The following criteria are essential to a good record-keeping system:

- ! Simplicity
- ! Accuracy
- ! Timeliness
- ! Consistency
- ! Understandability

! Reliability and completeness

There are several copyrighted accounting systems that can be purchased and adapted to the individual business, or you may find it is better to use a system specifically designed for your business and one that meets the above-mentioned criteria.

Commercial Record-Keeping Systems

Record-keeping systems are currently available from various sources in the marketplace: stationery stores, publishers and business advisory services. These systems either are specifically designed for a certain type of business or are general enough to be used by many different types of businesses. Systems are available for cash basis recording, accrual basis recording and for both single and double entry.

Computerized Record Keeping

Consider using a computer for your business operations. Compare different software systems and make sure that the system you choose provides accurate and timely information and offers more than adequate presentation of accounting information for small businesses.

Low-cost computer programs are available that can handle many of the book entries that are necessary in a system that is maintained by hand. Appropriate hardware and a good general ledger software program can offer you substantial assistance in recording business transactions and summarizing the information into appropriate accounting presentations.

Currently available software allows you to enter transactions individually; these transactions are posted directly to the general ledger. A printout at the end of a given period shows the individual account activity, and also includes a balance and total of the accounts and provides a trial balance presentation. If the software is designed properly, it will provide appropriately prepared financial statements (balance sheet, income statements).

METHODS OF ACCOUNTING

There are two basic methods of accounting: cash basis and accrual basis. The method you choose will depend on your type of business. Cash basis is the simpler method. It is mainly used by service businesses that do not maintain inventory or startup businesses that do not offer credit. The accrual method is used by businesses that provide for credit sales or maintain an inventory.

Cash Basis Method

In cash basis accounting, you record sales when cash is received and expenses when they are actually paid. Using the cash basis method is like maintaining a checkbook. Under this method, accounts receivable are not recorded as sales until they are collected. Accounts payable are not recorded as expenses until the account is paid. Bad debt, accruals and deferrals are not appropriately recorded under cash basis because they are examples of outstanding credit

(business notes). The cash basis method is not appropriate for businesses that extend credit.

Accrual Basis Method

In accrual basis accounting, you report income or expenses as they are earned or incurred rather than when they are collected or paid. Record credit sales as accounts receivable that have not yet been collected.

The accrual basis also provides a method for recording expenditures paid in a single installment but covering more than one period. For example, interest may be paid semiannually or annually, but it is recorded on a monthly basis.

The accrual method satisfies the matching concept, i.e., matching income with related expenditures. Consequently, it can provide a clear and accurate view of business operations for a given period.

THE ACCOUNTING CYCLE

The accounting cycle can be described as follows:

1. A business transaction occurs, giving rise to an original document that is recorded in a book of original entries called a *journal*.
2. The totals from the journal are summarized and reported in a book of accounts, known as a *general ledger*.
3. The general ledger contains the *individual accounts* maintained by the business.
4. The individual accounts are listed in the form of debits and credits, known as the *trial balance* of the general ledger.
5. From this trial balance, after making certain adjustments, you prepare the business's *financial statements*.

Journals

You derive the information for each journal entry from original source documents, such as, sales slips, cash register tapes, check stubs, purchase invoices and other items that record your business transactions. You may need to create subsidiary journals for specific, frequently occurring types of transactions, such as sales and expenses.

General Ledgers

The summary and totals from all journals are entered into the general ledger. A general ledger is a summary book that records transactions and balances of individual accounts, and is organized

into five classes of individual accounts, as follows:

1. Assets -- A record of all items that the business owns.
2. Liabilities -- A record of all debts the business owes.
3. Capital -- A record of all ownership or equity.
4. Sales -- A record of all income earned for a specific period.
5. Expenses -- A record of all expenditures incurred during a given period.

When the trial balance is prepared, these classifications are easily recognized.

Trial Balance

At the end of the fiscal year or accounting period, the individual accounts in the general ledger are totaled and closed. The balances of the individual accounts are summarized in the financial statements.

Financial Statements

The main types of financial statements are the balance sheet and the income statement, also known as the profit and loss statement. The balance sheet is a report of a business's financial condition (assets, liabilities and capital) at a specific moment in time (see Example 1) and the income statement is a summary of profit and loss for a specific period of time, generally a month, quarter or year (see Example 2). Other statements may be prepared. For example, a cash flow statement identifies the sources and applications of cash. Statements may also be prepared to indicate manufacturing expenses or other special areas that are of interest to you.

Percentages

Percentages are used in financial statements to show the part of each sales dollar used by the various expenses. Percentages are especially helpful for comparing current year financial statements with those of prior years to determine business trends. Percentages are also helpful for comparing your figures with those of other firms in the same line of business (see Example 3).

Example 1
ABC SALES CO.
BALANCE SHEET
December 31, 199_

Assets

Current assets

Cash	\$23,590		
Notes receivable		10,000	
Accounts receivable		20,880	
Merchandise receivable		62,150	
Store supplies		960	
Office supplies		480	
Prepaid insurance		1,650	
Total Current Assets			\$119,710
Plant assets			
Land		\$20,000	
Building	\$140,000		
Less accumulated depreciation		33,900	106,100
Office equipment	15,570		
Less accumulated depreciation	8,720	6,850	
Store equipment	27,100		
Less accumulated depreciation	15,700	11,400	
Total plant assets		144,350	
Total assets			\$264,060
Liabilities			
Current liabilities			
Accounts Payable		\$22,420	
Mortgage note payable (current portion)		5,000	
Salaries payable		1,152	
Total current liabilities			\$28,572
Long-term liabilities			
Mortgage note payable		20,000	
Total liabilities			\$48,572
Stockholders' Equity			
Capital Stock		\$100,000	
Retained earnings		115,488	
Total stockholders' equity			\$215,488
Total liabilities and stockholders' equity			\$264,060

Example 2
ABC SALES CO.
INCOME STATEMENT

December 31, 199_

Revenue from Sales

Sales			\$732,163
Less: Sales returns and allowances	\$6,140		
Less: Sales discount	5,822	11,962	
Net sales			720,201
Cost of merchandise			
Merchandise inventory			
January 1 purchases	530,280		
Less purchases discount	2,525		
Net purchases		527,755	
Merchandise available for sale	587,455		
Less merchandise inventory December 31	62,150		
Cost of merchandise sold			525,305
Gross Profit			194,896
Operating Expenses			
Selling expenses			
Sales salaries	\$60,044		
Advertising	10,460		
Depreciation-store equipment	3,100		
Insurance-selling	2,080		
Store supplies	2,010		
Miscellaneous (selling)	630		
Total selling expenses		78,324	
General expenses			
Office salaries	21,032		
Heating and lighting	8,100		
Taxes	6,810		
Depreciation-building	4,500		
Depreciation-office equipment	1,490		
Insurance-general	830		
Office supplies	610		
Miscellaneous	760		
Total general expenses		44,132	
Total operating expenses			122,456
Net income from operations			72,440
Other Income-interest income		3,600	
Other expense-interest expense		2,440	1,160
Net Income			73,600

Example 3--Appliance Repair Company
Income Statement Showing Expenses as
Percentage of Sales

	Total		Parts		Service	
	Amount	Percent	Amount	Percent	Amount	Percent
Gross Sales	\$70,000	100.00	\$25,000	100.00	\$45,000	100.00
Cost of sales						
Opening inventory	13,000		13,000			
Purchases	25,000		25,000			
Total	38,000		38,000			
Ending inventory	14,000		14,000			
Total cost of sales	24,000	34.29	24,000	96.00		
Gross Profit	46,000	65.71	1,000	4.00		
Operating expenses						
Payroll	26,000	37.14			26,000	57.78
Rent	3,000	4.29	1,500	6.00	1,500	3.33
Payroll taxes	1,500	2.14			1,500	3.33
Interest	600	.86	300	1.20	300	.67
Depreciation	1,400	2.00			1,400	3.11
Truck expense	5,500	7.86			5,500	12.22
Telephone	2,400	3.43	1,200	4.80	1,200	2.67
Insurance	1,000	1.43	400	1.60	600	1.33
Miscellaneous	1,000	1.43	500	2.00	500	1.11
Total Expenses	42,400	60.58	3,900	15.60	38,500	85.55
Net Profit (Loss)						
(Exclusive of owner's salary)	3,600	5.14	(2,900)	(11.60)	6,500	14.44

HOW TO ANALYZE YOUR RECORDS

To chart the progress of your business, you should become familiar with various forms of financial statements analysis and measurement.

Financial statements indicate which items need more attention. For example, profits may be too low or rent unnecessarily high. Perhaps there is a way to use the business vehicles more efficiently, to increase inventory turnover or to reduce long distance telephone bills.

In analyzing financial statements, carefully examine all items that do not seem realistic. Answer the following questions:

- ! Why are certain expenses at a particular level?

- ! Are there any ways to reduce or avoid certain expenses?
- ! Should you incur all of your expenses?
- ! Does the level of profit justify your investment, time and effort?

Financially significant items should be analyzed regularly. For example, examine payroll as a percentage of total administrative expenses. Keep in mind that, if your business is a proprietorship, your salary is not a payroll expense; however, if your business is a corporation, your salary should be a payroll expense.

Analyzing Payroll Expenses

In justifying payroll and other expenses, answer the following questions:

- ! Are accurate records maintained for time spent on various jobs and functions?
- ! Is the eight-hour day of each employee accounted for appropriately?
- ! When employees are paid overtime, is the additional expense reflected in charges to the customer?
- ! Is the level of payroll expense appropriate for your type of business?
- ! Are you billing on a guaranteed price basis or on an hourly basis?
- ! When using guaranteed price basis for billing, does actual time spent exceed time estimated for the job?
- ! Do employees work with a minimum of wasted effort and time?
- ! Are you operating at maximum efficiency? What strategies can be implemented to maximize efficiency?

Ratios

Accountants use various ratios to evaluate financial statements, such as ratios that assess liquidity, solvency and profitability.

Liquidity

These ratios indicate the availability of cash and the firm's ability to pay liabilities.

Current ratio:
$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

Acid test
(liquidity ratio): $\frac{\text{Cash, cash equivalents and Receivables}}{\text{Current liabilities}}$

Day's sales
in receivables: $\frac{\text{Accounts receivable}}{\text{Credit sales}} \times 360$

Inventory turnover: $\frac{\text{Cost of sales}}{\text{Average inventory}}$

Capital and Long-term Solvency

These ratios indicate the firm's ability to meet debts when due.

Equity/debt ratio: $\frac{\text{Total equity}}{\text{Total debt}}$

Total equity to
fixed assets: $\frac{\text{Total equity}}{\text{Net fixed assets}}$

Profitability

These ratios indicate your firm's performance.

Gross profit margin: $\frac{\text{Gross profit}}{\text{Sales}}$

Net income to sales: $\frac{\text{Net income}}{\text{Sales}}$

Operating income to sales: $\frac{\text{Income before income taxes}}{\text{Total assets}}$

Return on total assets: $\frac{\text{Net income and interest expenses}}{\text{Total assets}}$

Return on total assets: $\frac{\text{Net income}}{\text{Total equity}}$

OTHER IMPORTANT RECORDS

In addition to accounting records, you will need to keep separate records for accounts receivable, payroll and taxes, petty cash, insurance, business equipment and perhaps other items.

Accounts Receivable

A good record-keeping system should provide you with a detailed report of accounts receivable, including current information on customers and a running balance of their accounts. To maintain a good accounts receivable system, record credit charges on a regular basis. It is essential that you follow up on all late paying and delinquent customers.

Accounts receivable should be aged at the end of each month. This means organizing the accounts into those that are current; 30-, 60-, and 90-days old and older. This arrangement helps you to take appropriate, timely actions.

One example of a timely action is to transfer delinquent accounts to a notes receivable account. Notes receivable are loans the business makes to others, either inside or outside the business. Each note receivable should contain specific terms of credit and interest and should be signed by the customer. An additional timely action to decrease the number of bad accounts and avoid the effort of collecting payments from slow-paying customers is to issue a formal complaint with your local credit bureau.

Payroll and Taxes

Current Internal Revenue Service (IRS) regulations require that you withhold federal income tax and social security (FICA) from each employee. You must remit the amount for taxes to the IRS on a quarterly, monthly or more frequent basis. A detailed reporting system for payroll will help you make timely tax payments.

Gather specific information about each employee on individual employee record cards. All employees should fill out federal Form W-4, which indicates their filing status and the number of exemptions they claim. Use this information to compute the federal withholding and social security (FICA) deductions for each payroll check.

Prepare Employees Quarterly Federal Tax Return (Form 941) by totaling each employee's withholding for federal taxes and social security. File Form 941 with the IRS.

Each payroll period, total the accumulated withholdings of both federal taxes and social security for all employees. If this total exceeds \$500 for any month, you must deposit this amount by the 15th day of the following month in a depository bank (an authorized financial institution or a federal reserve bank). Generally, when the total exceeds \$3,000, you must deposit this amount within three business days. Any overpayment in taxes is paid back to you quarterly.

At the year's end, you are required to prepare not only the information normally required for that quarter, but also summaries of each employee's total earnings and withholdings for the year (Form W-2). Provide this form to each employee and the IRS.

A Word of Caution

It is very easy to fall behind in making tax payments. If you find yourself short of cash, do not be tempted to delay payment of taxes. The IRS will not bill your business for taxes due nor will it notify you of late payments. Delayed payments can easily add up to a large sum; the debt may impede the growth of your business and may even force you to close your business, to say nothing of the federal penalties incurred for late payments.

With a good record-keeping system, you can simplify the process of filing taxes to the point where the information needed to complete the forms is automatically generated. Setting up such a system is a rather technical task and you may need to seek guidance.

Petty Cash

Sometimes a petty cash fund is needed to purchase small items required on a day-to-day basis. If this is necessary, draw a check to petty cash for a nominal amount.

Problems often arise when cash is easily available; therefore, if possible, avoid a petty cash fund. However, very often the convenience of having a small amount of cash available will facilitate the smooth operation of your business. Be sure to balance this fund monthly, based on the cash balance plus receipts for all expenditures.

Insurance

Most businesses have several types of insurance. For each policy, you should have the following information:

- ! Clear statement of the type of coverage.
- ! Names of individuals covered.
- ! Effective dates and expiration date.
- ! Annual premium.

Review your insurance policies on a regular basis. In addition, annually consult an insurance specialist, who will review the total insurance package to determine what coverage is appropriate and ensure that premiums remain in line with prior quotations.

Business Equipment

Keep an accurate list of permanent business equipment used on both a regular and stand-by basis. The list should describe the equipment and provide serial numbers, date of purchase and original cost. Keep the list available for insurance or other purposes. You will also need this information to prepare accurate depreciation schedules.

You have several choices in who should maintain your accounting system. You can

- ! Maintain the books yourself.
- ! Hire a bookkeeper on a full-time or part-time basis.
- ! Hire the accountant who set up your books.
- ! Set up a hybrid system in which you maintain the day-to-day reports, while an accountant does the period-end record preparation, summaries and reconciliations and the returns for sales tax, excise tax and payroll taxes.

In making the choice, you must decide whether you have the ability and time to set up and maintain good records or if you should engage an outside accounting service. It is usually suggested that you hire an accountant to do the final year-end preparations and to advise you. No matter what you choose, you should remain familiar with your books and participate in the record-keeping process. This will maximize the services provided by the accountant and allow you to keep track of your business.

Selecting the Accounting Service

If you decide to hire an outside service, find an accounting firm that will work closely with your business and provide you with the information necessary to develop a successful operation. Interview several accounting professionals and compare their level of accounting knowledge, computer literacy, knowledge of and experience with small business accounting and any specialized knowledge required in your business.

There are many types of professionals you may consider, such as a certified public accountant, an enrolled agent or an accredited accountant.

- ! *Certified Public Accountant (CPA)* -- A person who has passed the American Institute of CPAs' national examination, which tests an individual's ability in accounting, auditing, law and related areas.
- ! *Enrolled Agent (EA)* -- An individual who has passed a two-day exam prepared by the IRS, covering many areas of federal taxation. This person is generally considered a tax specialist.
- ! *Accredited Accountant* -- An individual who has passed a rigorous examination prepared by the Accreditation Council of Accountancy and Taxation, a national accounting accreditation board affiliated with the National Society of Public Accountants and the College for Financial Planning in Denver, Colorado. Accredited accountants specialize in small business accounting.

Other accountants in public practice perform various levels of accounting and write-up services.

When selecting an accountant, the cost of the accountant's fees must be weighed against the benefits received. Frequently, the accountant's professional advice can increase profits to more than cover the expense. Monthly services by an accounting firm will provide you with complete and timely information and also will allow the accountant to develop knowledge of your business and be in a more comfortable position to render professional advice as the business grows.

Advice and Assistance

In addition to bookkeeping, an accountant can advise you on financial management. He or she can assist with cash flow requirements and budget forecasts, business borrowing, choosing a legal structure for your business and preparation and advice on tax matters.

Cash Flow Requirements

An accountant can help you work out the amount of cash needed to operate the business during a certain period for example, a three-month, six-month or one-year projection. The accountant considers how much cash you will need to carry your accounts receivable, to increase inventory, to cover current invoices, to acquire needed equipment and to retire outstanding debts. Additionally, the accountant can determine how much cash will come from collection of accounts receivable and how much will have to be borrowed or provided from other sources.

In determining cash requirements, the accountant may notice and call attention to danger spots, such as accounts that are in arrears or delinquent areas or areas of excess expenditure.

Business Borrowing

An accountant can assist you in compiling the information necessary to secure a loan: the assets the business will offer for collateral, the present debt obligations, a summary of how the money will be used and repayment schedules. Such data show the lender the financial condition of the business and your ability to repay the loan. Remember, lenders have two very definite requirements: (1) that the business have adequate collateral to secure the loan and (2) that the business will be able to repay the loan. An accountant can advise on whether you need a short- or long-term loan. In addition, your accountant may introduce you to a banker who knows and respects his or her financial judgment.

Legal Structure

It is wise to discuss the type of business organization that best fits your needs with an accountant and an attorney. They can point out the advantages and disadvantages of the various forms of business organization, such as a

! *Proprietorship* -- An extension of individual ownership.

! *Partnership* -- Multiple proprietors.

! *Corporation* -- A completely separate legal entity.

In addition, they can advise you on immediate plans regarding management, financing, long-range plans to bring others into the business and estate planning, all of which affect the type of business you choose.

Tax Considerations

This is an area in which an accountant can provide much advice and assistance. Your accountant can suggest methods to record and document the various types of information necessary for taxes.

APPENDIX A: FINANCIAL STATUS CHECKLIST

What You Should Know

Daily

1. The balance of cash on hand.
2. The bank balance.
3. Daily summaries of sales and cash receipts.
4. Any errors or problems that have occurred in collections.
5. A record of monies paid out, both by cash and by check.

Weekly

1. Accounts receivable (particularly those accounts that appear to be slow paying).
2. Accounts payable (be aware of the discount period mentioned above).
3. Payroll (be aware of the accumulation of hours and the development of the payroll liability).
4. Taxes (be aware of any tax items that are due and reports that might be required by government agencies).

Monthly

1. If you engage an outside accounting service, provide records of receipts, disbursements, bank accounts and journals to the accounting firm. This will allow

the firm to maintain good records and present them to you for review, consideration and support in decision making.

2. Make sure that income statements are available on a monthly basis, and certainly within 15 days of the close of the month.
3. Review a balance sheet that indicates the balance of business assets and the total current liability.
4. Reconcile your bank account each month so that any variations are recognized and necessary adjustments made.
5. Balance the petty cash account on a monthly basis. If you allow this account to extend for a longer period, it may create substantial problems.
6. Review federal tax requirements and make deposits.
7. Review and age accounts receivable so that slow and bad accounts are recognized and handled.

APPENDIX B: INFORMATION RESOURCES

U.S. Small Business Administration (SBA)

The SBA offers an extensive selection of information on most business management topics, from how to start a business to exporting your products.

This information is listed in The Small Business Directory. For a free copy contact your nearest SBA office.

SBA has offices throughout the country. Consult the U.S. Government section in your telephone directory for the office nearest you. SBA offers a number of programs and services, including training and educational programs, counseling services, financial programs and contract assistance. Ask about

- **Service Corps of Retired Executives (SCORE)**, a national organization sponsored by SBA of over 13,000 volunteer business executives who provide free counseling, workshops and seminars to prospective and existing small business people.
- **Small Business Development Centers (SBDCs)**, sponsored by the SBA in partnership with state and local governments, the educational community and the private sector. They provide assistance, counseling and training to prospective and existing business people.

- **Small Business Institutes (SBIs)**, organized through SBA on more than 500 college campuses nationwide. The institutes provide counseling by students and faculty to small business clients.

For more information about SBA business development programs and services call the SBA Small Business Answer Desk at 1-800-U-ASK-SBA (827-5722).

Other U.S. Government Resources

Many publications on business management and other related topics are available from the Government Printing Office (GPO). GPO bookstores are located in 24 major cities and are listed in the Yellow Pages under the bookstore heading. You can request a Subject Bibliography by writing to Government Printing Office, Superintendent of Documents, Washington, DC 20402-9328.

Many federal agencies offer publications of interest to small businesses. There is a nominal fee for some, but most are free. Below is a selected list of government agencies that provide publications and other services targeted to small businesses. To get their publications, contact the regional offices listed in the telephone directory or write to the addresses below:

Consumer Information Center (CIC)

P.O. Box 100
Pueblo, CO 81002

The CIC offers a consumer information catalog of federal publications.

Consumer Product Safety Commission (CPSC)

Publications Request
Washington, DC 20207

The CPSC offers guidelines for product safety requirements.

U.S. Department of Agriculture (USDA)

12th Street and Independence Avenue, SW
Washington, DC 20250

The USDA offers publications on selling to the USDA. Publications and programs on entrepreneurship are also available through county extension offices nationwide.

U.S. Department of Commerce (DOC)

Office of Business Liaison

14th Street and Constitution Avenue, NW
Room 5898C
Washington, DC 20230

DOC's Business Assistance Center provides listings of business opportunities available in the federal government. This service also will refer businesses to different programs and services in the DOC and other federal agencies.

U.S. Department of Health and Human Services (HHS)

Public Health Service

Alcohol, Drug Abuse and Mental Health Administration

5600 Fishers Lane

Rockville, MD 20857

Drug Free Workplace Helpline: 1-800-843-4971.

Provides information on Employee Assistance Programs.

National Institute for Drug Abuse Hotline: 1-800-662-4357. Provides information on preventing substance abuse in the workplace.

The National Clearinghouse for Alcohol and Drug Information: 1-800-729-6686 toll-free.

Provides pamphlets and resource materials on substance abuse.

U.S. Department of Labor (DOL)

Employment Standards Administration

200 Constitution Avenue, NW

Washington, DC 20210

The DOL offers publications on compliance with labor laws.

U.S. Department of Treasury

Internal Revenue Service (IRS)

P.O. Box 25866

Richmond, VA 23260

1-800-424-3676

The IRS offers information on tax requirements for small businesses.

U.S. Environmental Protection Agency (EPA)

Small Business Ombudsman

401 M Street, SW (A-149C)

Washington, DC 20460

1-800-368-5888 except DC and VA

703-557-1938 in DC and VA

The EPA offers more than 100 publications designed to help small businesses understand how they can comply with EPA regulations.

U.S. Food and Drug Administration (FDA)

FDA Center for Food Safety and Applied Nutrition

200 Charles Street, SW

Washington, DC 20402

The FDA offers information on packaging and labeling requirements for food and food-related products.

For More Information

A librarian can help you locate the specific information you need in reference books. Most libraries have a variety of directories, indexes and encyclopedias that cover many business topics. They also have other resources, such as

- * **Trade association information**
Ask the librarian to show you a directory of trade associations. Associations provide a valuable network of resources to their members through publications and services such as newsletters, conferences and seminars.

- * **Books** -- Many guidebooks, textbooks and manuals on small business are published annually. To find the names of books not in your local library check Books In Print, a directory of books currently available from publishers.

- * **Magazine and newspaper articles** -- Business and professional magazines provide information that is more current than that found in books and textbooks. There are a number of indexes to help you find specific articles in periodicals.

In addition to books and magazines, many libraries offer free workshops, lend skill-building tapes and have catalogues and brochures describing continuing education opportunities.