

YOUR RESTAURANT START UP GUIDE

Opening your new restaurant can be a dream come true. However, starting a restaurant takes more than just the startup cash. It takes hard work and knowledge about the restaurant business. There are many steps in starting your brand-new restaurant, including creating a food concept, an extensive business plan, designing the menu, and picking the location. Still, one of the most critical steps in starting your restaurant is obtaining the licenses and permits to operate. For your dream restaurant to perform smoothly, it is necessary to take the time to apply and acquire the legal licenses and permits.

You may be wondering, where do I start? It is best to start by researching the specific licenses and permits of the state or city that the restaurant will be located. These necessary licenses and permits can be found by visiting the city government website of the restaurant. Believe it or not, some of the restaurant licenses you need are going to cost as little as \$20 and even as much as \$40,000. The paper-work process of acquiring these licenses and permits can be a long process, so to guarantee you are on the right track, we have compiled five licenses and permits that are vital to start your restaurant business.

1. Business License

A Business license is a mandatory license to acquire in order to open and operate any business in the United States legally. The Business license gives the business owner the legal ability to run the business within the geographic jurisdiction. This license is issued by the specific city or state where the restaurant is located. A Business license can be found on your local government website, which will also provide the application procedure and necessary requirements (i.e., Business name and name of at least ONE owner). There will often be a registration fee for the Business License of about \$50 as well as an issuing fee, which can range from \$25 to \$7000 and determined by the type of business. This is the most necessary license to acquire to get the ball rolling.

2. Employer Identification Number (EIN)

An Employer Identification Number (EIN) is required for all businesses to operate in the United States. An EIN is basically a tax number issued by the IRS, which allows you to file your taxes legally. Luckily, this EIN can be obtained at no cost, and the application can be filled out on the IRS website. You may also want to note that obtaining an EIN requires patience since the IRS only issues one EIN per day. So, it is best to start this process right away and own that patience.

3. Certificate of Occupancy

After you have decided where the restaurant will be located, the building will need to go through various inspection steps. Once the final building inspection is approved, the next step would be to obtain an occupancy certificate, which not many realize this is one of the most complex and extensive steps. This certificate provides certification that the building is safe and sustainable to orderly operate. The local building or zoning department, specific to your restaurant location, will issue the certificate. The Certificate of Occupancy is a city-regulated certificate, and the application process can be found on your city or state government website. Obtaining a certificate of occupancy can be challenging as you must pass a series of inspections. This includes a plumbing inspection, electrical, fire safety, and a general building inspection. If for some reason, you do not pass the inspection, you will be given a list of items that need to be corrected and will be given a certain amount of time to correct these issues. Clearly, this is the most painstaking part of the entire process...hence why we the experts at SCGWest are here to help make the process as smooth as possible. HGTV may even make it seem like the process is a piece of cake, when in reality, you need a professional (SCGWest) to guide you through this extensive process.

4. Food Service License

The focus of any restaurant is providing good food to its customers. To share the taste of your restaurant, you will need to obtain a food service license. This license regulates food preparation, overall food safety, and how the restaurant complies with sanitation rules. This license requires a city health department official to visit and approve the site of the restaurant. If this process takes a bit longer, you do have the option to apply and obtain a temporary food service license. Overall, the cost of this license ranges from \$100 to \$1000 to get. Keep in mind that the Food Service License does expire based on the specific city or county.

5. Sign Permit

Every restaurant needs to attract customers to try their new food, and one crucial way to do that is by creating a show-stopping restaurant sign. Before your restaurant sign can go up in front of your restaurant, you will need to acquire a sign permit. A sign permit allows you to put your restaurant sign up and indicates the size and location of the sign were approved. These regulations are inspected and authorized by your local city or county officials. If your sign includes lighting, you may also need to provide the wiring and circuit plans you intend on establishing. There may be a security deposit that may be required, but the overall cost of a sign permit can range from \$20 to \$50. Once the sign permit has been obtained, it is best to have this permit on-hand at the restaurant.

In Summary

These five licenses and permits are incredibly vital to start any restaurant business. The “paper-work” process of creating your own restaurant business needs to be carefully carried out to prevent you from running into legal problems. Although this may seem like a lot of

work, don't feel overwhelmed, these licenses and permits are necessary to acquire and will bring you one step closer to opening your dream restaurant. SCGWest is here to assist with the entire process- we will manage all stages of project completion and transform your vision into a reality!