

BUSINESS RESOURCE DIRECTORY

WARREN COUNTY AND FRONT ROYAL, VA

LAWS AND REGULATIONS

For a business to begin or continue operations, the requirements of Local, State and Federal laws and regulations must be met.

FEDERAL REGULATIONS, PERMITS, AND ASSISTANCE

Internal Revenue Service - Employers Federal Identification Number (EIN). Every retail, wholesale, manufacturing and some service businesses, are required to have a federal identification. Completion and submission of Form SS-4 is required to get an Identification Number. Copy of form can be usually obtained from the Library, CPA, or from IRS directly.

Federal Occupational and Health Administration

The Occupational Safety and Health Act of 1970 (OSHA) issues regulations on safety and working conditions. This law covers every private employer in a business affecting commerce with one or more employees. For further information call (804) 371-3104.

Social Security Administration

Social Security (FICA) - For information on Social Security contact Social Security Administration 800-772-1213, or the Winchester, VA office 12 Ricketts Drive, Winchester, VA 22601, (540) 667-1512.

Employers and Employees each contribute to the Social Security Fund (FICA) and the Medicare. Form 941 is one form that is used to report and pay these taxes. Since the percentage amount changes periodically the government publication will list the necessary information.

US Department of Labor

Federal Minimum Wage - Federal Labor Laws are administered in Virginia by the U.S. Department of Labor - Minimum wages rates apply and 1 1/2 times regular pay for all hours in excess of 40 hours during a work week. For information call or write:

US Department of Labor
Wage, Hour & Public Contracts
400 N. 8th Street
Richmond, VA 23240
(804) 771-2995

STATE REGULATIONS, PERMITS AND ASSISTANCE

Boiler and Pressure Safety Division

Boiler Inspection Certificate - a valid inspection is required to operate any boiler or pressure vessel in Virginia. Equipment must comply with the Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers (ASME). For further information contact:

Virginia Department of Labor and Industry
Boiler and Pressure Safety Division
Powers-Taylor Building
13 S. 13th Street
Richmond, VA 23219
(804) 786-3169

Industrial Commission

Workers' Compensation Insurance - Virginia law requires all employers with three or more employees to be covered with workmen's compensation for accidents on the job. The entire cost is paid by the employer and varies by industry and occupation. For more information contact:

Industrial Commission of Virginia
1000 DMV Drive
Richmond, VA 23220
(877) 664-2566 (toll free)

Department of Environmental Quality Pollution Control

Permits - If your business emits any particles or gasses into the atmosphere you will need to obtain a permit from the State Air Pollution Control Board. For information on air contact:

629 E. Main Street
Richmond, VA 23219
(804) 698-4000

If your business discharges any waste into any Virginia waters, you will need to obtain a permit from the State Water Control Board. For more information contact:

Solid waste disposal - If on-site, an approved land fill is required by the Department of Health. If it is removed from premises then it should be transported to an approved landfill by an approved collector.

State Corporation Commission

Corporate License Application

All corporations are required to file articles of incorporation and amendments with the State Corporation Commission.

For additional information call or write:
State Corporation Commission
Tyler Building
P. O. Box 1197
Richmond, VA 23218
(804) 371-9967

Security Registration

It is unlawful for any person to offer or sell any securities in Virginia unless the security is registered with the State Corporation Commission, or the Security or transaction is exempt under the Virginia Securities Act. Exemptions from the security registration requirements do exist and are based on the type of security transaction. For further information regarding these exemptions and registration fees for those securities and transactions that are not exempt, contact:

State Corporation Commission
Securities Division
Tyler Building
P.O. Box 1197
Richmond, VA 21218
(804) 371-9967

Trademark Registration

Any person who owns and uses a trademark in Virginia may file with the State Corporation Commission (SCC) an application for the registration of that trademark. To obtain application forms and information on fees, contact:

State Corporation Commission
Securities Division
Tyler Building
P.O. Box 1197
Richmond, VA 23218
(804) 371-9967

Required Bulletin Board Posters

State law requires employers operating in Virginia to display at their place of employment certain posters. The following are the required State posters along with addresses and phone numbers for the State agencies making copies of these posters available:

Posters	Agency
WORKERS' COMPENSATION "Workers' Compensation and Instructions to Employers and Employees" (Form 1). Must be posted by every employer subject to the law.	Virginia Workers' Compensation Commission 1000 DMV Drive Richmond, VA 23220 (877) 664-2566 (toll free) (804) 662-9893 (Ms. Archer, voice mail)
UNEMPLOYMENT COMPENSATION "Unemployment Insurance: (VEC-B 29A) "Notice to Workers" (VEC-B-29). Must be posted by every employer subject to the law.	Virginia Employment Commission Office Services Department P. O. Box 1358 Richmond, VA 23218 (804) 662-9596
OSHA - SAFETY & HEALTH "Job Safety & Health Protection" This poster is required by private and public employers. You are subject to a citation and possible fine and possible fine if not displayed	VOSH 1500 E. Main St. #222 Richmond, VA 23219 (804) 371-3104
MINIMUM WAGE-FAIR LABOR STANDARDS ACT "Attention Employees" (WH Pub. 1088) Generally covers all workers engaged in or producing goods for interstate commerce or employees in certain enterprises.	U.S. Department of Labor Wage and Hour Division 400 N. 8 th Street Richmond, VA 23240 (804) 771-2995
WALSH-HEALY PUBLIC CONTRACTS ACT "Notice of Employees Working on Government Contracts" (WH Publ. 1313). All employers whose workers are engaged directly in production of materials, supplies, articles or equipment amounting to more than \$10,000 under a government contract. Contracts for services in excess of \$2,500 also apply.	U.S. Department of Labor Wage and Hour Division 400 N. 8 th Street Richmond, VA 23240 (804) 771-2995
DAVIS-BACON PUBLIC CONTRACTS ACT (WH-1321). All construction contractors and subcontractors working on federally financed construction must post at the job site a copy of the specifications section of their contract with the federal government setting forth applicable prevailing wage rates as determined by the Secretary of Labor.	U.S. Department of Labor Wage and Hour Division 400 N. 8 th Street Richmond, VA 23240 (804) 771-2995
EQUAL EMPLOYMENT OPPORTUNITY "Equal Employment Opportunity Is the Law" (OFCCP 1420) (English/Spanish) All employers of 15 or more employees, all government contractors and subcontractors regardless of number of employees (up to 5 posters)	Equal Employment Opportunity Commission, Richmond Area Office 830 E. Main Street, Ste. 600 Richmond, VA 23219 (804) 771-2200 (804) 771-2222 (fax)
AGE DISCRIMINATION "Persons 40-70 Years Note" (GPO 941-940) All employers of 20 or more engaged in interstate commerce, government contractors and subcontractors; and federal, state and local governments regardless of number of employees.	(Same as above but for more than five of either poster) EEOC Publications Forms Office 1400 L Street, NW Washington, DC 20507 (202) 275-7377 (Washington field office) (800) 669-3362 (all forms; all languages) (Cincinnati, OH)

LICENSING REQUIREMENTS AND ASSISTANCE FOR BUSINESS AND PROFESSIONALS IN VIRGINIA

The general function of Virginia's regulatory boards is the examination and licensing of people in various professions and industries as a means to enforce the state codes given by the legislature for a particular industry.

The overall objective of these boards is to protect the citizens of the State by ensuring that persons employed in an industry are qualified to perform the functions of that industry. Members of the board are appointed for varying length terms by the Governor.

Most of the boards require that candidates meet educational or technical background requirements before becoming licensed. In many cases, a written examination is administered before a candidate can become licensed.

Business licenses and regulations for operation within Virginia are handled in different offices depending on the particular business. They are defined in the "Register of Regulations of Agencies of the Commonwealth" which may be seen at the Office of the Registrar of Regulations, Room 101 Ninth Street Office Building, Richmond, Virginia, or in the Business section of a public library.

The Virginia Department of Commerce regulated the following professions, occupations, and businesses:

Architects	Nursing Home Administrators
Athletics	Operators of Water and Waste Water Works
Audiology	Opticians
Barbers	Pilots
Certified Public Accountants	Polygraph Examiners
Collection Agencies	Private Investigators
Commercial Driver Training Sch.	Professional Counselors
Contractors (Construction)	Professional Engineers
Drug and Alcohol Counselors	Psychologists
Hairdressers	Real Estate Brokers and Salesmen
Hearing Aid Dealers and Fitters	Sanitation Examiners
Land Surveyors	Social Workers
Librarians	

For further information on the fees and licensing requirements in the above professions, occupations, and businesses contact:

Professional and Occupational Regulation
9960 Mayland Drive
Perimeter Building, Suite 400
Richmond, VA 23233
(804) 367-8519

TAXATION

Local, State and Federal taxes affect every business whether organized as proprietorship, partnership or corporation. In some cases the business is liable for estimated taxes. Assistance of an accountant may be advisable to determine the taxes for which your company is liable.

Federal Taxes

Each business is liable for a series of Federal taxes. Some of the taxes, such as social security, unemployment compensation, workmen's compensation, etc., were discussed in earlier sections of this guide. Every business organized for profit is liable for a federal income tax levied in accordance with the legal structure of the corporation. The Internal Revenue Service (IRS) publishes annually the Tax Guide for Small Business which is available free from the Internal Revenue Service (Call 1-800-829-1040 or visit nearest IRS office).

Employer Tax Reporting Requirements

Depending on the nature of your business, you may have to file the following returns and statements during the calendar year:

- . Form 941 - Employer's Quarterly Federal Tax Return
- . Form 940 - Federal Unemployment Tax Returns
- . Form W-2 - Reconciliation of Income Tax Withheld from Employees

State Taxes

State Corporate Income Tax: Every corporation organized under the laws of Virginia, or having income from Virginia sources must file a corporation income tax return with the State Department of Taxation on or before the fifteenth day of the fourth month following the close of its taxable years.

For more information call or write:
Department of Taxation
3610 West Broad Street
Richmond, VA 23223
(804) 367-8037

Virginia Tax Reporting Requirements

- . Form W-3 - Employer's Return of Virginia Income Tax Withheld
- . Form 760-ES - Virginia Declaration of Estimated Income Tax
- . Form V-5 -Quarterly payment of payroll taxes
- . Form V-6 - Annual report of payroll taxes with attached copies of W-2 forms

Virginia Department of Taxation can provide information on the form required and instructions for filing.

Sales and Use Tax

The tax rate is 5 percent, which includes a 4 percent state levy and a one percent local levy. Broad industrial exemptions apply to manufacturers, including purchases of industrial materials for future processing, packaging materials, machinery or tools, repair or replacement parts, and fuel, power, energy, or supplies used directly in an integrated manufacturing process. Certified pollution control facilities and equipment used principally for pollution abatement are also exempt from the tax when properly certified. In addition, catalogs and printed materials that advertise the sale of tangible personal property and the envelopes, containers and labels used to mail these materials are exempt if stored in Virginia for twelve months or less for future distribution outside Virginia. For more information concerning these exemptions, Certificates of Exemption and Direct Payment Permits, contact:

Department of Taxation
3610 West Broad Street
Richmond, VA 23223
(804) 367-8037
www.tax.virginia.gov

Annual Registration

The annual registration fee for a stock corporation is based on the number of shares. The fee is assessed by the State Corporation Commission and is payable into the State Treasury on or before March 1 of each year.

For further information contact:
State Corporation Commission
Tyler Building
P. O. Box 1197
Richmond, VA 23218
(804) 371-9967
www.scc.virginia.gov

Franchise Tax

There is no longer an annual franchise tax. Fees are based on the number of authorized stock as above.

For further information contact:
State Corporation Commission
Tyler Building
P. O. Box 1197
Richmond, VA 23218
(804) 371-9967

WARREN COUNTY TAXES

The following chart gives a summary of Warren County's tax rates for 2007. The rates are given per \$100 of assessed value.

BUSINESS LICENSE FEES & RATES

Gross Receipts	Flat Rate
Under \$4,000 in Gross Receipts	\$00.00
\$4,000-\$10,000	\$10.00
\$10,001-\$25,000	\$30.00
\$25,001-\$50,000	\$50.00
\$50,001 and up	Gross Receipts See Below
Repair, Personal, Business & other	\$0.25
Contractors	\$0.11
Heat, Light and Power Companies	\$0.50
Telephone and Telegraph Corporations	\$0.25
Financial, Real Estate, Professional	\$0.39
Retail Merchant	\$0.14
Wholesale Merchants	\$0.03

Town of Front Royal Locations

Warren County business license

2008: 75% of rates imposed

2009: 50% of rates imposed

2010: 25% of rates imposed

Post-2010: no county business license tax shall apply to businesses
 Located within the Town of Front Royal

Taxable Items	Tax	Tax Rate	Assessment Ratio
Real Estate	Real Property (L)	\$0.45 per \$100	98% of fair market value
Machinery and tools: Original cost	Personal Property (L)	\$1.00	70%-30% 5 th yr hold @ 30%
Automobiles	Personal Property (L)	\$3.15 per \$100	100% of average trade-in value
Trucks (greater than 2-ton)	Personal Property (L)	\$3.15 per \$100	50% of original cost (1)
Office Furniture and Fixtures	Personal Property (L)	\$3.15 per \$100	70% of original cost - depreciates
Inventory	None		
Receivables less payables	None		
Cash	None		
Net Income Before Federal Income Tax	Corporate Income (S)	6.0% of federal taxable income	
Total Sales (gross receipts)	None		
Capital Stock	Annual Registration (S)	\$50 for initial 5,000 shares, plus \$15 per add'l 5,000 shares; up to a maximum of \$850	

Footnotes:

(L) Local tax in Virginia

(S) State tax in Virginia

(1) Average annual assessment ratio for first five years. The assessment ratio for trucks over one year old is 70% and declines in equal increments to 10% for the seventh year and thereafter (minimum \$ 1,000 assessment).

***Note: Warren County imposes only one tax on Industrial Utility Bills: 20% on first \$15 of each monthly telephone bill.*

Exemption of certified pollution control equipment and facilities.

Exemption of certified recycling equipment and facilities.

Effective Date: 01/01/08

Source: Commissioner of Revenue - County of Warren

Meal & Beverage Tax: 4% establishments located in Warren County Only
 Transient Occupancy Tax: 2% in Warren County Only

Contact:
John H. Smedley, Sr.
Commissioner of Revenue
Warren County
(540) 635-2651 X207

TOWN OF FRONT ROYAL TAXES

The 2007 tax rates for the Town of Front Royal are given below. Again, they are given per \$100 of assessed value. It should be noted that if a company decides to locate in the County it will only be required to pay county taxes. However, any business locating within Town limits will be subject to both Town & County taxes.

Property Taxes	
Real Estate Property Tax	\$0.07 per \$100
Personal Property Tax	\$0.60 per \$100
Machinery and Tools	\$.60 per \$100
Emergency Services	\$.30 per \$100
Mobile Homes	\$0.07 per \$100
Property Taxes are due on December 5 of each year. All assessments are based on Warren County assessed value for property.	
Excise Taxes	
Meals Tax	4% of net sales
Lodging Tax	6% of net sales
Business, Professional & Occupational License Fees	
Professional Occupation	\$.36 per \$100 Gross
Telephone / Telegraph	\$.50 per \$100 Gross
Public Utilities	\$.40 per \$100 Gross
Service Businesses	\$.20 per \$100 Gross
Retail Merchants	\$.12 per \$100 Gross
Contractors	\$.08 per \$100 Gross
Wholesale Merchants	\$.08 per \$100 Gross
Vehicle License Fees	
Motor Vehicles	\$20.00
Motorcycles	\$12.00
Trailers	\$12.00
National Guard	\$10.00
Prisoners of War	\$1.00
Once purchased, Town Vehicle Decals are permanent and are renewed each year on the personal property tax bill. If vehicles change the old decal will need to be peeled off and brought in for a new one.	

Trash Collection & Recycling	
Residential	\$10.69 per month
Small Commercial	\$23.00 per month

Commercial	\$180.00 per month
Industrial	\$230.00 per month

**Contact:
Kim Breeden, Director of Finance
Town of Front Royal
(540) 635-7799**

LOCAL REGULATIONS, PERMITS AND ASSISTANCE

PROCEDURES AND REQUIREMENTS COUNTY OF WARREN

**Planning and Zoning Department
220 North Commerce Avenue
Front Royal, Virginia 22630
www.warrencountyva.net**

**Taryn Logan, Director
(540) 636-3354**

Business Locating in Existing Buildings

Steps necessary for a new business locating in an existing building to start operations in the County of Warren (outside the Town of Front Royal) are as follows:

1. Ensure that the property is zoned for the proposed use.
2. If the property has proper zoning and the business is moving into an existing business structure, the business must:
 - a. Apply to the Planning and Zoning Department for approval of a use by right. If the proposed business activity is not a use by right, either a Conditional Use Permit or a request for an amendment to the zoning ordinance will be required. Check with the Planning and Zoning Department for specific requirements.
 - b. Submit a letter of intent to the Planning and Zoning Department addressed to the Planning Commission at least 14 days prior to the monthly meeting (2nd Wednesday of each month).
 - c. Go to the Commissioner of Revenue's office for a county business license.
 - d. Register their trade name with the Clerk of the Court's office.
3. If the property does not have the proper zoning, a rezoning is needed. Rezoning requires a public hearing before both the Warren County Planning Commission and the Board of Supervisors. Specifics of the project should be discussed with the Planning and Zoning Department.

New Construction

A new business (or an existing business) wishing to construct a new building would need to follow these steps:

1. Ensure that the property is zoned for the proposed use and is suitable for development (i.e., not in a floodplain or geological risk area).
2. If the property has proper zoning, the business must:

- a. Appear before the Warren County Planning Commission for approval of a use by right. If the proposed business activity is not a use by right, either a Conditional Use Permit or a request for an amendment to the zoning ordinance will be required. Check with the Planning and Zoning Department for specific requirements.
 - b. Submit to the Planning and Zoning Department fifteen (15) copies of an engineered site plan and a letter of intent addressed to the Planning Commission at least 14 days prior to the monthly meeting (2nd Wednesday of each month).
 - c. Apply for a building permit at the Building Department after approval has been received. The Building Department is responsible for approving the construction methods and sediment and erosion control plan.
 - d. Obtain business license and register trade name as previously described.
3. If the property does not have proper zoning, a rezoning is needed as described above.

Building Permit

**David Beahm, Building Official
(540) 636-9973**

If you plan to construct a new building or make changes in the building that houses your business, it will be necessary to apply for a building permit in accordance with county building codes. The construction and building changes must comply with the Virginia State Uniform Building Code. For further information contact: County of Warren, Building Inspector's Office, Front Royal, VA

Department of Health

**134 Peyton Street
Front Royal, VA 22630
(540) 635-3159**

The Department of Health issues an Operations Permit.

**TOWN PROCEDURES AND REQUIREMENTS
TOWN OF FRONT ROYAL**

**Planning and Zoning Department
Town Hall
P.O. Box 1560
Front Royal, Virginia 22630
(540) 635-3732
www.frontroyalva.com**

**AJ Conlon, Planning & Zoning Director
(540) 635-4236
Richard Kurzenknabe, Code Official
(540) 631-2802**

Business Locating in Existing Buildings

Steps necessary for a new business locating in an existing building to start operations within the Town of Front Royal are as follows:

1. Ensure that specific property is zoned for the proposed site.
2. If the property has proper zoning and the business is moving into an existing business structure, the business need only apply for a business license:
 - a. Complete zoning clearance form, available at zoning office.
 - b. Take approved form to the Town Business Office for Town business license, and then to the Commissioner of the Revenue for the County license.
 - c. A new business is also required to register their trade name with the Clerk of the Court's office.
3. If the property has proper zoning and the business is moving into a structure that has not had a similar business use, the business must:
 - a. Complete the zoning clearance form, with a parking plan for the property. (If more than 15 spaces are required for the use and a parking lot is to be constructed, a site plan, including drainage, is required.) Properties located on East Main Street are exempt from providing parking on-site.
 - b. Once the clearance form is approved, the business would obtain their licenses as noted above.
 - c. A change in building use from residential to commercial, retail to manufacturing or other similar situation requires an occupancy permit from the County Building Official. Complete a building permit form with the Town offices and then submit to the County Building Office.
4. If the property does not have the proper zoning, a rezoning or special permit may be needed. The Planning and Zoning Department can discuss specifics should the need arise.

New Construction

A new business (or an existing business) wishing to construct a new building would need to follow these steps:

1. Ensure that the property is zoned for the proposed use.
2. If the property has proper zoning:
 - a. Prepare an engineered site plan for approval by the Front Royal Planning Commission.
 - b. Submit ten (10) copies of the plans to the Planning and Zoning Department at least 21 days prior to the monthly meeting (2nd Wednesday each month).
 - c. Once the site plan is approved, a building permit may be sought through the Planning and Zoning Department. (The County Building Office is responsible for approving the construction methods and sediment and erosion control plan, and actually issues the building permit following Town approval.)
 - d. Obtain business licenses as previously described.

3. If the property does not have proper zoning, a rezoning may be needed. There are also instances where a use is permitted by special permit or involves other factors, such as location in a floodplain, requiring special permit approval. (Both re-zonings and special permits require public hearings before both the Planning Commission and the Town Council.) Check with the Planning and Zoning Department for specific requirements.

WATER AND SEWER SERVICE

TOWN OF FRONT ROYAL

Water & Sewer Rates	
Water	First 3,000 gallons \$6.45 then \$5.12 per thousand
Sewer	First 3,000 gallons \$7.45 then \$5.90 per thousand
1) Service to out-of-town customers is twice the rate. 2) Summer rates apply to sewer in June, July and August if registered for Summer Sewer Program.	

Following are Water, Sewer and Fire Suppression Connection Fees for Properties located within the Town of Front Royal:

Sewer: independent of
And in addition to
Installation costs based
Upon size of the water meter.

<u>Water Tap Size</u>	<u>Water</u>	<u>Sewer</u>
3/4	\$ 5,000.00	\$ 5,000.00
1 "	\$ 8,091.00	\$ 10,113.75
1 1/2"	\$ 10,555.00	\$ 13,193.00
2"	\$ 12,984.00	\$ 16,230.00
3"	\$ 29,215.00	\$ 36,518.75
4"	\$ 51,937.00	\$ 64,921.25
6"	\$116,858.00	\$146,072.50
8"	\$207,739.00	\$259,673.75
10"	\$324,589.00	\$405,736.25
12"	\$467,409.00	\$584,261.25

<u>Fire Suppression (Dedicated Line)</u>	<u>Front Royal</u>
3"	\$1,268.00
4"	\$2,536.00
6"	\$5,072.00
8"	\$7,608.00

Additional Fees: installation costs as established by the Department of Public Works.

Apartment Units:

Single Family/Two Family Dwellings

Water \$1,920/per unit after first
Sewer \$1,920/per unit after first

Water \$402 each unit
Sewer \$402 each unit

ENTERPRISE ZONES

An enterprise zone is an area designated by the Governor in which special state tax incentives and other local incentives are offered, and is designed to stimulate business and industrial revitalization, and to create jobs.

Businesses that operate within an Enterprise Zone can receive state and local incentives that: 1) reduce taxes and fees, 2) enhance expansion and growth, 3) increase employment, and 4) encourage building rehabilitation.

Warren County has one Enterprise Zone located in Cedarville at the southeast junction of Routes 522 and 661, north of Front Royal. The Cedarville Zone became effective January 1, 1996 and will be in effect for 20 years.

For additional information about the Front Royal~Warren County Enterprise Zones and copies of the program regulations, contact:

Enterprise Zone Administrator
Economic Development Authority
400-D Kendrick Lane
Front Royal, VA 22630
(540) 635-2182

FRONT ROYAL AND HAPPY CREEK TECHNOLOGY ZONES

Technology Zones were established to foster high quality job creation and investment technology-related businesses in order to provide quality employment opportunities to the citizens of Front Royal and Warren County.

Non-regulated businesses located within the specified zone boundaries, whose gross receipts are derived from computer software, hardware or telecommunications sales, leases, licenses or services or for which computers or telecommunications are used to provide sales, leases, licensing, or services directly to the customer are considered qualified to apply for zone benefits.

In addition, those businesses must meet certain job and investment criteria in order to qualify for zone benefits. Application for benefits must be filed with and approved by the Economic Development Authority.

Benefits include: permit fee grants, business professional and occupational license tax exemptions, cash grants, and subordinated debt loan programs.

For more information on this program, contact:
Economic Development Authority
PO Box 445
Front Royal, VA 22630
(540) 635-2182; F (540) 635-1853; e-mail eda@wceda.com
www.wceda.com

INSURANCE

Before the firm is opened for business it is important to secure adequate insurance protection. The needs for protection of each business are unique and guidance from a reliable insurance agent, broker, or company representation is invaluable in establishing the specific coverage needs of your firm. The yellow pages of the phone book provide a wide selection of insurance agents and companies.

The following insurance coverages provide a list of available programs:

- * **Comprehensive Fire Insurance.** Designed to protect the business owner from losses to property resulting from fire.
- * **Comprehensive General Liability Insurance.** Designed to protect the business owner from the likelihood of being held responsible for anything that may happen in dealings with the public. The owner is protected against a customer's personal injury, product liability, etc.
- * **Burglary, Robbery, and Theft Insurance.** Can cover property and/or cash taken during a burglary, robbery, or theft.
- * **Bonding Insurance.** Protects the business from losses incurred due to employee dishonesty. An employee should be bonded if they have access to cash.
- * **Workman's Compensation Insurance.** This coverage has become mandatory in most states when employees are hired. It is purchased by the employer to insure loss of wages by the employees due to an accident on the job. It protects the employer from being sued.
- * **Health Insurance.** Covers the loss of wages due to an illness or accident away from the job. Group policies are available that require as few as three participants in the business and have considerably lower rates than individual policies.
- * **Bad Debt, Bad Check Insurance.**
- * **Flood Insurance.**
- * **Tornado, Windstorm, Hail Damage Insurance.**
- * **Vandalism Insurance.**

There are other types of insurance not mentioned here, some of which may be required by law or unions. It is thus beneficial to discuss your insurance needs with a qualified agent, broker or company representative. They can provide details of policies that may interest you.

SPECIALIZED FINANCIAL PROGRAMS

Many financing programs are available in Virginia. The purpose of this section is to pinpoint those which have applicability in Warren County/Front Royal. Organizations at the state level and regional level have good knowledge of most of the programs of particular benefit to the small business. They are:

Small Business & Financial Services
Virginia Department of Business Assistance
707 E. Main Street
P.O. Box 416
Richmond, VA 23218-0446
(804) 371-8100
www.dba.virginia.gov

Small Business Development Center
Lord Fairfax Community College
7718 Valley Avenue
Middletown, VA 22645
Bill Sirbaugh, Director
(540) 868-7093

BUSINESS MODERNIZATION PROGRAM

The purpose of the program is to assist existing Virginia industries in efforts to make physical or human capital more productive and, consequently more competitive. This program involves companies in rethinking management structure and procedures, reviewing production processes, and preparing workers to accommodate changes through work force training/retraining.

Division of Community Development
Virginia Department of Housing & Community Development
501 N. Second Street
Richmond, VA 23219-1321
(804) 371-7000
www.dhcd.virginia.gov

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

Both Front Royal and Warren County are non-entitlement communities which means that they are eligible for funding through the program administered by the Virginia Department of Housing and Community Development. While the applicant must be the Town or County, CDBG funds may be used for economic development activities.

Grants can be used for industrial development public improvements, industrial development site improvements, revitalization, and commercial site development. The maximum grant award is \$700,000.

Planning & Development Office
Virginia Department of Housing & Community Development
501 N. Second Street
Richmond, VA 23219-1321
(804) 371-7061

FARMERS HOME ADMINISTRATION LOAN GUARANTEE

This program assists local lenders to provide the credit needed for expansion and preservation of jobs in cities of up to 50,000 in population. Both Warren County and the Town of Front Royal companies qualify for this program.

The priorities of the program are, in order:

- * Saving existing jobs
- * Expansion of existing businesses
- * New plant location or new business start-up
- * Single owner businesses with little permanent job generation

The maximum loan size is \$10,000,000. The program is intended to support a well-managed, properly capitalized, and profitable stable employment source. The interest rate is negotiated with the lender, and repayment terms are also set by the lender, not to exceed 30 years for real estate, 15 years for useful life for equipment, and 7 years for working capital.

The loans may be used for:

- * Business & industrial acquisitions
- * Purchase of land, machinery and equipment
- * Construction, enlargement, or modernization
- * Pollution control or abatement
- * Working capital
- * Refinancing when it is necessary to save jobs
- * Eligible fees and costs

Rural Economic and Community Development
USDA
1606 Santa Rosa Road, Suite 238
Richmond, VA 23229
(804) 287-1550

Area 3 Northern District
1934 Deyerle Avenue, Suite D
Harrisonburg, VA 22801-3484
Liz Walker, Director
(540) 433-9126 X133

INDUSTRIAL DEVELOPMENT BONDS

The maximum bond issue is \$10,000,000 per company in a political subdivision. Each company is subject to a nationwide limit of \$40 million in outstanding IDBs. IDBs may be used to finance up to 100 percent of the cost of new buildings and new capital equipment.

Economic Development Authority
400-D Kendrick Lane, P.O. Box 445
Front Royal, VA 22630
(540) 635-2182

U.S. SMALL BUSINESS ADMINISTRATION (SBA)

There are two loan programs available; Guaranty Loans made by private lenders and Direct Loans.

U.S. Small Business Administration
Federal Building
400 N. 8th Street
Richmond, VA 23240
James Williams, Economic Development Supervisor
(804) 771-2400
www.sba.gov/localresources/district/va

VIRGINIA ASSET FINANCING CORPORATION

This is a private, non-profit Certified Development Company specializing in the Small Business Administration's 504 Loan Program. These loans are specifically designed for expanding small businesses and offer long-term, fixed rate financing for real estate, new facilities and equipment

4165 Chain Bridge Road
Fairfax, Virginia 22030
703) 352-0504
(703) 352-9100 (fax)

VIRGINIA ECONOMIC DEVELOPMENT REVOLVING FUND

This fund assists new and expanding industries that are creating new jobs or retaining "at risk" jobs in Virginia. Loans may be made where 50% of the income is generated from outside the State. Maximum loan amount for any project is \$1,000,000 with one job created for each

\$20,000 requested, and the maximum percent of 40% of the project. Loans must match dollar for dollar with private funds, with at least 10% equity from the company.

Virginia Small Business Financing Authority
P.O. Box 446
Richmond, VA 2321-0446
(804) 371-8254

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

The VSBFA currently offers three financing programs. To be eligible, a business in Virginia must meet one of the following requirements: (1) have fewer than 250 employees; (2) have \$10 million or less in annual gross revenues over each of the last three years; or (3) have a net worth of \$2 million or less.

Virginia Small Business Financing Authority
PO Box 446
Richmond, VA 23218-0446
(804) 371-8254
www.dba.state.va.us

RURAL BUSINESS ENTERPRISE LOAN PROGRAM

The Economic Development Authority of Front Royal~Warren County manages a revolving loan fund to provide financing for the expansion of existing local industries or commercial business ventures and for the attraction of new industries or commercial business ventures to Warren County. Additionally, these funds are utilized to ensure that jobs are created and retained, that the Warren County property tax base is broadened, and that the proposed industrial or commercial use/expansion is compatible with the local and regional environment.

The EDA is responsible for the administration of this fund, and eligible activities are: (1) site purchases of industrial land, including site development costs; (2) relocation costs incurred in construction and occupancy of the facility; (3) new construction or rehabilitation of existing buildings; (4) machinery and equipment acquisitions; (5) start-up operating costs and working capital.

Eligible applicants are: (1) industrial or manufacturing firms where goods are assembled, reassembled, modified, manufactured, or produced at the hob site; (2) wholesale and distribution enterprises; (3) commercial enterprises that establish new business, expand existing business, create new jobs or save existing jobs.

Financing Limits: Maximum commitment of RLF funds will not exceed 50% of the total project costs. In addition, the level of funding will not exceed \$10,000 for each job to be created at project completion or projected over the next three years after completion. If a business were to close down, or to have significant employment layoffs, without RLF loan assistance, the jobs which would be lost in that project will be treated as if they were new jobs. In addition, there is a \$75,000 limit on the amount that can be borrowed by any one business (or "debtor"), unless the Board of Directors of the IDA approves a higher amount.

Fees: a nonrefundable \$250.00 application fee is due at application submission. At loan closing, an origination fee equal to 1.0 percent of the loan amount is due.

Micro Loan Program

Eligible Applicants: new or existing retail, service or commercial ventures located in Warren County. A completed application must be submitted.

Eligible Activities: loan funds may be used for equipment, inventory and working capital.

Financing Limits: A maximum of \$10,000 may be loaned for a term not to exceed 5 years. No matching funds or financing is required. Each applicant will be evaluated on a case-by-case basis for creditworthiness and project viability.

Job Creation: the job creation requirement is waived for the micro loan program, but the borrower is expected to work full-time at the funded business.

Review Process: The IDA Chairman, Treasurer and Executive Director will review and make the final loan determination process. All terms and conditions will be set by this committee.

Fees: a nonrefundable \$50.00 application fee is due at application submission.

Economic Development Authority
400-D Kendrick Lane
Post Office Box 445
Front Royal, Virginia 22630
(540) 635-2182