Tips on How to Avoid Common Mistakes Made by New Business Owners

1. Be informed when creating your legal entity:
   a. The type of business entity you choose will depend on three primary factors: liability, taxation and record-keeping. Consult with a business formation professional for FREE at our Small Business Center Solution Station to help you decide.
   b. For more information on registering your business with all required government agencies, please check our County, State, and Federal Business Registration web page.

2. When choosing a business location, be aware of the Zoning designation and, if applicable, required permits FIRST before signing a lease or making any financial obligation:
   a. Zoning
      i. Check your Zoning classification to find out the Zone of your business location.
      ii. Check the License Zoning Reference (LZR) Guide to see if your business activity is permitted.
      iii. Do not assume that the Zoning designation of the previous business, in the same location, applies to your business.
   b. Permit(s)
      i. BACP – Public Way Use (PWU) Unit
         1. If the proposed business location has an existing sign, awning, canopy, and/or banner, then it is your responsibility to contact a PWU representative and inform them of what you intend to do with the Public Way Use item.
         2. If you are going to have a new Public Way Use item installed at your proposed business location, then you will need to apply for the appropriate PWU permit after you obtain your business license.
      ii. Chicago Department of Transportation (CDOT)
         1. To obtain the right to use the public sidewalk or parkway as a driveway, applicants must obtain a Driveway Permit from CDOT.
         2. For temporary use of the public way due to construction, applicants must obtain a Construction Canopy Permit from CDOT.

3. If you are going to take over/purchase an existing business, be sure to check the following:
   a. Any license disciplinary history, and/or outstanding debts
   b. Location restrictions
      i. Specifically, restrictions for Filling Station, Liquor, Massage, and Tobacco business activities.
      ii. License revocations which ban a new business at the specific address for 1-2 years.

This type of information may be obtained by filing a Freedom of Information Act (FOIA) request through our department.
4. Check with the Department of Buildings to find out if the business location has had any building code violation(s):
   a. Online – Building Violations Look Up
   b. By Phone - 312.743.3600

5. City of Chicago Business licenses are NOT transferrable, therefore:
   a. Each legal entity requires its own business license, and
   b. Each business location requires its own business license as well.

6. Do not operate (i.e. conduct business) without a City of Chicago business license certificate.
   a. A pending business license application does NOT allow you to conduct business.
   b. Business may only commence AFTER receipt of the business license certificate and posting it in a conspicuous place within the licensed establishment.
   c. Any holds and/or outstanding debt to the City (i.e. parking tickets, fines or Illinois Sales Tax) must be resolved and/or paid before any license certificate can be issued or renewed.

7. During the application process, disclose ALL of your “business activities” in order to be licensed properly.
   a. Business activities mean all commercial, industrial or professional activities by an enterprising entity, for profit or not, through the buying and/or selling of goods and/or services.
   b. Include the business activities to be conducted inside and outside of the establishment, facility, or residence to be licensed.

8. Check for Federal and State regulations specific to your business activity for additional requirements (e.g. FDA approval, State licenses, etc.)
   b. State - Illinois Administrative Code

9. Know employment laws and consequences:
   a. Federal - U.S. Department of Labor (DOL) - FirstStep Employment Law Advisor
      i. Equal Employment Opportunity Commission
      ii. National Labor Relations Board (NLRB)
      iii. National Mediation Board (NMB)
   b. State - Illinois Department of Labor (IDOL)

10. When in doubt, please contact, or meet, with one of our Business Consultants at the Small Business Center.
    a. Online - Business Assistance Request Form
    b. By Phone - 312.74.GOBIZ (744.6249)