

Hello ,

Congratulations on this new journey. I know this can be overwhelming and you have no idea where to start, but this will help you understand and hopefully guide you thru the process. First things first. Be organized, start with location, figure out rent and try to have at least 2x as much. I'd say have an additional \$1,000 for products('if you are new) Step by step what you will need. Start with creating a email address for your business, fictitious name, business license, sellers permit if needed and then a business bank account, set up a scheduling service , & Venmo business.

If you are new to the whole process, the square app can take up to 5 hours to create and manage.

Let's start!

Fictitious name: legally owning name of business, recommended for tax purposes this is the **first step in creating a business** profile, I say this is the first step because you will need a legit business name that has not been taken to create a business establishment -which The bank will require you to show these two papers (fictitious name, business license & sellers permit-**sellers permit is required if you will be selling product on your own, to obtain a sellers permit it's free, and your responsibility to file how much you made thru the website- sellers per,it is not required to open business bank account**)for proof to open up any type of business bank account.

Its really easy! websites are available to fill out the form online or to make a in person/ appointment.
in person is 100% better because They walk you thru it.

The fee for filing a fictitious business name statement is \$66.00 for the fictitious business.This fee includes one certified copy of the statement.

Make sure that through the whole process you're keeping your paperwork organized and your receipts all of this can be written off in taxes. Triple check everything is spelled correctly.

Also if you live in Riverside County you're going to have to go to different addresses all in downtown Riverside to get all of the paperwork- so be patient !

The address to file fictitious name Address:

4080 Lemon St
1st Floor
Riverside, CA 92501

Any specific questions call (951) 955-6200

Make sure you have a valid DL

Website: <https://www.rivcoacr.org/fictitious-business-names>

Business license

It is important to verify you are conducting or engaging in business within in the City limits of Riverside:As to business conducted within the City, whether your business establishment is located within or outside of the City, every such sale, service or other transaction shall be deemed to have occurred within the City for purposes of the business tax (RMC 5.04.010).

Business licenses in California typically cost **between \$50 and \$100**. California businesses, like many other states, **have license and/or certification requirements** for business activities that require training or that could expose consumers to hazards. These include medical professionals, lawyers, accountants, cosmetologists, architects, real estate brokers, and more.

I paid \$150 in 2018

What is an LLC vs sole proprietorship?

An LLC exists separately from its owners—known as members. However, members are not personally responsible for business debts and liabilities. Instead, the LLC is responsible. **A sole proprietorship is an unincorporated business owned and run by one person.**

Sole Proprietorship examples include small businesses, such as **a single person studio**

* Required

Doing Business As *

Business Name

Business Address *
(Must be physical location, not a Post Office Box)
Example: 3061 Davis Avenue #200, Sacramento, CA 58147

[Verify Address](#)

Mail Address * Same as address above
Example: 3061 Davis Avenue #200, Sacramento, CA 58147

[Verify Address](#)

Business Description *

Ownership Type *

Employee Count *

What is your first year (12 months) estimated gross receipts?
(Subject to Adjustment- Refer to Riverside Municipal Code 5.04.100) *

Start Date in Riverside *
(estimate if in the future)

Contact Information

Phone *

Phone 2

Fax

Website

Email Address *

State Seller's Permit#

FEIN

Contact Preference Contact me by email whenever possible, in order to ensure timely notices and help protect the environment by conserving resources.

The SIC Code is a new requirement by the State of California, Senate Bill 205. For more information, please click [HERE](#). If you know your SIC Code, please enter the first 3 characters below.

SIC Code *

State License Information (Contractor, Medical, CAMTC, etc.)

State License #

State License Type

State License Expire Date

Website to start process: <https://riverside.hdlgov.com/Apply/GettingStarted/BusinessLicense>

Business type would be : hair, nail, skin supply
Location: obviously inside:)

When filling out form, do not get overwhelmed. It's ok to google things you are confused about. But I will try to talk you thru the process.

Doing business as(your legal name)

Business name: (fictitious name filed)

Business address: address you will be working at

Mailing address: your home address

Business description: independent contractor in beauty service

Ownership type: sole priopership

Employee count :1

Estimated gross: if you've been working what was the total amount of money you received you did in 12 months. If this is a new business that you haven't reported in taxes you would enter \$0

Start date : date that you are filling

out paper work

FEIN : tax Id number-as a sole proprietor ship I used my personal Social Security number but if you want to build your own business tax ID number the website for that is right here and it's completely free through this website-I didn't know any better and I paid \$250 for it and then I found out that you could actually get it for free through the city of Riverside}

3900 Main St, Riverside, CA 92522
951-826-5465

SIC CODE. 7231 Beauty shops

State license number is your license number on the cosmetology license
State license type is
California board of barbering and cosmetology

Tax ID NUMBER WEBSITE:

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-online>

Sellers permit: is only required if you will be selling your own merchandise. It's your responsibility to have license printed, your responsibility to log in and create username, and during your file return to file merchandise sales to pay your taxes on merchandise. Sellers permit is free to obtain! If you need help call 1800-400-7115 they literally guide you thru it all.

The screenshot shows the 'QUESTIONNAIRE' section of the 'Register a Business Activity' process. The 'My Business Activity' dropdown is set to 'My Business Activity Includes:'. Below this, a list of business activities is presented with checkboxes. The first option, 'Selling items or goods in California (Seller's Permit)', is selected. Other options include purchasing items from out of state, cannabis business, lender activities, operating as a common carrier, exempt bus operator, train operator, fuel products, underground storage tanks, alternative fuels, employing 10 or more people, generating hazardous waste, electrical energy services, natural gas, services supplier, retail sales of prepaid wireless services, and operating as a Cig/Tob Transporter, Cig/Tob Common Carrier, Military Installation, Harvester of Timber or Forest Products, or Prevent All Child Labor Trafficking (PAL) Trade Business Activity.

Website;
https://onlineservices.cdfta.ca.gov/_/#17

The next set of questions will all be “NO”

What type of business are you registering this activity for:
-individual/ sole proprietor

Enter your SSN
Skip FEIN /SEIN

Are you changing one business entity to another?
-no

Do you have a current account with CDTFA (California Department of Tax and Fee Administration)
-you probably don't, so say no.

You are not applying for a temporary sellers permit,

Fill rest of questionnaire.

BUSINESS bank account

Create a appointment to talk to a teller.

I recommend opening a business account ASAP. It keeps all of your business income tracking and helps you manage profits and losses.

Like I mentioned your first step is to get the fictitious name going.

When I first started at the Sola I just had a business account and then when I opened the salon I upgraded my debit card into a credit card to get points!

When you go to the bank arrive with all the correct documents, DBA(fictitious name) and business license.

If you are starting out- I say start with just a checking account.

QUESTIONS THEY MAY ASK: federal tax classification- individual/sole proprietor

Tax payer ID: I used my social security, but if you registered under a business tax id then give them that.

Minimum deposit needed to open account \$25

Service fee can be \$12-\$16

Once that's open- I'd ask to open a savings account under the same account and that will be where you put all your tax money you should be putting aside.

Square app;

<https://squareup.com/us/en/solutions/beauty>

I use the square app to keep me organized, I add sales tax to merchandise that I sell(in setting you'd attach a sales tax, and create a credit card fee- I do 2.8%)

And I also charge a transaction fee when they use a credit card- the first year I used the square app I had no idea but I lost out on \$2,800 because of fees. If you can ask for cash, Venmo or zelle. But make sure you are still reporting all income.

If you are using a Venmo account- create a business account that is attached to your business bank account.

In the app you will create services you perform.

Items are merchandise you sell or in my check out I have items like "extra bowl/color/root-smudge"

This helps me charge accurately every time and Im able to give client a receipt.

For services, you can create a quick description, price, and how long services take for clients to serve schedule. you can have no show protection, and you can approve or decline options. Clients receive email & text reminders. You can set a lot of policies by looking at the settings.

Remember this is your business and you can charge what you deserve , and set your own policies.

You can create contracts in the app where every client that books will receive a email that will require them to read, and electronically sign.

There's different options on scheduling apps- you just have to see which one works best for you.

Square app is free to install and the only time they charge is when using a credit card to charge.

Venmo:

I created a business Venmo account, to track my income from my business. It's up to you if you want to charge a fee to complete the sell. (Which I recommend you do)
The fee Venmo is charging is 1.9% +.10 per transaction
Also, when signing up with Venmo they send you a free QR code that you can have in your studio.

Tax:

If I can give you guys one piece of advice. Is do it right. You want people to take you seriously, you want to own your business, do it correct. Because the IRS DOES NOT FUCK AROUND.

Report what you want to report, but if you can do it right.

Be responsible, set up your own tax savings. I usually save 10% of what I make. I take it out immediately and put it into a savings every week.

I saved \$8,000 one year and I didn't have to pay taxes and I used that as a bonus for myself. Tips I would usually also save for my own personal expenses.

Everyone's tax journey is different. I own a house, and I don't have car payments. So it's easy for me to put some money aside, it still takes discipline- but if you are strict you won't have issues in the end. Just think .. would you save that money now and have it just in case.. possibly a bonus ... or have to find a way to scrape up tax money you might have to pay. By paying taxes, and showing proof of income this will help you in the future for any big purchases.. the government has to see proof of income.

Accountant: ofc it's recommended, and can be another expense. I didn't have one when I started at Sola salon & by the time I opened the salon I knew my finances.

I created my own spreadsheet going into the salon. But before that I was writing everything down into a calendar.

Example;day 1

Clients name / service charge/ tip

emily /\$200 /\$20

Mary / \$350 /\$10

John / \$65 /\$8

Total Total

\$615 \$38

-10%

\$61 for taxes

This immediately gets put into a savings account

What was easy for me was doing it every week vs every month, just because at the end of the month I was putting away around \$600 but weekly I was only doing \$150

For my spread sheet:

I created a tip section M-Sunday

I created a tax section M-Sunday

I created a gross section M-Sunday

For my gross * I pay myself every week, 50%-60% of the gross total. It's best to always leave some money behind to cover for rent, and products.) never ever leave your bank account with less than what your rent is!

Product expense :ex. Salon centric, cosmo prof, Olaplex, or any carriers you use for product expense (product expense creates a tracking sheet for expenses I do month to month)

Bill expense; rent, insurance, phone bill (this can be a tax right off) giveaways, classes.. anything that can be a right off.

I go back at the end of the week and transfer what I need to transfer into appropriate accounts.. tax, tips and paycheck

Keep all of your receipts into a Manila folder!be organized, be responsible.

This is all for the Riverside county. Now if you are opening your own salon/ doing the phoenix/Sola salon you will need to register for a establishment license

I got to Roberta for tax season
Z travel & Insurance service 951354-0401
9410 magnolia ave Riverside ca 92504

I hope this helped and if you have any questions that you can't figure out, feel free to reach out :) good luck and I wish you nothing but success! & be proud of yourself, starting and owning a business is not easy and it takes a lot of dedication and patience to do this, so the days that you feel undefeated cut yourself some slack. Give yourself a much needed break. Your mental health always comes first, clients can always wait. If you are honest with them and they are ok with you putting your mental state first... those are the people that matter. Also, schedule yourself those much needed vacations ! Take a whole week off and turn off the business account- I take one week off every 4-5 months . Don't forget to take your lunches as well!
Good luck <3M