



Contractor Startup Roadmap



**ECONOMIC & WORKFORCE
DEVELOPMENT**

CITY OF DURHAM



Development
Services Center



Contractor Startup Roadmap

✓ Plan Your Business

Create a business plan for your contracting business.

Contracting businesses include trades such as Cleaning/Janitorial Services, Landscaping, Plumbing, Electrical, Framing and Carpentry, Grading, Handyman Services, and many other specialty trades. The business plan is a written, viable plan of action to guide your success. [Economic Development Partnership of North Carolina has great resources to help with your business plan.](#)

Determine your business legal structure.

Before selecting a business structure, consult your attorney and/or accountant [as each structure carries with it unique legal and tax consequences.](#)

Register your business.

Your business must be registered. It's a good idea to [perform a name search online](#) or in office to determine if the proposed business name has already been filed. If you've [organized as an LLC register with the N.C. Secretary of State.](#) [Corporations also register with North Carolina](#) as well.

If you're organized as a sole proprietorship or general partnership, [file with the Durham County Register of Deeds](#) and pay the \$26 file fee.

Apply for an Employer Identification Number (EIN) from the IRS.

Also known as a Federal Tax ID Number, you'll need an EIN if you will be hiring employees, forming a partnership, or corporation. [Read more about EINs and apply online for yours with the IRS.](#)

Sign up for a State Tax ID.

To collect sales and use taxes, [you'll need to register the N.C. Department of Revenue.](#) You will receive information from the Department of Revenue on sales and use tax reporting and remittance requirements.

Learn about financial resources available.

Small business owners in North Carolina have [financial resources available at the federal level and right here in North Carolina.](#)

Business Resources

Business Planning

<https://edpnc.com/start-or-grow-a-business/start-a-business/small-business-resources/>

Legal Structure

<https://www.sba.gov/business-guide/launch/choose-business-structure-types-chart>

EIN Info & Application

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

Business Name Search

<http://www.sosnc.gov/search/index/corp>

LLC State Registration

<https://edpnc.com/wp-content/uploads/2015/09/Limited-Liability-Company-Articles-of-Organization.pdf>

Corporation State Registration

<https://edpnc.com/wp-content/uploads/2015/10/Instructions-for-Filing-Corporation-Articles-of-Incorporation.pdf>

County Register of Deeds

<http://www.dconc.gov/government/departments-f-z/register-of-deeds>

NC Department of Revenue

<https://eservices.dor.nc.gov/ncbusreg/>

Financial Resources (Federal)

<https://www.sba.gov/funding-programs>

Financial Resources (State)

<https://edpnc.com/start-or-grow-a-business/start-a-business/small-business-resources/#sec2>

Plan Your Location

Start Small.

Initially, your business may consist of just you, a vehicle, and your equipment. Often, all you need at first is a place to keep your records, to make and receive calls, to do paperwork, a place to receive mail, an address to put on a business card. An office in your home might just be the answer. If that sounds like it would work for you, then [apply for a Home Occupation Permit](#). This permit allows you to have an office in your house within limits; your house is still primarily your home, within a neighborhood of homes, and it's important that it remain that way. See the rules and regulations on the back side of the application (you are required to initial after each one), or review the [Unified Development Ordinance \(UDO\) Section 5.4.4 – Accessory Uses – Home Occupations](#), to see the rules and regulations.

Grow.

Your business may not stay small. You may need help taking care of more and larger contracts, employees, more equipment, a storage area or even an outdoor storage yard. If you have a home office, your employees can meet you at the job site (and not come to your home). However, your home may not be big enough anymore (being limited by Home Occupation rules) for the additional help, extra equipment or storage needed. You may still be able to keep the office in your home, but you are growing and need to move your operation out of your house. You need to...

Demonstrate.

You'll have to show that your Contractor Yard meets specific local, state, and federal regulations (such as building codes and UDO requirements, engineering and transportation regulations). Depending upon where in the development process your potential Contractor Yard site is, you may be required to submit site specific design documents (such as [site plans](#), [special use permits](#), [plats](#), [building plans and permits](#), and [construction drawings](#)) to the City and County for applicable permitting review and approval processes.

Note.

Locating your new Contractor business into a space previously used as a Contractor Yard may save you time and money in design costs and review time. This will be true if the previous Contractor Yard was an allowed use in the current zoning district, and was in conformance with regulations.

Find a location zoned for your contracting business.

The [Unified Development Ordinance \(UDO\)](#) designates zoning of properties in Durham. Use the [Zoning Atlas](#) to find properties with the zoning you need.

Confirm zoning for the location you want.

Send a "[Business Zoning Verification Form](#)" to the City of Durham/Durham County Planning Department. You can also visit the Development Services Center at Durham City Hall.

Choose your design professionals.

Depending on the type of construction, you may need to hire a licensed professional. Contact City of Durham/Durham County Planning Department to determine if you will need to do so.

Check if your location will require historic review.

Some locations and buildings need to have [renovations reviewed by the Historic Preservation Commission \(HPC\)](#).

Complete and sign your lease.

To avoid common pitfalls, it is best to review the lease with your attorney.

Location Resources

UDO Uses & Zones

<http://www.codepublishing.com/NC/Durham/#1/5.1.html>

Zoning Atlas

<http://durhamnc.gov/423/Zoning-Atlas>

Zoning Form

<http://durhamnc.gov/DocumentCenter/View/2674/Business-Verification-Letters-PDF>

Historic Locations

<http://durhamnc.gov/DocumentCenter/View/1347/Work-Requiring-a-Certificate-of-Appropriateness-with-Classification-Chart-PDF>

Develop Your Space

Learn about the City's Development Review Process.

Development Review Section of the Durham [City-County Planning Department](#) reviews plans and serves as case managers for projects. It's also good to have an idea of [what the City-County timelines look like for review](#).

Determine the type of applications needed.

Prior to installation, [a sign permit must be issued per Unified Development Ordinance \(UDO\)](#). Both permanent and temporary signs require permits. If you have a specific site in mind for your contracting business, you will want to confirm that the Contractor Yard is permitted in the property's zoning. You will want to get a [Business Verification Letter](#). If you need to change the zoning of the property you've targeted for your Contracting business, you will need to [apply for a Zoning Map Change](#). If your Contractor Yard constitutes a "change-of-use" for the particular site, or if you're planning on expanding the footprint of the existing Contractor Yard in any way on the site, then you will likely be required to submit a Site Plan. Learn about Site Plans at the Development

Services Center (DSC) – [Permits and Project Feasibility \(PPF\) tab](#), then click on the "Planning" directory, and scroll to the list of applications to "Site Plans and Plats." Be sure and read the "[Submittal Information](#)" and "[Development Review Timelines and Procedures](#)" articles.

Once you've submitted your site plan, gone through the review process and gained site plan approval, you will be able to submit Construction Drawings for your proposed infrastructure connections (to water, sanitary sewer, stormwater, and the road system) by [clicking on the "Public Works" directory from the DSC-PPF tab on Permits and Project feasibility page of the Development Services website](#).

Obtain a building permit.

Have your general contractor [start the building permit process with City/County inspections](#). Your general contractor can [expedite the plan review process by submitting plan documents digitally](#).

Monitor your progress.

Stay current with the [progress of your building plan review status, permits, and Certificates of Compliance online](#).

Apply for a sign permit.

Prior to installation, [a sign permit must be issued per Unified Development Ordinance \(UDO\)](#). Both permanent and temporary signs require permits.

Contact the fire department.

To ensure your building meets the N.C. Fire Code, you should [contact the Durham Fire Department](#). Note: A Change of Use will require a full inspection.

Space Resources

City-County Planning

<http://durhamnc.gov/388/Development-Review-Process-Overview>

City Timelines

<http://durhamnc.gov/387/Development-Review-Timelines-Procedures>

Building Permit

<http://durhamnc.gov/DocumentCenter/View/983/Building-Application-Form-PDF>

Submit & Monitor Plans

<http://durhamnc.gov/467/Dplans>

Monitor Permit Progress

http://ldo.durhamnc.gov/durham/ldo_web/ldo_main.aspx

Sign Permits

<http://durhamnc.gov/DocumentCenter/View/10717/Sign-Permit-Application-and-Checklist>

Fire Department

<http://durhamnc.gov/620/Fire-Department>

Complete the Barber Shop Permit Application.

Note that if the project you are bidding costs \$30,000 or more, you will need a license before submitting a bid. Projects under \$30,000 do not require a general contractor license. You can obtain the General Contractor License, from the [North Carolina Board of General Contractors](#).

Join your trade association.

Find and Join trade associations targeted for your Contractor industry. Look up the name of your industry on Google (or another search engine) to see what trade associations are available, both nationally and locally. Many trades have state licensure requirements. Look into the requirement for your trade, and what limitations there may be for particular project types or project price levels.

NC Licensing Board for General Contractors Resources

Licensing Requirements

<https://nclbgc.org/>

North Carolina General Contracting Laws and Regulations

<https://nclbgc.org/laws>

Employer Requirements

Hire employees.

The [Durham NCWorks Career Center](#) can help you find the talented workers you need for your convenience store.

Check if you need unemployment insurance.

Use the [Division of Employment Security's site](#) to see if you need to comply.

Obtain Workers' Compensation Insurance.

For 3 or more employees, you'll likely need workers' compensation insurance. [Learn more at N.C. Industrial Commission](#).

Complete Federal Form I-9.

[Form I-9](#) is used for verifying the identity and employment authorization of individuals hired for employment in the United States.

Employer Resources

Find Workers

<https://durhamnc.gov/572/NCWorks-Career-Center>

Unemployment Insurance

<https://des.nc.gov/DES>

Worker's Comp

<http://www.ic.nc.gov/>

Form I-9

<https://www.uscis.gov/i-9>

Plan Your Opening

Open a Business Bank Account.

Business banking offers limited [personal liability protection](#) by keeping your business funds separate from your personal funds.

Create a Marketing Plan

The Small Business Administration can help you with a [sample marketing plan](#).

Place Your Business on Google

[Listing your business with Google](#) is an important step today.

Contact Durham County Plan Review Specialist.

Call (919) 560-7800 at least 5 but not more than 30 business days prior to projected opening date to schedule the permitting evaluation.

Opening Resources

Banking

<https://www.sba.gov/business-guide/launch/open-business-bank-account-fees-benefits>

Sample Marketing Plan

<https://www.sba.gov/business-guide/manage-your-business/marketing-sales>

Google Business

<https://www.gybo.com>

Staying Successful + Resources

Post Required State and Federal posters and permits.

You can [print required posters for free](#) from the N.C. Dept. of Labor.

Prepare for Inspections.

Once permitted the establishment is inspected on a regular basis. Regular inspections and visits are not announced or scheduled. Ensure food service workers are following required laws and have good hygiene.

Learn more about business recordkeeping.

As a new business owner, you need to know your [federal tax responsibilities](#).

Prepare for taxes.

The [N.C. Dept of Revenue](#) holds regular [Tax Seminars](#) throughout the year.

Other Durham Resource Partners

- [Small Business Center at Durham Tech](#)
- [Small Business Technology & Development Center](#)
- [The Institute](#)
- [Durham Small Business Advisory Committee](#)
- [Business Link: North Carolina](#)

General Resources

Required Posters

<https://www.labor.nc.gov/safety-and-health/publications/state-and-federal-workplace-poster-requirements/ncdol-labor-law>

Federal Tax

<https://www.irs.gov/pub/irs-pdf/p583.pdf>

N.C. Tax Seminars

<http://www.dornc.com/business/smallbusseminars.html>

Durham Tech

<https://www.durhamtech.edu/sbc/>

Tech & Development Center

<http://www.sbtcd.org/offices/nccu/>

The Institute

<http://www.theinstitutenc.org/>

Small Business Advisory

<http://durhamnc.gov/462/Small-Business-Advisory-Committee>

Business Link: North Carolina

<http://blnc.gov>

Connect for Additional Assistance



**ECONOMIC & WORKFORCE
DEVELOPMENT**

CITY OF DURHAM

Office of Economic & Workforce Development

801 E. Main Street, Suite 5-100

Durham, NC 27701

[Visit us online](#) or call (919) 560-4965