

Beauty Salon

1 BUSINESS PLANNING

The New Bedford Economic Development Council (NBEDC) offers technical business assistance, loan opportunities, workshops, and site location assistance once you have drafted a business plan.

*New Bedford Economic Development Council
1213 Purchase Street, Third Floor
New Bedford, MA 02740
508-991-3122
info@nbedc.org
<http://www.nbedc.org>*

Before contacting the NBEDC draft a business plan. Business plans are part of a continuous process to define your business concept, understand your market, set goals and effectively meet client needs. Typically, plans encompass operational issues including, but not limited to, the following: What services and products will your business provide and what needs do these fulfill? Who is your target market and how will you reach them? How will your company secure and repay financing? Contact the Southeastern Massachusetts Regional Small Business Development Center for a detailed business plan guide with a sample business plan:

*Southeastern Massachusetts Regional SBDC
200 Pocasset Street
Fall River, MA 02721
508-673-9783
www.msbdc.org/semass*

TIP: This guide concerns the regulations and licensing requirements for starting a sole proprietorship with no employees. If planning on hiring employees, consult "Becoming an Employer."

NOTE: There is an issue if the beauty salon rents chairs. Care must be taken to meet workmen's compensation insurance requirements and liability insurance requirements.

2 LOCATION

The New Bedford Economic Development Council Real Estate Assistance Program (REAP) maintains a list of commercial property for sale, rent, or lease to help business owners find property in New Bedford or relocate within the city.

*New Bedford Economic Development Council
Real Estate Assistance Program
1213 Purchase Street
New Bedford, Massachusetts 02740
508-991-3122
www.nbedc.org*

Select a location for your shop and draft a detailed floor plan for submission to the **Board of Registration of Cosmetologists**. If you plan to make repairs or do renovations, the floor plan should show what the property will look like when the work is complete. The floor plan does not need to be prepared professionally, but must show all planned rooms/equipment, front door/back door, bathroom location, and salon set-up on an 8.5" x 11" sheet of paper. Each room must be labeled with its specific use. The floor plan should also include your name, two numbers where you can be contacted, the shop address (not a post office box), and the anticipated opening date. If you are purchasing an already licensed shop you will also need to submit a copy of the original license or the name and license number of the previous shop owner with your floor plan.

*Board of Registration of Cosmetologists
Massachusetts Division of Professional Licensure
239 Causeway Street, Suite 500
Boston, MA 02114
617-727-9940
<http://www.mass.gov/dpl/boards/hd/index.htm>*

- 2a. If this property is attached to your home, the shop and home must comply with the regulations of the Board of Registration of Cosmetologists.

Home operation requires licensure from the Division of Professional Licensure. You must have a room or rooms separated from the living quarters in the house, and there must be an available bathroom facility for employees and customers that is separate from the facility used by residents of the home.

The door leading into the salon must be visible from the street and must not require customers to pass through the living quarters of the residence.

For more information on facility and sanitation requirements (e.g. signage, presence of animals, and smoking) see Salon Rules & Regulations at the Board of Registration of Cosmetologists website.

3 ZONING AND PERMITTING

- 3a. Contact the **Building Department** and determine which building permits or certificates you may need.

*Building Department
Inspectional Services Division
New Bedford City Hall, Room 308
133 William Street
508-979-1540*

- 3b. If you are placing any new building signs or changing existing ones, contact the **Building Department**.

Any freestanding signage will have to be approved by the **City Planner**:

*Department of Planning
New Bedford City Hall, Room 303
133 William Street
New Bedford, MA 02740
508-979-1488*

- 3c. If you are within one hundred feet of a "wetland resource area", you may need to file a **Notice of Intent** with the **Conservation Commission** in order to move forward with your project. For more information on what constitutes a "wetland resource area" or whether you need to file a Notice of Intent, contact the Conservation Commission:

*Conservation Commission
New Bedford City Hall
133 William Street
New Bedford, MA 02740
508-991-6188*

4 LICENSING

Become (or hire) a licensed cosmetologist and obtain an operating license.

- 4a. In order to become a licensed cosmetologist, you must complete several levels of instruction and certification. The full listing of cosmetology licenses is available on the **Board of Registration of Cosmetologists'** website:

<http://www.mass.gov/dpl/boards/hd/cmr/24002.htm>

- 4b. To get your shop/salon licensed, mail a completed application package to the Board of Cosmetology, Attn: New Salon. Your completed application should include:

two copies of the floor plan
original and one copy of completed application
the non-refundable application and license fee (currently \$113, in a cashier's check or money order made payable to the Commonwealth of Massachusetts)
a passport photo (2" x 2")
a copy of your driver's license or photo ID
a copy of the Business Certificate and/or an Occupancy Permit (if an occupancy permit cannot be obtained, then you may submit either the plumbing and electrical forms or the "no work required" form instead).

- 4c. When applying for a new salon-operating license, every owner also has the option of applying for a Booth Renter's license. A Booth Renter's license allows you to rent salon space to other licensed cosmetologists. If you do not intend to rent space initially but think you will do so in the future, the Board of Cosmetologists still recommends that you apply for this supplemental license. Otherwise when you do decide to rent, you will have to complete a new application for a shop license and repay the associated fees.

- 4d. Once your application form has been received and approved, a salon investigator will contact you to schedule an inspection appointment. Processing generally takes 3-4 weeks. At the time of the inspection, you will need the following documents:

your driver's license or photo ID
manager's (if not the owner) driver's license or photo ID and current cosmetology license
current copy of the CMR 240, Board of Cosmetology Rules and Regulations, available at the Statehouse Bookstore, 617-727-2834, or online at:

<http://www.mass.gov/dpl/boards/hd/cmr/24003.htm>

- 4d. Depending on what your shop will do, you may need to receive some permits from the Health Department of the Inspectional Services Division:

*Health Department
Inspectional Services Division
New Bedford City Hall, Room 308
133 William Street
508-979-1540*

5 BUSINESS CERTIFICATE

Prior to opening, you must acquire a **Doing Business As (DBA) Certificate**. Complete an application and submit it to the **City Clerk** with the \$30 application fee (an additional \$10 is required for your own copy):

*City Clerk
New Bedford City Hall, Room 118
133 William Street
New Bedford, MA 02740
508-979-1450*

TIP: Open a business account with your local bank or credit union. If you are not using your social security number for your business, be sure to get your Tax ID# before opening a business bank account. A separate business account spares you the hassle of untangling personal and business transactions when you file taxes, decreases the likelihood of a missed deduction, and facilitates transparent recordkeeping in the event of an audit. Business accounts also increase credibility with potential lenders and clients and accommodate business growth. If possible get a debit card with your account to help you with back up record keeping.

6 TAXES

A **Form of List** is used to document the property owned by your business, so that it may be assessed and taxed by the city. It is required that you file one with the New Bedford City **Assessor's Office**:

*Assessor's Office
New Bedford City Hall, Room 109
133 William Street
New Bedford, MA 02740
508-979-1440*

7 INTERNAL REVENUE SERVICE

You must also file all necessary tax forms with the **United States Internal Revenue Service**. Once you file these forms, the IRS will give you a tax identification number and provide instructions on compliance with federal regulations.

*Internal Revenue Service
JFK Federal Building
15 New Sudbury St.
Boston, MA 02203
617-316-2850
<http://www.irs.gov>*

8 MASSACHUSETTS DEPARTMENT OF REVENUE

You must also file tax forms with the **Massachusetts Department of Revenue (DOR)**. Most sole proprietors file a Schedule C form with their income taxes. If you plan to sell tangible goods, you must file a Form TA-1 to pay Massachusetts' sales tax.

*Massachusetts Department of Revenue
Data Integration Bureau
PO Box 7022
Boston, MA 02204
<http://www.dor.state.ma.us>*

- 8a. Call the DOR's Customer Service Office at 617-887-MDOR (6367) or toll free at 1-800-392-6089 to request the forms by mail. Forms and filing instructions are available on the DOR website; however, it is still recommended that you speak to a DOR representative to ensure you are in full compliance with the law:

<http://www.dor.state.ma.us/forms/formlist.htm>

- 8b. After you have completed the forms either file online or mail the printed forms. Once you file Form TA-1, you will receive your Massachusetts Sales Tax Registration Number.

9 INSURANCE

Do a thorough risk assessment and determine what coverage best suits your business's needs.

Most forms of insurance are not required. However, business insurance protects you and your business in the event of fire, theft, or other losses. The most common coverage types include liability, property, business interruption, "key man," automobile, and home office.

The U.S. Small Business Association (SBA) publishes a booklet called "Small Business Risk Management Guide, #MP-28," which contains information about insurance requirements for business owners. It is available from the SBA by calling 617-565-5590 or you can download it from their website at

http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_pub_mplan_mp28eng.doc

If you get insurance, it is recommended that you assess and inventory your business facility and assets every two years. This will ensure replacement costs are up to date, enable you to settle claims faster, and help you explain business losses on your tax returns.

*Source: Navigating through Regulations and Licensing Requirements:
A Guide for Entrepreneurs in New Bedford in Twenty Occupations,
Pioneer Institute for Public Policy Research. www.pioneerinstitute.org*