

Starting a Mobile Food Business in NC

What to Identify First - What is Your Concept?

What food / menu will I offer - what will your food business concept be?

What is my unique product or service that I can offer to my customers?

What will be on my menu?

What are my favorite restaurants - and what do I love about them that I can incorporate in my food business?

What is my business name?

What is my business logo - what colors /font (brand) will I use?

Now that you've identified what you want to sell and how you want to market it you need to identify your market - who will you be selling to and think of ways you can market to those specific crowds.

Setup your Company

What type of business structure do you want to have? Popular structures are LLC or Sole Proprietor for start-up businesses.

You can also create a Partnership, S-Corp or even a C Corp but these are usually more detailed and take more to manage.

Get your EIN (Employer Identification Number) or also called a Federal ID # - you get this free from the IRS website.

<https://irs-taxnumber.org/form/>

Open a business checking account - you will need your EIN # to do this.

Decide how you want to do your bookkeeping - what will you use? QuickBooks online is a simple and inexpensive option but there are various bookkeeping apps to use. Or you can find a professional to help setup your books and manage them.

At this point you really need to decide how and what you will need to sell your food from. Will you purchase a food truck or trailer, or try to get your home kitchen approved by the health department (see link below). Will you need financing and if so from where?

<https://www.ncagr.gov/fooddrug/food/documents/HomeProcessorHandout.pdf>

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Write a Business Plan

A business plan helps you identify and plan your strategies for marketing, operations, and financial goals including a budget and sales projections. You should know if you need financing and depending on who you go to for financing they may have their own template or guidelines for a business plan.

You will want to cost out your recipes but even more important is to consider the bigger picture when it comes to sales and costs. As you develop your budget, looking at the cost and profit for each menu item remember to add in costs not directly related to a recipe. You might have a loan payment for equipment, internet fees, google ad fees, utilities, payroll wages and taxes, office supplies, event costs and prep costs that will also need to be included.

Your profit & loss statement will reflect estimated revenue projections and operating expenses. This becomes a road map for your business which can be adjusted and revised as your business goes from a start-up to long term.

Your balance sheet statement will have your assets (items that cost \$2,500 or more), your liabilities (your loans or other debts), and your equity (equity is what you have left over in the business if you used all your assets to pay all your liabilities).

Business plan description and examples from the Small Business Administration:

<https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

This is a good time to start researching and creating your **Standard Operating Procedures (SOPS)**. An SOP is a checklist or instruction guide on how you want a specific process or procedure to happen consistently regardless of who is doing it.

You should have an SOP for sanitation and cleaning procedures, for ordering food, for prep work, for cooking ,etc.

There are lots of SOP templates you can find but it doesn't have to be overly complicated your goal is to make it easily understood so any of your employees can follow the SOP. All SOPS should be part of the new hire packet and you should have a checklist as you go through them and then at the bottom of your checklist have a statement that the new hired employee understands and will follow all the SOPS and then have them sign and date after the statement.

OSHA has a link for SOPS: https://www.osha.gov/sites/default/files/2019-12/standard_operating_procedures.pdf

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Licensing & Permits

You will need to get a **business license** from the city or county you **live** in. If you will be working outside of your city or county you will need to get a business license for each different location.

To get a business license you will need:

- 1) Your Federal ID # or EIN #
- 2) Your business structure (LLC, Sole Proprietorship, etc.)
- 3) Your address and phone number
- 4) Your business plan
- 6) A certificate of insurance from your business liability insurance policy

NC Dept of Commerce Link:

<https://edpnc.com/start-or-grow-a-business/start-a-business/license-permits/>

You will need a **Mobile Food Facility Permit** that is for the location that you are preparing your food at. The food facility that you are using must be compliant with local, state and federal food safety and worker safety standards.

Based on the county you have a food facility in will determine the rules and regulations.

You will need a **Public Health Permit**. You may need to fill out an application as a food vendor with the local public health department for your county to obtain the permit.

You will need a **Food Seller's Permit**. This permit allows you to charge sales tax for the goods you sell.

<https://www.ncdor.gov/taxes-forms/sales-and-use-tax>

You will need a **Food Protection Manager Certificate** for the manager or lead employee at the food facility/food commissary and you will need a **Food Handler's Certificate** for all other employees.

<https://www.servsafe.com/>

<https://www.360training.com/learn2serve/food-handler/North-Carolina>

There may be local permits you will need to have to do specific events or in some locations. All cities, fire departments and jurisdictions may have their own requirements.

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Creating Your Team

Hiring staff can be tedious and frustrating but your ultimate goal is to have a team that works well together and can also work independently. Please see the link below for NC minimum wage and for tipped employee wages.

<https://www.labor.nc.gov/workplace-rights/employee-rights-regarding-time-worked-and-wages-earned/minimum-wage-nc>

Paying payroll taxes is also important and depending on the bookkeeping software you have it may or may not have a payroll module. The payroll taxes are:

Federal Taxes:

- 1) Federal Income Tax (FIT) paid to the IRS using your EIN#
- 2) Social Security Tax (SS) paid to the IRS using your EIN #
- 3) Medicare Tax paid to the IRS using your EIN#
- 4) Federal Unemployment Tax (FUTA) paid to the IRS using your EIN #

State Taxes:

NC Employee Withholding Tax paid to NCDOR

NC Employer Tax paid to NCDOR

For Workers Compensation, the insurance used if an employee gets hurt on the job, North Carolina doesn't have a state program so the easiest way to get a policy is to add it to your existing liability insurance policy.

You will need to have a way of keeping track of employee hours worked, decide how often you want to process payroll, weekly, bi-weekly or monthly, and keep current on your payroll taxes.

There should be a new hire packet with copies of your standard operating procedures (SOPS), a job description for that position, and you will need to have a W-4 and I9 completed with a copy of their ID (as specified on the I9) and keep it all in an employee folder.

English W4 - <https://www.irs.gov/pub/irs-pdf/fw4.pdf> / Spanish W4 - <https://www.irs.gov/pub/irs-pdf/fw4sp.pdf>

English I-9 - <https://www.uscis.gov/sites/default/files/document/forms/i-9-paper-version.pdf>

Spanish I-9 - <https://www.uscis.gov/sites/default/files/document/forms/i-9-spanish.pdf>

You will need to report all new hires to NC : <https://ncnewhires.ncdhhs.gov/>

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Social Media / Marketing

Social media will become a powerful tool for your success. You will need to have:

- 1) Website for your business
- 2) Email account for your business
- 3) Create social media accounts for Facebook, Instagram, TikTok, etc.

Food Suppliers & Supplies & POS System

Stocking up on supplies and food is a necessary step. See the list below for some standard items:

Fire extinguishers

Wet floor signs

First aid kits

Hairnets

Gloves (dishwashing, cut resistant, freezer, etc.)

Slip-resistant mats

Hand sanitizer

Cleaning chemicals

Source your food vendors and suppliers of non-food items

Research and purchase a Point of Sale (POS) system

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Do a Trial Run

Do a trial run with a limited number of menu items to see how the prep time, kitchen flow and systems in place for ordering, ticket time and customer feedback are. You can try a friends and family get together or an office lunch at discounted prices to test your processes, equipment and your market.

Always be Looking to Improve

Whether its looking for ways to improve ticket time, sourcing better ingredients or finding a bookkeeper, always be looking for ways to improve your business. As you change and evolve you will hone your systems and become more profitable and grow your business.