

# DOING BUSINESS IN SALEM

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*A Guide to  
Starting or Growing  
Your Business*



Kimberley Driscoll, Mayor  
City of Salem, Massachusetts

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## WELCOME FROM THE MAYOR

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Dear Entrepreneur:

Owning a business is an exciting venture, filled with challenges. Knowing some of these challenges, the City of Salem Department of Planning and Community Development (DPCD) created this guide to help you navigate the process of starting or growing your business.



Salem is a unique community in a diverse region. Clearly, it is internationally renowned for the colonial Witch Trials, but academic and cultural institutions, recreational venues and citywide festivals celebrate Salem of today, attracting a healthy tourist economy and a growing residential presence to support year-round business activity. Many consider Salem the jewel of Massachusetts' vibrant North Shore, and businesses here benefit from its rich mix of history, culture and natural serenity. We hope that you decide to take advantage of the city's popular perception as a year-round destination.

Particularly important to existing and prospective Salem business owners, the city offers an exceptional opportunity for business development and guidance. The Salem Chamber of Commerce, Enterprise Center at Salem State College, SBA Small Business Development, and Salem Harbor Community Development Corporation offer competitive financing and counseling programs to get your ideas off the ground.

As Mayor, I invite you to invest in Salem's bright future. Today, with restored enthusiasm and enterprise, our community is alive with development and growth. We want you to be a part of it. I hope this Guide helps you as you start or expand your business in our great historic city.

If you have any questions, or need assistance along the way, please contact the Economic Development Program Director in the Department of Planning and Community Development at 978-619-5685. Also, visit our website at [www.salem.com](http://www.salem.com) for the most up-to-date information on the City of Salem.

I wish you and your business much success!

Sincerely,

A handwritten signature in cursive script that reads "Kimberley Driscoll".

Kimberley Driscoll  
Mayor

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## INTRODUCTION

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The process of starting or expanding your business is both exciting and challenging. We know you have lots of questions and concerns about the types of permits and licenses you will need and the process that goes along with obtaining them. The City of Salem is committed to making this process as straightforward as possible.

We created this guide as a tool to help navigate the licensing and permitting process, as well as to point you in the right direction for additional resources available to you. It is designed to be usable in its entirety or in sections. It provides valuable information no matter what stage your business is in, from the new entrepreneur floating the idea of starting a business to an established company looking to expand.

Throughout the guide, you will find answers to frequently asked questions, descriptions of the different processes and contact information for city, state, federal, and other agencies that can assist you. We also included web-links to these different agencies, whenever possible. The guide is broken into three different sections—Getting Started, Licensing & Permitting, and Financial & Technical Resources.

- *Getting Started*
  - Provides an overview of the guide and outlines top things you should consider as you are getting started with the opening, relocation or expansion of your business.
  
- *Licensing & Permitting*
  - **Licensing and Permitting Steps** asks questions that will help direct you to the various departments and agencies you will need to speak with to obtain any necessary permits and licenses.
  - **Permitting Checklist** provides a comprehensive listing of all the permits and licenses you might need, with the Departments and the fees associated with those permits.
  - **City of Salem Contacts** provides each of the various departments and boards you might need to speak with in order to obtain licenses and permits. The section also provides frequently asked questions.
  - **State and Federal Contacts** provides various state and federal contact information for those agencies you might need to connect with when opening or operating your business.
  - **Additional Considerations** provides answers to other questions you might have regarding permits and licenses.
  
- *Financial & Technical Resources*
  - Provides an overview of different local, state and federal resources available to you for financial and technical assistance.

The Appendix includes different resources that you might need or find interesting, including a comprehensive listing of the contact information for the departments and agencies mentioned throughout the guide, a listing of city board meeting times, maps, and a glossary of business terms.

Please remember that the City of Salem is committed to your success. Use this guide as a resource, but do not feel you have to manage the process alone. Feel free to contact the Department of Planning and Community Development (DPCD) staff to answer your questions, point you in the right direction, and keep you motivated throughout the process.

## GETTING STARTED

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Often, the most difficult part of opening or expanding a new business is getting started. The City of Salem is committed to your success and we are here to help you get started and assist you as you work through your licensing and permitting. We encourage you to ask as many questions as needed as you move forward and to contact the Economic Development Program Director in the Department of Planning and Community Development (DPCD) at (978) 619-5685.

To help you get started, here are a few specific things every business owner should consider:

- ✓ **Zoning** – Consult the City of Salem Zoning Ordinance to make sure that your business/property meets the zoning requirements for the site. You may need a permit from the Zoning Board of Appeals. For more information, see page 39.
- ✓ **Business Certificate** – Most business owners need a Business Certificate, or Doing Business As (d/b/a), from the City Clerk. This certificate allows you to open a commercial bank account and helps prevent others from using your business name. For more information, see page 21.
- ✓ **Legal Structure** – Whether incorporating or forming a limited partnership, the MA Corporations Division requires an excise tax and filing fee. Sole proprietors do not require registration, but you should conduct a name check with the MA Secretary of the Commonwealth. For more information, see page 41.
- ✓ **Signage** – If your business needs a sign, you will need to apply for a Sign Permit. Depending where your business is located, you may also need approval from one of the City's review boards through DPCD (Downtown Urban Renewal Area, Historic Commission or North River Canal Corridor District). This process can take up to 3 months, so inquire early to ensure that you can get your sign installed by your opening. For more information, see page 33. Also see the Appendix for an overview of the sign process.
- ✓ **Federal Tax or Employee Identification Number (EIN)** – For tax purposes, you will need to define your business structure and obtain identification numbers from the Internal Revenue Service (IRS) for your business and staff. For more information, see page 41.
- ✓ **State Taxes** – You must receive a Sales Tax Vendor Number from Massachusetts Department of Revenue (DOR). This should be done after you have applied for your federal tax or EIN. For more information, see page 40.
- ✓ **Financial and Technical Assistance** – The City of Salem is host to a number of dedicated agencies committed to providing quality technical assistance to Salem businesses. In addition, the City of Salem, through the DPCD, offers direct loan and grant assistance to qualified businesses. For more information, see Section II on page 44.
- ✓ **Building Permit** – If you will be undertaking any construction, you most likely will require a building permit. For more information, see page 19.

### Hot Tip

The number of home-based businesses is growing throughout the Commonwealth. If you are running a business out of your home that involves seeing any clients and/or the general public, has any display of a sign, and/or utilizes employees, you are required to obtain a Special Permit from the Zoning Board of Appeals. You also will need to talk with the Building Inspector in the **Building Department** (page 19) to find out handicapped accessibility requirements should any of the above apply to your home-based business.

# TEN THINGS YOU SHOULD KNOW BEFORE STARTING A BUSINESS

1. Have a viable idea. Are you offering something that people want? Can you profit? Is it proven?
2. Preparation is the key to success: Write a business plan.
  - A business plan is a written document you create that involves researching your industry and market trends, your potential customers, your competition, pricing, creating a marketing plan, and projecting your revenues and expenses for three years.
  - Most businesses fail because they haven't done this important preparation. You may find you need to change your services based upon researching your competition, alter your pricing scheme, add product lines or even add an online store.
  - According to the US Bureau of Labor Statistics, 33% of businesses fail in the first two years. Most did not have business plans. Plan for success: write a plan.
3. Have industry experience.
  - If you have worked in the business, or doing the type of service you plan to offer, then you know the business, its customers and competition. If you don't know the industry, spend some time working in it first. This will give you an advantage in your business.
4. You need to really know and understand your target clientele.
  - Your business should meet their needs with your goods and services.
  - Research your market, describe them in detail, and understand their desires.
  - Conduct customer surveys before your open. In order to find out what your potential customers will want, you should conduct initial surveys. For example: how much they will pay, what they prefer to buy, how they prefer to buy it, what they want from you, your store or service.
5. Figure out how to meet your personal financial obligations for six months to a year because it takes that long to grow a business, minimally.
  - It takes time to have a successful business. Most businesses do not really take off for a few years—you need that long to create a large customer base, generate customer-to-customer referrals, and create long-term customer loyalty. Many businesses are still struggling financially for up to three years. If you can make it three years, you are very likely to last ten or more. Have patience with yourself.
6. Make sure you can fund your business.
  - Check your personal credit and understand your personal credit situation. Pull your credit reports. Sit down with a banker to help understand them. Figure out if you can get a commercial loan and what you need to do to repair your credit.
7. Hire professionals to support you.
  - Gather together a good team of professional advisors such as an accountant, a lawyer, a bookkeeper, a web designer.
  - Spend the money to make sure your business is set up for success!
8. Be prepared to go outside of the business to solicit customers.
  - Attending networking events, join chambers of commerce, attend to professional meetings, find other professionals to meet with who can refer business to you, etc.
  - For every new customer your business gets, you will also lose one customer through attrition. The "hustle" is a constant in business.
9. It is lonely running a business. You are often the only one you see all day. Make sure you have a professional group you can attend to meet other business owners like yourself.
10. It is a roller coaster ride of emotions: joy, fear, anger, pride, sadness, and more. Every week you may experience these things over again when customers cancel appointments, no one comes into the store, you make the big sale, you get a referral, you have a big bill you have to pay, etc. It is not an ordinary 9 to 5 job, but a thrill ride with its true highs and lows.

Adapted from Salem Harbor Community Development Corporation, Advancing Community Business (ACB) seminar "10 Things You Should Know Before Starting a Business".

# LICENSING AND PERMITTING

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## LICENSING AND PERMITTING STEPS

Navigating the maze of regulations and requirements for the various licenses and permits can be confusing and a bit overwhelming for new, or even the most experienced, business owner. To help you as you go through this process, we created a list of the questions you should ask yourself to determine from which City review boards or departments you will need approval. Following this section is a comprehensive checklist along with permit fees. You should use your responses to the questions and the permitting checklist in conjunction with the listing of city departments and boards starting on page 19.

### Step One: Basic Licensing

When starting your Salem business, you should first consider if you will need any certificates or licenses. You may need to visit the following city departments:

#### CITY CLERK'S OFFICE:

	YES	NO	NOT SURE
Does the title of your business differ from your name or from a corporate name?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business include a bowling alley, billiards or pool?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you classified as a "junk collector" or "junk dealer"?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve auctions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you or planning to become a building mover?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" to any of these questions you need to obtain a Business Certificate and/or a License from the City Clerk's Office at (978) 619-5611. If you answered "not sure", you should consult with the City Clerk to determine if you will need to obtain a license for these items. Please see page 21 for additional information.</i>			
	YES	NO	NOT SURE
Are you planning to become a public guide?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve fortune telling?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you considered a pawnbroker?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve shellfish and/or seaworms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business include the sale of second-hand clothing or valuables?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you considered a transient photographer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" to any of these questions, you are required to obtain clearance from the City's Special Investigator in the Police Department and will require City Council approval. Please see the City Clerk for the necessary forms and a referral to the Police Department. If you answered "not sure", you should consult with the City Clerk to determine if you will need to obtain a license for these items. Please see page 21 for additional information.</i>			
	YES	NO	NOT SURE
Are you considered a contract operator?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you considered a drainlayer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" to any of these questions, you must first apply with the Department of Public Services, (978) 744-3302, before obtaining a license from the City Clerk. If you answered "not sure", you should consult with the City Clerk to determine if you will need to obtain a license for these items. Please see page 21 for additional information.</i>			

	YES	NO	NOT SURE
Does your business involve a vehicle(s) for hire?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><i>If you answered "yes" to these uses you require approval from the Police Department's Traffic Division, (978) 744-0171 and the City Council. Applicants should <b>first</b> bring these applications to the City Clerk's Office who will then forward them to the Police Department. Once the application has been cleared, it will be sent back to the City Clerk for City Council approval. If you answered "not sure", you should consult with the City Clerk to determine if you will need to obtain a license for these items. Please see page 21 for additional information.</i></p>			
	YES	NO	NOT SURE
Does your business involve limousine and/or taxi service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><i>If you answered "yes" to these uses you require approval from the Police Department's Traffic Division, (978) 744-0171 and the City Council. Applicants should <b>first</b> bring these applications to the Police Department Traffic Division who will then forward them to the City Clerk for City Council approval. If you answered "not sure", you should consult with the City Clerk to determine if you will need to obtain a license for these items. Please see page 21 for additional information.</i></p>			

**LICENSING BOARD:**

	YES	NO	NOT SURE
Does your business involve the sale of alcoholic beverages (including on-premises or off-premises consumption)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business a restaurant or involve the cooking, serving or preparation of food (common victualler)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business a hotel, inn, lodging house, or bed and breakfast?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve providing services as an autodealer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your business have entertainment (such as playing music on a radio or having live music performed on-site)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business providing services as a street vendor, hawker, peddler or sidewalk stand?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business providing service as a public amusement (ie arcades, automatic amusement, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business providing services as a seasonal or Halloween vendor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your business have an outdoor cafe or any outdoor seating?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><i>If you answered "yes" to any of these questions you need to obtain a License from the Licensing Board at (978) 745-9595 x5648. If you answered "not sure", you should consult with the Licensing Board Clerk to determine if you will need to obtain a license for these items. Please see page 29 for additional information.</i></p>			

### Step Two: Basic Permitting

Next, you should consider whether you will need a permit from any of the City's departments or review boards. You should make this determination prior to the submission of any building permit applications to the Building Department. You may be required to have your project reviewed by the following City review boards or departments:

#### ZONING BOARD OF APPEALS:

	YES	NO	NOT SURE
Is your proposed business allowed by the City's Zoning Ordinance in your proposed location?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your proposed business meet all the requirements of the City's Zoning Ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "no" or "not sure" to either of these questions, you should consult with the Building Department at (978) 619-5641.</i>			
<i>According to the City's zoning ordinance, certain land uses are not permissible in certain areas of the City and certain land uses require a "special permit" in order to be permissible. If you do not meet all the requirements of the Zoning Ordinance, you may be able to obtain a "variance." Please see page 39 for more information.</i>			

#### SIGNAGE – DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT:

	YES	NO	NOT SURE
Will you be installing a sign or awning visible from the street?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes", please answer the following additional questions. See the maps of the districts listed below in the Appendix on page X. If you are unsure, contact the Department of Planning and Community Development at (978) 619-5685 for more information. Also see page 33.</i>			
Is your business located in a local Historic District?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business located in the downtown Urban Renewal Area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business located in an Entrance Corridor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your business located in the North River Canal Corridor (NRCC) District?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" or "not sure" to any of these questions, you should consult with the Department of Planning and Community Development (DPCD) at (978) 619-5685 to determine whether you need to appear before the Salem Redevelopment Authority (SRA), Design Review Board (DRB) or the Salem Historical Commission.</i>			
<i>All signs require a permit before being installed. The staff in the DPCD can assist you in determining how much signage you are allowed based on the location of your business and size of your storefront. Please see page 33 for more information on sign permits and the Appendix for a worksheet to help you navigate the sign review process. Also, consult the City of Salem Commercial Design Guidelines Manual found both at the DPCD and at <a href="http://www.salem.com">www.salem.com</a> for guidelines on sign design. <b>NOTE: Signage Review can take from 3 weeks to 3 months for approval.</b></i>			

**BOARD OF HEALTH:**

	YES	NO	NOT SURE
Is your business a food establishment or involve the sale of food?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your business have an outdoor cafe or any outdoor seating?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve frozen dessert manufacturing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve tanning services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business provide massage or massage therapy services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve body art, including tattoos?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business provide funeral or burial services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve a public or semi-public swimming pool?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your project require a septic system installation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve the transportation of offensive substances?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your project involve the removal of exterior paint?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your business involve a recreation or day camp?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you answered "yes" to any of these questions, you need to obtain a permit from the Board of Health. The Health Department staff can be reached at (978) 619-5650. If you answered "not sure" to any of these questions, you should consult with the Health Department in order to determine whether you will need to obtain a permit for these items. Please see page 26 for more information.*

**HISTORICAL COMMISSION:**

	YES	NO	NOT SURE
Is your business going to erect, demolish, reconstruct or alter any exterior architectural feature of any building or structure within one of Salem's four local historic districts or require new signage? <i>See map of the historic districts in the Appendix.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you answered "yes" to this question, you need a Certificate of Appropriateness or Certificate of Hardship from the Historical Commission, depending on the type of work. The staff for the Historical Commission is located in the Department of Planning and Community Development at (978) 619-5685.*

**NOTE: No other City department, office or board can review or issue a permit for your business until you have received approval from the Commission.**

*If you answered "not sure" to this question, you should consult the staff for the Historical Commission at (978) 619-5685. Please see page 27 for more information.*

**PLANNING BOARD:**

	YES	NO	NOT SURE
Will your project include a building of more than 10,000 sq. ft. of new non-residential construction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your project include a building of more than 2,000 sq. ft. in an entrance corridor? <i>See the map of Entrance Corridors in the Appendix.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your project include a building of more than 6 residential dwelling units?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your project include new construction in the North River Canal Corridor (NRCC) District, other than a single or two-family home? <i>See map of the NRCC district in the Appendix. If you answered "yes" to this question, you will also need to submit plans to the Design Review Board as part of the Planning Board Process. See Design Review Board, page 35.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you dividing a lot, creating new property lines, or constructing a roadway for new homes or businesses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you proposing a wireless communications facility, planned unit development (PUD), or cluster subdivision?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are you proposing construction or redevelopment in a wetlands or flood hazard area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" to any of these questions, you need to have the plans for your project approved by the Planning Board. The Planning Board staff is located within the Department of Planning and Community Development and can be contacted at (978) 619-5685.</i>			
<i>If you answered "not sure" to these questions, you should consult the Planning Board staff in order to determine whether your project needs the approval of the Planning Board. Please see page 31 for more information on the Planning Board procedures.</i>			
<b>NOTE:</b> <i>There are certain uses that require a special permit from the Planning Board in the NRCC District and Business Park Development District. If you are proposing a use in either of these districts, you should consult with the Building Commissioner.</i>			

**CONSERVATION COMMISSION:**

	YES	NO	NOT SURE
Is your project going to conduct any construction or alteration of land within 100 feet of wetlands or a waterway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is your activity going to take place within 200 feet of a river?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your project take place in a waterway or resource area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" to this question, you need to submit a Request for Determination of Applicability to the Conservation Commission. The Conservation Agent is located in the Department of Planning and Community Development at (978) 619-5685.</i>			
<i>If you answered "not sure" to any questions, you should consult the Conservation Agent. Please see page 23 for more information.</i>			

**SALEM REDEVELOPMENT AUTHORITY/DESIGN REVIEW BOARD:**

	YES	NO	NOT SURE
Will your project include the alteration of any building or land located within one of the Urban Renewal Areas, including the installation of lighting, window boxes or signs and awnings? <i>See map of Urban Renewal Areas in Appendix.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will your business require an outdoor cafe or any outdoor seating?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" to either question, you need approval from the Salem Redevelopment Authority (SRA) and most likely, their Design Review Board (DRB). The staff for the SRA and DRB is located in the Department of Planning and Community Development at (978) 619-5685.</i>			
<i>If you answered "not sure" to this question, you should consult the staff for the SRA and DRB. Please see page 35 for more information.</i>			

**WEIGHTS AND MEASURES:**

	YES	NO	NOT SURE
Will your business include the use of weights, scales and measuring machines including: airport refuelers, cord wood measures, gas station dispensers, industrial scales, marina pumps, medical scales, oil truck meters, retail store scales, store scanner scales, taxi cab meters or vehicle scales?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>If you answered "yes" to this question, you need approval from the Sealer of Weights and Measures. The Sealer can be contacted at (978) 745-9595 x5619. Please see page 38 for more information?</i>			

 **Hot Tip**

Unless otherwise noted, a typical business may not operate between the hours of 10:00 pm and 6:00 am. The Licensing Board allows some restaurants and bars to stay open until 1:00am. Transient vendors, hawkers and peddlers cannot operate between the hours of 6:00 pm and 8:00 am. However, there are exceptions; a vote of the HCity CouncilH can allow the extension of a business' hours or operation. Contact the Licensing Department for more information.

Also be aware of the Massachusetts Blue Laws, which restricts certain business uses from operating on Sundays and holidays. These laws are administered by the HDivision of Occupational SafetyH under the authority of the HDirector of LaborH and are enforced by the Attorney General's HDivision of Fair Labor and Business PracticesH.

### Step Three: Building Permits

Finally, you should determine whether your project will require a Building Permit from the City's Building Department. The following questions can help you determine whether you will need a permit from the Building Inspector:

#### BUILDING PERMIT:

	YES	NO	NOT SURE
Does your project involve the construction, alteration, repair, or demolition a structure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><i>If you answered "yes" to this question, you will <b>probably</b> need to obtain a building permit from the Building Department. You will need to answer the next four questions to determine whether you <b>will</b> need to obtain a building permit for your project.</i></p> <p><i>If you answered "not sure" to this question, you should consult with the Building Inspector to determine whether you will need to obtain a building permit for your project.</i></p>			
Does your project include the building of a one-story detached accessory building that exceeds 120 square feet in floor area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your project include the installation of a fence(s) that is higher than 6 feet?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your project include the construction of a retaining wall(s) which, in the opinion of the Building Inspector, is a threat to public safety, health or welfare and which would retain more than 4 feet of unbalanced fill?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your project include "ordinary repairs", which includes the following":			
<ul style="list-style-type: none"> <li>• Cutting away of any wall, partition or portion thereof</li> <li>• Removal or cutting of any structural beam, column or other load-bearing support;</li> <li>• Removal or change of any required means of egress;</li> <li>• Rearrangements of parts of a structure affecting the egress requirements;</li> <li>• Addition, alterations, replacement or relocation of any standpipe, water supply, mechanical system, fire protection, energy conservation; or</li> <li>• Other work affecting public health or safety?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><i>If you answered "yes" to any of these questions, you <b>need</b> to obtain a building permit from the Building Department. If you answered "no" to any of these questions, you <b>do not</b> need to obtain a building permit from the Building Department. Building Inspectors and Building Department staff can be reached at (978) 619-5641.</i></p> <p><i>If you answered "not sure" to any of these questions, you should consult with the Building Department in order to determine whether you will need to obtain a building permit for your project. <b>NOTE: Do not use your own judgment in determining whether you will need a building permit.</b> The staff in the Building Department can easily determine whether you need a building permit. Please see page 19 for more information.</i></p>			

	YES	NO	NOT SURE
Will your project change the use of or any space within a building?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Will you be working on any electrical, plumbing or gas systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you answered "yes" to either question, you will need to obtain a building permit from the Building Department. Building Inspectors and the staff in the Building Department can be reached at (978) 619-5641.*

*If you answered "not sure" to this question, you should consult with the Building Inspector to determine whether you will need to obtain a building permit for your project.*

 **Hot Tip**

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At least 17% of Salem's population is disabled (blind, deaf mobility impaired, etc.). The Salem Commission on Disabilities is the City's advisory board that is available to provide you with free advice/consultation regarding compliance to the American Disabilities Act, and to help you support the disabled consumer. For more information contact the ADA Coordinator/Liaison at (978) 619-5604.

## Step Four: Miscellaneous Permits/Information

The following questions will help you to determine if you need any additional permits and where to go to get those permits. There is also a list of Additional Considerations on page 42 that will help you answer any other questions you might have prior to opening your business in Salem.

### *Do I need a permit to get a curb cut?*

If a new curb cut is necessary for the off-street parking or loading for your facility, you should fill out an application with the Department of Public Services (DPS). DPS will review your application, send you a bill based on the cut and site conditions, and, upon payment, schedule the work. Any curb cut in excess of 32 ft. requires City Council approval.

#### Department of Public Services (DPS)

5 Jefferson Ave., Salem, MA 01970; (978) 744-3302

✉ Principal Clerk, [vcoviello@salem.com](mailto:vcoviello@salem.com)

### *Whom should I contact to obtain an electrical permit?*

The City's Electrical Department is responsible for the issuance and oversight of all electrical permits. The following are the permits needed from the City's Electrical Department:

- Electrical Permit
- Gas/Oil Burner Installation Permit
- Swimming Pool Wiring Permit
- Gasoline Pump Permit
- Temporary, Renewed or New Service Installation Permit
- Service Panel Change Permit
- HVAC Installation without Building Permit
- Electric Sign or Siding Permit

#### Electrical Department

44 Lafayette St., Salem, MA 01970; (978) 745-6300

✉ Electrician, [jgiardi@salem.com](mailto:jgiardi@salem.com)

### *What do I do if my business involves using the public waterway or public piers?*

Any recreation or commercial use in Salem's waters needs a mooring or slip permit from the Harbormaster. A permit is also needed from the Harbormaster for any business that will use a public pier or will require a mooring or launch service.

#### Harbormaster

51 Winter Island Rd., Salem, MA 01970

✉ (978) 741-0098, [ecook@salem.com](mailto:ecook@salem.com)

Businesses that include the operation of commercial fishing require approval from the Massachusetts Department of Fish and Game, Division of Marine Fisheries.

#### MA Dept. of Fish and Game, Division of Marine Fisheries

251 Causeway St., Boston, MA 01970

(617) 626-1520

Businesses that involve the carrying of passengers on the water will require approval from the United States Coast Guard Marine Safety Division.

#### US Coast Guard, Marine Safety Division

408 Atlantic Ave #5, Boston, MA 02110

(617) 223-8600

## PERMITTING CHECKLIST

<u>Pickup Location</u>	<u>Required</u>	<u>Obtained</u>	<u>Fees</u>
<b>Board of Health</b>			
Certificate of Fitness	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Burial or Removal of Deceased Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$10
Body Art Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$200 + \$90/piercer
Camps (Recreation or Day) Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$10
Catering Establishment Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$25/event, \$200 max
Food Service Establishments Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$100-200
Food Sales Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$50-250
Frozen Desert Manufacturing Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$5
Massage Therapy Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$60
Offensive Substance Transportation	<input type="checkbox"/>	<input type="checkbox"/>	\$60
Paint Removal (Exterior) Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Swimming Pool (Public or Semi-Public) Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$100-200
Septic System Installation Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$90
Tanning Facilities Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$75
<b>Building Department</b>			
Certificate of Inspection	<input type="checkbox"/>	<input type="checkbox"/>	\$40
Certificate of Occupancy	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Building Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$7-11 per \$1000 + \$5
Gas Permit	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Plumbing Permit	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Zoning Letter	<input type="checkbox"/>	<input type="checkbox"/>	\$30
<b>City Clerk/Police Department</b>			
Business Certificate	<input type="checkbox"/>	<input type="checkbox"/>	\$10, every 4 yrs.
Fortunetelling License	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Fortunetelling Store License	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Junk Collector License	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Junk Dealer License	<input type="checkbox"/>	<input type="checkbox"/>	\$100
Pawnbroker License	<input type="checkbox"/>	<input type="checkbox"/>	\$100
Shellfish and Seaworms License	<input type="checkbox"/>	<input type="checkbox"/>	\$10
Second-Hand Clothing License	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Second-Hand Valuables License	<input type="checkbox"/>	<input type="checkbox"/>	\$100
Transient Photographer License	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Vehicles for Hire	<input type="checkbox"/>	<input type="checkbox"/>	\$50 + \$10/driver
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Planning and Community Development (DPCD)</b>			
Conservation Commission	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Historical Commission	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Planning Board	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Salem Redevelopment Authority	<input type="checkbox"/>	<input type="checkbox"/>	\$0
Zoning Board of Appeals	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Sign Permit (from _____ )	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Financial, Technical Assistance (Program: _____ )	<input type="checkbox"/>	<input type="checkbox"/>	\$0
<b>Fire Prevention</b>			
Fire Alarm System – New and Existing Permit	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Smoke Detector Compliance	<input type="checkbox"/>	<input type="checkbox"/>	\$20
Plans and Specifications Review	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Sprinkler and/or Standpipe System Installation	<input type="checkbox"/>	<input type="checkbox"/>	\$50

<u>Pickup Location</u>	<u>Required</u>	<u>Obtained</u>	<u>Fees</u>
Pre-Demolition or Pre-Blast Survey	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Tent Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Burned Auto Report	<input type="checkbox"/>	<input type="checkbox"/>	\$5
Liquid Propane Installation and Storage	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Under- or Above-Ground Storage Tank Installation, Removal and Registration	<input type="checkbox"/>	<input type="checkbox"/>	\$100
Fuel Oil Burner and Storage	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Fireworks or Theatrical Pyrotechnics Display	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Spray Booth Installation and Paint Storage	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Kerosene Heater	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Flammable Fluids Storage	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Black or Smokeless Powder Storage	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Welding and/or Cutting	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Repair Garage or Service Station Operation	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Tank Trunk Inspection	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Site Assessment Report	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Fire Report	<input type="checkbox"/>	<input type="checkbox"/>	\$5
Summer Camp Inspection	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Waste Oil Storage	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Christmas Tree Storage	<input type="checkbox"/>	<input type="checkbox"/>	\$10
<b>Licensing Board</b>			
Autodealer License	<input type="checkbox"/>	<input type="checkbox"/>	\$100
Automatic Amusement License	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Common Victuallers License	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Entertainment License	<input type="checkbox"/>	<input type="checkbox"/>	\$100
Liquor License	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Lodging House License	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Street Vendors, Hawkers, and Peddlers License	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Street Performers License	<input type="checkbox"/>	<input type="checkbox"/>	\$0
<b>Department of Public Services</b>			
Contract Operator License	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Drainlayer License	<input type="checkbox"/>	<input type="checkbox"/>	\$50
Electrical Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$3 per \$1000 + \$15
Electric Sign or Siding Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$30/sign
Gas/Oil Burner Installation Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$15/burner
Gasoline Pump Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$30 + \$5/add.
HVAC Installation w/o Building Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$25
Service Panel Change Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$20
Swimming Pool Wiring Permit	<input type="checkbox"/>	<input type="checkbox"/>	\$30
Temp., Renewed or New Service Installation Permit	<input type="checkbox"/>	<input type="checkbox"/>	Variable
Weights and Measures	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Massachusetts Department of Revenue</b>			
Sales and Use Tax Vendor Registration Certificate	<input type="checkbox"/>	<input type="checkbox"/>	
<b>United States Internal Revenue Service</b>			
Employee Identification Number	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Other:</b> _____	<input type="checkbox"/>	<input type="checkbox"/>	

## CITY OF SALEM CONTACTS

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### **Building Department**

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5641

✉ Building Commissioner, [tstpierre@salem.com](mailto:tstpierre@salem.com)

The Building Department is responsible for building and zoning issues, conducting inspections and enforcement actions on construction projects, and maintaining public properties within its charge. These regulations and inspections insure that building construction and improvements are done in accordance with the building code and protect public safety. The Department is divided into three groups:

- **Zoning Enforcement** ensures compliance with the City's Zoning Ordinance. The Building Commissioner acts as the Zoning Enforcement Officer and interprets and determines the allowable uses for the various properties based on the Zoning Ordinance and Building Code. For more information about zoning, please see the Zoning Board of Appeals on page 39.
- **Building Office** collects all Building, Plumbing, and Gas Permit Applications, reviews all plans and application packages, and grants or denies permit requests. Further, it conducts all required inspections pertaining to building permits, and grants Certificates of Inspection and/or Certificates of Occupancy.
- **Public Properties** is responsible for the maintenance of public properties within its charge.

The Building Commissioner and Inspectors hold regular office hours 8 am to 9 am, 12 pm to 1 pm, and 5 pm to 7 pm (Thursday only), as well as by appointment.

#### *What is the "Building Code"?*

The Building Code is a legal document that regulates the construction and alteration of buildings. A variety of regulations, including light, ventilation, and structural loads, are typically included in the Building Code, which protects the public health and welfare by reducing potential construction hazards and costs, providing construction standards, and contributing to community well being.

#### *Who can request a Building Permit?*

A Building Permit is issued to architects, engineers or licensed contractors licensed for work on commercial property. These professionals are responsible for supervising critical aspects of the construction. If the licensed supervisor designated on the permit application leaves the project before completion, construction work must cease and the Building Department must be notified immediately. A new licensed supervisor needs to be designated before construction work can continue.

#### *When is a Building Permit not required?*

A Building Permit is *not* required for the following construction or alteration:

- One story detached accessory building used as a tool or storage shed, playhouse or similar use, if the floor area does not exceed 120 square feet;
- Fences 6 feet high or shorter;
- Retaining walls which, in the opinion of a building official, are not a threat to the public safety, health or welfare and which retains less than 4 feet of unbalanced fill; and
- Ordinary Repairs as defined in the Massachusetts Building Code - 780 CMR 2. Ordinary repairs do not include removing any wall, partition or portion thereof, removal or cutting of any beam, column or other load-bearing support, removal or change of any required means of egress, or rearrangements of parts of a structure affecting egress requirements. Nor shall

ordinary repairs include additions to, alterations of, or replacement or relocation of any standpipe, water supply, mechanical system, fire protection system, energy conservation system, or other work affecting public health or general safety.

*What are the steps in applying for a Building Permit?*

1. Consult with the Building Department: Applications for a Building Permit can be obtained in the Building Department. It is suggested that you consult with the Building Department staff when picking up your application to determine what you will need to submit and the other departments that will need to sign off on the Building Permit.
2. Application Package Submission: The application package must be accompanied by the necessary required documents in addition to a complete set of working drawings with all required stamps of approval. The plans are to be drawn to scale showing exactly what is to be built and compliance with the State Building Code. Once your application has been reviewed and approved by the Building Inspector, you will need to pay a fee based on the type and total cost of the project.
3. Plan Review: The Building Department will review your application for compliance with the following codes: plumbing, wiring, handicap access, zoning, and building. If a project requires the approval of the Planning Board, no permits can be issued by the Building Department until the Board provides approval or conditional approval of the project. For more information on the Planning Board, please see Page 31.
4. Approval or Disapproval of the Project: The Building Code requires that action be taken on a Building Permit application within 30 days of the filing date. Applications are generally reviewed in 5-10 working days. If necessary, a written list of corrections will be given to the applicant. If approved, a Building Permit will be issued.
5. Periodic Review and Inspection: The following inspections and filings are required throughout a building project:
  - Excavation inspection before any concrete is placed
  - Reinforcing inspection if reinforcing is used or required prior to placing concrete
  - Certified "As-built" survey when foundation is in place (or as otherwise directed by the office)
  - Foundation inspection with waterproofing in place and walls braced on 1st deck installed (no backfill to be placed until after the foundation is approved and braced per above)
  - Rough electrical, plumbing, and gas inspections signed off
  - Fireplace (before completing chimney and after)
  - Rough framing with all fire stopping in place, but prior to any insulation
  - Insulation inspections, after all framing corrections are done and signed off
  - Final electrical, plumbing and gas sign off
  - Smoke detector, oil burner & tank sign off (by Fire Prevention)
  - Final building inspections
  - Completed job card to be submitted to the Department after all departments have signed off.

☺ **Hot Tip**

After the Building Permit work is complete, you must receive a Certificate of Occupancy from the Building Department. Whether you're opening a new business or renovating your current space, a Certificate of Inspection is required from the Building Department to occupy a building.

Additionally, the Electrical Department is responsible for the issuance and oversight of all electrical permits in the City of Salem, and it enforces all rules and regulations of the state electrical code. Your electrician must contact the Electrical Department for a permit.

**City Clerk, Office of the**

93 Washington St., Salem, MA 01970; (978) 619-5611

✉ City Clerk, [clapointe@salem.com](mailto:clapointe@salem.com)

The City Clerk is responsible for various licenses, including the Business Certificate. Unless otherwise noted, the following licenses require a fee for processing. Please see the Checklist in the Appendix for a list of fees. All Licenses except Drainlayer/Contract Operator take two meetings for approval by City Council. All Licenses expire December 31 of the current year. For any License for renewal that the City Clerk receives after February 1, the fee is doubled.

*How do I register my business with the City?*

If the title of your business differs from your name or from a corporate name, you need a Business Certificate, or Doing Business As (d/b/a), from the City Clerk. In addition to acting as a municipal registration, this certificate allows you to open a commercial bank account and prevents others from using your business name within city limits.

*How do I apply for any licenses from the City Clerk's Office?*

Applications for the following licenses can be picked up at and returned to the Clerk's Office. Renewal terms for these applications vary.

- Auctioneer
- Bowling Alley, Billiards and Pool
- Building Mover

Applications for the following uses can be picked up at and returned to the Department of Public Services (located at 5 Jefferson Avenue, 978-744-3302) for initial approval. Next, the applicant should bring the application and corresponding fee to the Clerk's Office for processing and referral to the City Council. They are typically approved in one meeting of the City Council. These licenses renew annually.

- Contract Operator
- Drainlayer

Applications for the following uses require initial screening from the City's Special Investigator. Applicants should go to the City Clerk's Office (Room 3) to pick up the forms and return it to the City Clerk's Office with the fee. The Clerk's Office will send it to the Police Department. After this initial approval, the Police Investigator will return it to the Clerk's Office to be put before the City Council for approval. This typically takes two meetings of the City Council for approval. These licenses renew annually.

- Fortune telling
- Fortune telling Store
- Junk Collector
- Junk Dealer
- Pawnbroker
- Public Guide
- Second-Hand Clothing
- Second-Hand Valuables
- Shellfish and Seaworms
- Transient Photographer

Applications for the following uses require approval from the Police Department's Traffic Division (located at 95 Margin Street, 978-744-0171) first – applicants should **not** bring these applications to the City Clerk. Once approved by the Police Department, they will forward the information to the City Clerk for City Council approval. This typically takes two Council meetings for approval. These are annually renewed licenses.

- Taxi Operator
- Limousine and Taxi Cab

Applications for the following uses require approval from the Police Department's Traffic Division, however, you must first pick up the application in the City Clerk's Office who will then forward the information to the Police Department's Traffic Division. Once approved, they will be forwarded back to the City Clerk for City Council approval. This typically takes two Council meetings for approval. These are annually renewed licenses.

- Vehicles for Hire (pedi-cab, horse drawn carriage, amphibious vehicles or others)

## **Conservation Commission**

Department of Planning and Community Development (DPCD)  
120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5685  
✉ Conservation Agent, [cduques@salem.com](mailto:cduques@salem.com)

The Conservation Commission is responsible for protecting Salem's coastal and inland wetland resource areas through the implementation of the Massachusetts Wetlands Protection Act (WPA) and the City of Salem's Wetlands Ordinance. The Commission regulates and monitors various projects and activities that may impact wetlands or water bodies. The Commission also works to preserve open space and wildlife habitat and investigates reported violations of illegal construction and destruction of wetlands.

### *What is a wetlands?*

As defined by the WPA, wetlands include both inland and coastal wetlands. Inland wetlands refer to inland banks, marshes, swamps, wet meadows, bogs, flowing or standing surface water, area subject to flooding, etc. Coastal wetlands are any coastal bank, salt marsh, coastal beach or mud flats, barrier beaches, coastal dunes, rocky inter tidal area, areas subject to coastal storm flowage or velocity waves from tidal action, and land under ocean.

### *What is a Riverfront Area?*

The Rivers Protection Act protects nearly 9,000 miles of Massachusetts' riverbanks – helping to keep water clean, preserving wildlife habitat, and controlling flooding. The riverfront area is a 200-ft.-wide corridor on each side of a perennial river or stream. A river is any natural flowing body of water that empties into any ocean, lake, or other river and that flows throughout the year, including all perennial rivers, streams and brooks that flow throughout the year. Rivers end where they meet the ocean, a lake, or pond.

### *What projects fall under the jurisdiction of the Conservation Commission?*

Any activity that is located within 100 ft. of a coastal or inland wetlands, within 200 ft. of a perennial river and/or stream or is within an area subject to flooding (Zone A or Zone V) requires an application for review and approval by the Commission. Since many wetlands are not always obvious, you are encouraged to consult with the Conservation Agent, who will help you determine whether your project falls within the Commission's jurisdiction and whether your project will require a filing. Additional assistance may be necessary from a wetlands biologist to determine if your project is located in or within 100 feet of a wetlands.

### *What should I do if my project falls under the jurisdiction of the Conservation Commission?*

If your project does fall under the jurisdiction of the Conservation Commission you should contact the Conservation Agent to discuss your project. Applicants should file a Request for Determination of Applicability, seeking a determination of applicability of the WPA on the proposed project from the Commission. The Commission will review the application at a public hearing and will make a decision and notify you in writing whether your project is not subject to the WPA, is subject to the WPA and is approved with conditions, or is subject to the WPA and requires filing a Notice of Intent (NOI).

If your project involves the removal, filling, dredging, altering, building upon, or is located in a Riverfront Area, within an area subject to flooding (Zone A or Zone V), or within a wetlands/waterway or its associated 100-ft. buffer zone, you must file a Notice of Intent with the Commission prior to beginning the work. A Notice of Intent notifies the Commission and the Massachusetts Department of Environmental Protection (DEP) of your intentions to perform work

within an area subject to protection. The Commission will review all Notices of Intent at a public hearing and will issue or deny an Order of Conditions for the work requested within 21 days of the close of the hearing. The Order outlines the conditions under which you may perform work in a protected area or an area within the jurisdiction of the Commission. The applicant may need numerous environmental permits depending on the project's scope, size and location.

Per the WPA, the applicant is also required to notify abutters located within 100 feet of the property, as well as place a legal advertisement in the Salem News. Please speak to the Conservation Agent to coordinate obtaining the list of abutters and posting the legal advertisement. There are also fees associated with the filing of both a Request for Determination of Applicability and a Notice of Intent. Please refer to the Salem Wetlands Bylaw and the DEP filing fee information regarding the cost for your specific filing and project.

Instructions for filling out the forms, the forms, and filing fee information can be located at <http://mass.gov/dep/water/approvals/wwforms.htm>.

## **Fire Prevention**

29 Fort Avenue, Salem, MA 01970; (978) 745-7777

✉ Fire Marshall, [egriffin@salem.com](mailto:egriffin@salem.com)

Fire Prevention is responsible for issuing several permits, inspections, and signature authority for Certificates of Inspection and Occupancy. Business owners are encouraged to consult with Fire Prevention early and often during the process of opening or expanding your business.

*What's the difference between all of the licenses that Fire Prevention is involved with?*

Some permits and inspections issued by Fire Prevention are known as Annual Renewables, because they must be renewed every year. Fees associated for the approvals are listed in the Checklist found at the end of this Guide. The permits are:

- Propane Storage for Resale Permit (commercial tanks at hardware stores)
- Spray Booth Installation and Paint Storage Permit (auto body shops)
- Flammable Fluids Storage Permit
- Black or Smokeless Powder Storage Permit (often used in ammunition)
- Welding and/or Cutting Operation Permit
- Repair Garage or Service Station Operation Permit
- Tar Kettle Operation Permit
- Summer Camp Inspection
- Waste Automotive Oil Storage Permit

Other permits, inspection and surveys are only issued once per project and do not require renewal. Again, these approvals require fees, a list of which is available in this Guide's Checklist. The permits, inspections and surveys include:

- Smoke Detectors/Fire Alarm System (new and existing construction)
- Smoke and Carbon Monoxide Detector Compliance Permit
- Plans and Specifications Review
- Sprinkler and/or Standpipe System Installation Permit
- Fixed Fire Extinguishing System Installation Permit
- Pre-Demolition or Pre-Blast Survey
- Tent (10' x 10' or larger; applicant must have a Building Permit first) Permit
- Burned Auto Report
- Liquid Propane Installation and Storage Permit
- Under- or Above-ground Storage Tank Installation, Removal and Registration Permit
- Fuel Oil Burner and Storage Permit
- Fireworks or Theatrical Pyrotechnics Display Permit
- Kerosene Heater Permit
- Dumpsters and Containers
- Blasting Permit
- Carpet or Fabric Approval Permit
- Site Assessment Report
- Fire Report
- Christmas Tree Storage Permit (for seasonal trees sellers)

Note: The renewal period for Tank Truck Inspection Permits is set by the Massachusetts Fire Marshall. Fire Prevention charges a small fee for initial and renewal inspections.

## **Health Department**

120 Washington St., 4<sup>th</sup> Floor, Salem, MA 01970; (978) 741-1800

✉ Health Agent, [jscott@salem.com](mailto:jscott@salem.com)

The Health Department is responsible for the protection of the general health of Salem residents and visitors. As part of their role, the Health Department is responsible for enforcing the state rules and regulations regarding various business establishments in the city to protect public health. The Health Department will help you determine what permits are required for your type of business.

*Is there any difference between the permits that the Board of Health issues?*

The Board issues several permits with varying fees and terms of renewal. The following permits are renewed annually with the Board:

- Burial or Removal of Deceased
- Body Art Plan Review
- Body Piercing/Art Establishment
- Camps (Recreation or Day)
- Massage Establishment
- Exterior Paint Removal/Abrasive Blasting
- Tanning Establishment
- Catering Establishment
- Food Service Establishment
- Retail Food
- Temporary Food
- Tobacco Vendors
- Swimming Pool (Public or Semi-Public)

Other permits are renewed at various terms – from seasonal to multi-year periods. Each of the following permits also requires different application fees:

- Disposal Works Installers
- Food Establishment Plan Review
- Mobile Food Server
- Milk Pasteurization
- Well Application
- Non-Alcoholic, Carbonated Beverages Manufacturing or Bottling
- Tanning Establishment Plan Review
- Offensive Substances Transportation
- Swimming Pool Plan Review
- Title V (Septic System) Review
- Site Assessment
- Frozen Deserts and/or Ice Cream Mix Manufacturing

*What is the process for receiving a Food Permit?*

1. First, contact the Health Agent to make an appointment to discuss your business and its services.
2. Upon meeting with the Agent, please bring a floor plan of your establishment and a proposed menu to be reviewed for compliance with state regulations, which follow the 1999 U.S. Food Code.
3. Next, the Health Agent will perform an Opening Inspection of the property. If the property passes inspection, the business owner will receive a Food Permit.

*Should I contact someone if one of my employees is sick?*

The Board of Health asks employers to prevent illness from spreading in the workplace. If you or one of your employees is sick with a communicable disease that may be passed to another person, please contact the Public Health Nurse for Communicable Disease in the Health Department.

## **Historical Commission**

Department of Planning and Community Development (DPCD)  
120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5685  
✉ Historical Commission Clerk, [jguy@salem.com](mailto:jguy@salem.com)

The Salem Historical Commission, located within the Department of Planning and Community Development, is responsible for the review and approval of all proposed exterior work to properties located within Salem's local historic districts in order to preserve the City's unique historic character. The Commission is also responsible for reviewing the demolition of structures 50 years or older throughout the City.

### *How do I know if my business is in a Historic District?*

To determine whether your business location resides in one of the four historic districts in Salem, please consult the [Historic Districts Map](#) in the Appendix. You can also consult with the Historic Commission staff.

### *When do I need Commission approval?*

Property owners must receive an approved Certificate from the Commission before undertaking any work to the exterior of properties. There is no fee for any [applications](#). All applications must include three or four 35mm or digital photographs of existing conditions. The more thorough your application, the faster the process. Whenever possible, photographs, scaled drawings, catalog cuts and paint chips can be used to illustrate the project specifications needed for the Commission to visualize the changes in order to make a determination. There are four types of Certificates:

#### Certificate of Appropriateness

Property owners in historic districts are required to receive approval under a Certificate of Appropriateness for any exterior alterations (including partial or full demolition and including new construction) prior to commencing the work. Alterations include changes in color, material, design, location and outward appearance of structures.

#### Certificate of Hardship

Property owners in historic districts may receive approval under a Certificate of Hardship for the same type of changes as a Certificate of Appropriateness. This Certificate is used when denying a Certificate of Appropriateness would create a substantial hardship (i.e. installing a handicap ramp.)

#### Certificate of Non-Applicability

A Certificate of Non-Applicability is a way to verify that a Certificate of Appropriateness is not required for the work to be performed in an historic district. This Certificate and pictures submitted before the work starts, protect a property owner from charges that he or she made changes without approval.

#### Waiver of the Demolition Delay Ordinance

For properties that are 50 years or older, outside historic districts, no demolition permit shall be granted unless it is first submitted to the Commission for review and comment. The Commission has a 180-day period for investigation. Property owners may request a Waiver from the Commission, in order to waive the 180-day period, so that a demolition permit may be granted without delay.

### *Is there any part of a property that the Commission does not have review over?*

The Historical Commission does **not** review the following types of projects:

- Landscaping plantings. *Note: The Commission does have jurisdiction over barriers, such as railroad ties or brick walls that are used in landscaping*
- Window air conditioners
- Storm doors and storm windows
- Door and window screens
- Terraces, driveway materials and sidewalks (provided that they are substantially at grade level)
- Antennae and similar appurtenances. *Note: The Commission does have jurisdiction on satellite dishes.*
- Lighting fixtures attached to the building
- Interior work that does not affect the exterior

*How do I apply for Commission approval? What is the process?*

When planning alterations to your property, be prepared to apply for approval well in advance of the date you wish to begin any exterior work. No work can commence until a Certificate is issued.

Applications for a Certificate of Appropriateness or Hardship and required materials must be received by 3:00 p.m. on the Monday 16 days before a meeting in order to make the meeting agenda. All applications for Certificates of Appropriateness or Hardship require a public hearing.

Applications for a Certificate of Non-Applicability normally may be added to the agenda up to the day of the meeting. In some cases, the Commission Clerk may issue a Certificate of Non-Applicability without review by the full Commission after 24 hours have past from an e-mail notification to the Commission of the application's receipt and provided that photographs of existing conditions are submitted with the application. The Clerk can also get expedited approval for the change of an asphalt roof to black or charcoal gray. A public hearing is not required for this Certificate.

Applications for a Waiver of the Demolition Delay Ordinance must be submitted at least 1 week prior to a regular Commission meeting and must include photographs to document the need for demolition.

All Commission meetings are open to the public. The Commission must make a determination within 60 days from the date it receives the application, unless the applicant waives that requirement in writing.

*Where can I get more information or assistance?*

It is suggested that the property owner call or visit the Commission staff at DPCD to discuss the proposed alterations. The [Salem Historical Commission Guidelines](http://www.salem.com) are located at [www.salem.com](http://www.salem.com), the Salem Public Library and DPCD. These guidelines provide examples of what is historically appropriate (or inappropriate) for Salem's neighborhoods and will help you understand what changes are likely or unlikely to be approved. DPCD also has [Commercial Design Guidelines](http://www.salem.com) available at [www.salem.com](http://www.salem.com) or you can obtain a hard copy in the DPCD office. In addition, building inventory forms are available for review, along with various renovation guidelines, legislation and photographs at the DPCD.

## **Licensing Board**

120 Washington St., Salem, MA 01970; (978) 745-9595 x5648

✉ Principal Clerk, [bsirois@salem.com](mailto:bsirois@salem.com)

The Licensing Board is responsible for the licensing and regulation of many different types of businesses and events. The Licensing Board Clerk can best answer questions about licenses offered by the City.

### *What do I need a license for?*

The Licensing Board provides licenses for the following commercial uses:

- Autodealer
- Automatic Amusement
- Common Victuallers (meaning those involved with cooking, serving or preparing food)
- Entertainment
- Sale of Alcoholic Beverages (both seasonal, year-round, and one-day licenses)
- Lodging House, Hotel, Inn, or Bed and Breakfast Establishments
- Street Performer
- Street Vendors, Hawkers and Peddlers
- Outdoor cafes
- Seasonal or Halloween Vendors

### *What is the process for obtaining a license through the Licensing Board?*

The process for obtaining a license through the Board is composed of the following steps:

1. Consult with the Licensing Board Clerk. The Clerk can talk to you about the requirements of the Board and any of the permits you may need prior to opening.
2. Application. You will need to submit one copy of your full application packet, with all the necessary sign offs from city departments and the required fee. As the applicant, you will be responsible for the costs of advertising in the local paper and any notices that are required.
3. Public Hearing. A public hearing will be scheduled within approximately 10 days of the submittal of a complete application packet. You, or your representative, will be required to attend the public hearing. At the hearing, the Licensing Board will either issue or deny your license.
4. Final Approvals (liquor licenses). In the case of licenses involving alcoholic beverages, the Board must act on your application within 30 days. Within 3 days of local approval, the Board must submit your application to the Massachusetts Alcoholic Beverages Control Commission (ABCC) for review and approval. Within 7 days of receipt of ABCC approval, the Licensing Board will issue your license.

### *What else should I know about obtaining a liquor license?*

All individuals applying for a liquor license should be aware of the following information:

- Within 10 days after the receipt of an application, the applicant must publish a notice of the application in a Salem newspaper at the applicant's expense and hold a hearing on the application no sooner than 10 days after the notice appears in the newspaper.
- If the proposed premises are within 500 ft. of a church, hospital or school, a copy of the published notice must be sent, by registered mail, to any of these institutions. Applicants who

are inn-holders and applicants who are located 10 or more floors above street level are not required to send these notices.

- In the case of a liquor license transfer, the former owner of the premises is still liable for the operation of the premises until a new liquor license is issued.
- Applicants should know that there is a possibility that a license may not be issued. The most common reasons that liquor license applications are denied at the state level are:
  - Taxes are owed to Commonwealth. Any tax delinquency must be resolved with the Massachusetts Department of Revenue (DOR) (for both seller and buyer) before ABCC approval.
  - The manager is not a citizen. This applies to all licensees.
  - The directors are not citizens. This applies to all licensees.
  - The City quota is full.
  - Incomplete forms are submitted or no check was submitted.
  - Supplemental information was not provided

*Can I obtain a seasonal liquor license?*

Yes, you can obtain a seasonal liquor license. The season runs from April 1 to January 15. The process to obtain the license is the same as obtaining a regular liquor license.

*Can I get a special liquor license for an event in my store?*

Yes, you can obtain a one-day liquor license for an event, such as a wine-tasting, in your store. In fact, a Special Alcoholic Beverage License is required for any activity at which alcoholic beverages are served. A License may be issued to the responsible manager of any activity or enterprise for wine and malt beverages only. A Police Officer is required to be at all activities where alcoholic beverages are served and the cost of obtaining the officer is the responsibility of the applicant. Applications can be obtained by the Licensing Board Clerk.

*Can I sell items outside of my store?*

The Licensing Board does allow merchants to sell items outside of their store, as long as the display is not blocking a public way and they obtain the proper approval from the Board. Those interested in selling items outside of their store should pick up a vendor application from the Licensing Board Clerk. The vendor fee is waived for storeowners wishing to sell items outside their store.

 **Hot Tip**

Did you know that you need an Entertainment License if you plan to play a radio in your restaurant and certain other businesses? Go to the Licensing Department and all City agents with detailed descriptions of your business use and its operations to get the most accurate information about the permits and licenses you will need.

## **Planning Board**

Department of Planning and Community Development (DPCD)  
120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5685  
✉ Planning Board Staff, [alash@salem.com](mailto:alash@salem.com)

The Salem Planning Board is responsible for long range community/master planning, implementation of the Subdivision Control Act in conformance with the City of Salem Subdivision Regulations, and the issuance of special permits for Wetlands and Flood Hazard District projects, Cluster Developments, Planned Unit Developments (PUDs), Wireless Communications facilities, North River Canal Corridor District Special Permits, Business Park Development Special Permits and Site Plan Review. The Board meets regularly on the first and third Thursday of each month.

*How do I know if my project requires Site Plan review?*

Site Plan Review is required for all non-residential construction/reconstruction over 10,000 square feet, unless located in the Entrance Corridor Overlay District, which is more restrictive. In the Entrance Corridor Overlay District, Site Plan Review is required for all construction of 2,000 square feet or more. Site Plan Review is also required if 6 or more residential units are constructed/reconstructed.

For all projects triggering this requirement, no [Building Permits](#) can be issued until the Planning Board grants approval or conditional approval of the project. Applicants for Site Plan review are encouraged to schedule a meeting with the Planning Board Staff in order to review Planning Board submission requirements well in advance.

*What does the Planning Board review during the Site Plan review process?*

The Planning Board reviews adequacy of:

- Parking and loading facilities
- Traffic and pedestrian circulation systems
- Access to and from the site
- External lighting
- Landscaping & vegetative screening
- Sewage disposal
- Water distribution system, including fire protection
- Drainage system
- Compatibility of the architecture with nearby buildings

*How do I submit my Site Plan for review by the Planning Board?*

The Planning Board Site Plan review process usually follows the following steps:

1. Consult with Planning Board Staff. The Planning Board staff can talk with you about the requirements for Site Plan Review and provide you with the necessary application.
2. Application. You will need to submit 15 copies of your application packet, along with an application fee. A Public Hearing will be scheduled within 65 days from the date you submit your application. As the applicant, you will be responsible for the costs of advertising in the local paper for the public hearing.
3. Public Hearing. A public hearing will be held within 65 days of the submission of your application and you, or your representation will need to attend. You will be called upon to provide information and answer questions regarding your Site Plan. The Planning Board

review process will ultimately result in the approval, approval with conditions or denial of your Site Plan.

The Planning Board will make a decision regarding your Site Plan within 90 days of the close of the public hearing. In [Definitive Subdivision Plans](#), the Planning Board will make a determination within 90 days from the date of submission of your application. If a [Preliminary Subdivision Plan](#) has been filed, or if 45 days has not elapsed from the submission of the [Preliminary Plan](#) to the [Definitive Plan's](#) application, the Planning Board will make a determination within 135 days of submission of your application.

*What is an Approval Not Required (ANR) Plan?*

An [Approval Not Required \(ANR\) Plan](#) is a plan in which lot lines are either changed or affirmed and does not require the construction of a new roadway to serve the lots. It does not require a public hearing and allows 21 days from the date received for the Board's approval. Aside from this deviation, the other steps are the same.

*Does the Board review any other criteria?*

Subdivision Plans are required for any division of land that is not eligible to be divided through the ANR process. If a Subdivision Plan is required, the Subdivision Regulations of the City of Salem must be adhered to in all new construction of public roadways and utility services.

Furthermore, the Planning Board must review all new construction, except a single or two-family home, located in the North River Canal Corridor (NRCC) District. The Board must also review all uses for the district listed as "Special Permit Uses".

The Planning Board also issues the following Special Permits:

- Wireless communications facility
- Wetlands and flood hazard
- Certain North River Canal Corridor (NRCC) uses
- Planned unit development (PUD)
- Cluster subdivision
- Business park development
- Waiver of frontage

## **Planning and Community Development, Department of**

Department of Planning and Community Development (DPCD)  
120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5685

The Department of Planning and Community Development (DPCD) is responsible for a wide range of activities and responsibilities, including economic development, land use planning, affordable housing, transportation projects, historic preservation, open space conservation, and neighborhood improvement projects. DPCD coordinates the City's efforts with state agencies and the regional planning commission and it oversees the operation of the Planning Board, Conservation Commission, Historical Commission, Zoning Board of Appeals, Harbor Plan Implementation Committee, Artist's Row, Salem Redevelopment Authority and Design Review Board.

### *What permits do I need from DPCD?*

As stated above, DPCD staffs a number of boards that might affect your project. You should reference those sections for more information about the Boards and their review process. DPCD also is your first stop for obtaining a sign permit and provides financial resources to help your business, which are explained further on page 46.

### *How do I know if I need a sign permit?*

All permanent signs that can be viewed from a public way require a permit. This includes vinyl graphics applied to windows visible from the public way. Temporary signs do not require a sign permit, however, they can only be displayed for 14 days and must be hung inside the window, taking up a maximum of 30% of the window. In the Urban Renewal Area, temporary signs can only take up a maximum of 20% of the window.

### *What is the process for obtaining a sign permit?*

Applications for all sign permits are processed through DPCD and the permit is then issued by the Building Department. The process for obtaining a permit varies depending on where you are located in the city. Your first step will be to check in with the staff at DPCD to confirm whether you fall into a local Historic District, downtown Urban Renewal Area, Entrance Corridor, or the North River Canal Corridor (NRCC) area. You can also reference the maps located in the Appendix.

The following outlines the review process for each of these areas:

*Local Historic District* – Signs located in a local historic district must be approved by the Salem Historical Commission under a Certificate of Appropriateness. For more information, see page 27.

*Urban Renewal Area* – Signs located in one of the Urban Renewal Areas must be approved by the Salem Redevelopment Authority and its Design Review Board. For more information see page 35.

*Entrance Corridor* – Signs located in one of the entrance corridors must adhere to the Entrance Corridor Overlay District regulations, which restrict the size of the signs. The design of all signage changes must be reviewed and approved by DPCD and the Building Department.

*North River Canal Corridor (NRCC) Area* – Signs located in the NRCC area must adhere to the NRCC zoning regulations, which restrict the size of the signs. If the project requires Site Plan

Review, the design of all proposed signs must be reviewed by the Design Review Board, and a recommendation received by the Planning Board prior to action being taken on the site plan review application.

The next step, after fulfilling any of the requirements of the location, is DPCD staff review of your application. DPCD will ensure that the sign you are proposing adheres to the City of Salem Sign Ordinance and that your application is complete.

After DPCD signs off on the application, it will be forwarded to the Building Department. The Building Inspector will verify that it meets the Sign Ordinance and the Zoning Ordinance. If all requirements are met, the Building Department will issue you a sign permit. You must have a sign permit in hand in order to install your sign.

*How long does it take to obtain a sign permit?*

It can take anywhere from 3 weeks to 3 months to obtain a sign permit depending on where you are located in the city and how complete your application is when you submit it. Applicants are encouraged to talk to DPCD early in the business planning stages to ensure that you can install your sign in time for your opening.

*Is there any assistance available to help me with my sign?*

There is a worksheet in the Appendix to help work through the sign regulations and [sign permit information](#) is located on the city website. In addition, the DPCD staff is available to help you navigate the process.

You can view the [Commercial Design Guidelines](#) posted on the City's website or pick up a hard copy at DPCD. These guidelines are intended to provide ideas, stimulate thinking and promote good design in the commercial districts throughout Salem.

The City also offers a Storefront Improvement Program, which provides design and financial assistance to businesses looking to complete exterior improvements to their storefront, including signage. Eligible businesses can apply for up to \$5,000 for exterior improvements to their storefront. The program requires a match of funds by the applicant; every dollar paid by the City must be matched by a dollar from the applicant. For more information talk to the Economic Development Program Director in DPCD.

☺ **Hot Tip**

Nearly all businesses want a sign outside their doors, but all sign proposals need to be reviewed by DPCD prior to being installed. Depending on... you guessed it... location, your sign designs may also be reviewed by the Historical Commission or Salem Redevelopment Authority (SRA) and their Design Review Board (DRB).

## **Salem Redevelopment Authority (SRA)**

### **Design Review Board (DRB)**

Department of Planning and Community Development (DPCD)  
120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5685

✉ SRA/DRB Staff, [planning@salem.com](mailto:planning@salem.com)

The Salem Redevelopment Authority (SRA) and its Design Review Board (DRB) were created in 1962 to help the redevelopment of downtown Salem and help preserve its unique character. Over the past four decades, the SRA has made significant contributions to the revitalization of the Central Business District in downtown Salem. Critical to this success is its commitment to preserving the social fabric and architectural heritage of the City. The SRA and DRB meet monthly, with the SRA meeting the second Wednesday of each month and the DRB meeting the fourth Wednesday of each month.

#### *How do I know if my business is in an Urban Renewal Area?*

To determine whether your business is located in one of the two Urban Renewal Areas, consult the maps located in the Appendix. You can also consult with the SRA staff located in DPCD.

#### *When do I need SRA approval?*

The SRA requires that all improvements to the exterior of a structure and any changes to signage to properties located within the Urban Renewal Areas undergo design review. The SRA utilizes their Urban Renewal Plans in that design review. The [Commercial Design Guidelines](#) are intended to supplement the design frameworks established by the Urban Renewal Plans and the SRA staff are available to help you as you put together your application.

#### *What is the review process for exterior building improvements or new construction?*

All major development projects proposed in the Urban Renewal Areas are required to undergo a two-step review process by the SRA prior to any work being started. This process involves: 1) Preliminary Approval at the Schematic Design Review phase; and 2) Final Approval of the final design of the project.

Applicants or their designated developers are required to attend all SRA and DRB meetings in which the project is being discussed. **No application will be reviewed without representation by the applicant.** Materials for the SRA and DRB are required to be submitted two Fridays before the meetings (checklist available at DPCD and on the [SRA web page](#)).

Applicants should note that it takes approximately 2-4 months for Schematic Approval and 2-4 months for Final Approval. Every effort will be made to expedite complete applications.

#### *What if my project is minor, such as painting my storefront and adding lights?*

Projects that involve minor repairs or renovations, considered "Small Projects" only require Final Approval of the design and do **not** require Schematic Design Review. SRA staff can help you determine if your project falls under this review. A checklist of submittal requirements for Small Projects Review is available at DPCD and on the [SRA web page](#).

*What is the review process for signage?*

All signs proposed for the Urban Renewal Areas are required to undergo review by the SRA and DRB prior to installation. A checklist of required documents is available at DPCD and at the website: on the [SRA web page](#). The review process for sign installation involves the following 6 steps:

1. Applicant submits Application Packet including a completed, signed application, application fee and all of the required documents (checklist available at DPCD and at [SRA web page](#)) two Fridays before the next DRB Meeting. **Submission to the DRB must include 7 color copies of the entire packet.**
2. The DRB reviews the application at their monthly meeting and provides a recommendation to the SRA on the sign design. Applicants or their designated representative are required to attend all DRB meetings at which their sign is discussed. **No application will be reviewed without representation by the applicant.**
3. Applicant has one week from the DRB meeting to prepare the changes recommended by the DRB and submit the final sign design packet to the SRA. This packet should include all the same information as was provided to the DRB, with the required changes. **Submission to the SRA must include 7 color copies of the entire packet.**
4. The SRA will review the final sign application packet and will vote for final approval of the proposed sign. Applicants are **not** required to attend this meeting.
5. If the SRA approves the sign, the applicant is then able to file a City of Salem Sign Permit Application with the DPCD.
6. The permit application will require approval by the Director of DPCD and the Building Inspector prior to a permit being granted by the Building Department.

Applicants should note that it takes approximately 2-3 months before a permit will be granted from the time the application is submitted to the DRB. Every effort will be made to expedite complete applications.

*What is the review process for outdoor cafe permits in the downtown?*

The cafe permit process typically requires three meetings for approval. The review takes the following steps:

1. The applicant will have to present his/her application to the SRA. This initial review is to determine if the cafe can fit in the area proposed and will not block a public way.
2. If the SRA approves the concept, they will then forward it to the Design Review Board (DRB) for detailed review on the design of the outdoor cafe including the design of the tables/chairs, chain or fencing around the cafe and other accessories such as umbrellas and lighting.
3. When the DRB finalizes a recommendation, it will then come back to the SRA for final approval.

The SRA will not give final approval on a café permit unless the applicant has received approval by the Licensing Board and the Board of Health. A checklist of required documents is available at DPCD and on the [SRA web page](#).

*What is the review process for projects located in the North River Canal Corridor?*

All projects proposed in the NRCC Neighborhood Mixed Use District (see map in Appendix) that require Site Plan Review are required to receive a recommendation by the Design Review Board (DRB). Development shall be designed to complement and harmonize with adjacent land uses (existing and proposed) with respect to architecture, scale, landscaping and screening.

The DRB review can take place concurrently with the Planning Board review; however, **applicants must have filed with the Planning Board before going before the DRB**. Applicants or their designated developers are required to attend all DRB meetings in which the project is being discussed. **No application will be reviewed without representation by the applicant.**

Materials for the DRB are required to be submitted two Fridays before the meetings. Submittals to the DRB **require 7 copies**. All copies should include the entire application packet and photographs or photographic representations must be in color. A checklist of required documents is available at DPCD and at the website: on the [DRB web page](#).

The DRB meets monthly, typically meeting the fourth Wednesday of each month. If multiple meetings are required, the DRB may schedule a special meeting. Applicants should note that it takes approximately 1-3 months for approval. Every effort will be made to expedite complete applications.

## **Weights and Measures**

120 Washington St., 4<sup>th</sup> Floor, Salem, MA 01970; (978) 619-5641

✉ Sealer of Weights and Measures, [mtracchia@salem.com](mailto:mtracchia@salem.com)

Weights and Measures enforces the law pertaining to weighing and measuring devices to protect the interests of both buyers and sellers. The Sealer of Weights and Measures follows state standards to inspect large and small scales, meters, scanning equipment and gasoline stations, to name a few. For more information, please refer to the [Weights & Measures](#) webpage on the city website.

*What requires inspection by Weights and Measures?*

Weights and Measures inspects the following for accuracy and suitability:

- Airport refuelers
- Cord wood measures
- Gas station dispensers
- Industrial scales
- Marina Pumps
- Medical Scales
- Oil truck meters
- Retail store scales
- Store scanner systems
- Taxi cab meters
- Vehicle scales

*How often are the devices tested?*

Most devices are tested annually. A seal is usually put on to show that the equipment has been tested and found accurate. In Massachusetts the color of the seal is either green or red, changing from odd year to even year.

## **Zoning Board of Appeals (ZBA)**

Building Department

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5641

✉ Zoning Enforcement Officer, [tstpierre@salem.com](mailto:tstpierre@salem.com)

The Zoning Board of Appeals (ZBA) has the authority to grant “special permits” for specific uses and “variances” or waivers to the Zoning Ordinance for certain hardships and conditions, while protecting and preserving the general purpose and intent of the Zoning Ordinance.

### *What is a “Special Permit”?*

Certain uses are only allowed in certain zones of the City if a Special Permit is granted by the ZBA. For example, if a business owner wanted to open a veterinary clinic in a B-4 zoning district for wholesale or automotive uses, s/he would need to go before the ZBA to petition for a Special Permit. The ZBA has the authority to place conditions on any Special Permit granted.

### *What is a “Variance”?*

A Variance is a waiver of certain requirements, typically dimensional requirements, of a zoning ordinance. A Variance can only be granted by the ZBA if the request satisfies certain conditions relating to the soil conditions, shape or topography of the land, literal enforcement involves substantial hardship, and the relief may be granted without substantial detriment to the public good and without nullifying or substantially derogating from the intent and purpose of the city’s ordinance. An example of a Variance would be to allow an applicant to construct an addition to a dwelling without the required side yard setback due to the particular shape of the property.

### *Can I get a “Variance” to change the zoning or use of my property?*

No. The ZBA cannot change the zoning or allowed use of a property. Only the City Council has the authority to rezone a property.

### *How do I submit a request for a Special Permit or Variance to the ZBA?*

The ZBA review process is comprised of the following steps:

1. Go to the Building Department to determine whether your proposed plan for an addition, alteration or new construction conforms to the City’s Zoning Ordinance. If your project does not conform, you will receive a Letter of Denial for your project. You cannot apply to the ZBA without a Letter of Denial.
2. Bring your Letter of Denial to the Building Department and pick up an Application for Variance or Special Permit. You will need to submit 9 copies of your application, plot plan(s), the Letter of Denial, tax certification, certified abutter list, and any other requested supporting documentation along with a \$75 application fee. Applicants must also pay for the required placement of two (2) ads in the City’s newspaper. During the application process, you will be able to work with the ZBA Administrator to develop a certified abutter list, which is a list of parties of interest in your project area, for public notification purposes.
3. Attend the public hearing that will be held within 65 days of the submission of your application. You will be called upon to present evidence to the ZBA regarding your position. The ZBA will ultimately approve or deny your requested Special Permit or Variance. The ZBA will make a decision regarding a Special Permit within 90 days of the closing of your public hearing, and will make a decision regarding a Variance within 100 days of the filing of your application.

## STATE AND FEDERAL CONTACTS

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### **Massachusetts Alcoholic Beverages Control Commission (ABCC)**

239 Causeway St., Salem, MA 01970; (617) 727-3040  
[www.mass.gov/abcc/](http://www.mass.gov/abcc/)

The ABCC is the sole agency in Massachusetts responsible for directly licensing or permitting specific participants in the alcoholic beverages industry in Massachusetts. All manufacturers of alcoholic beverages, all wholesalers and importers, all out-of-state suppliers of alcoholic beverages, all brokers, all salesman, all warehouses, all planes, trains, ships, ship chandlers and most every motor vehicle transporting alcoholic beverages in Massachusetts require direct licensing from the ABCC. Approximately 10,000 licenses and permits are issued by the ABCC annually.

### **Massachusetts Department of Environmental Protection (DEP)**

205B Lowell St., Wilmington, MA 01887; (978) 694-3200  
<http://www.mass.gov/dep/>

DEP works to ensure clean air and water, the safe management of toxic and hazards, the recycling of solid and hazardous wastes, the timely cleanup of hazardous waste sites and spills, and the preservation of wetlands and coastal resources. Depending on the nature of your business or location, the City of Salem may refer your project to DEP for further examination and approval.

### **Massachusetts Department of Revenue (DOR)**

100 Cambridge St., Boston, MA 02114; (617) 887-6367 or 1-800-392-6089  
<http://www.dor.state.ma.us/>

If you will be selling products or services for which sales tax must be collected, you will need to apply for a Massachusetts Sales Tax Vendor Number and a Sales and Use Tax Registration Certificate from DOR. Certain businesses may also be required to pay Trustee and/or Excise Taxes. Also, most businesses are required to pay some amount of Income Tax.

DOR has compiled a useful online reference, "*Guide to Massachusetts Tax and Employer Obligations*," which provides specific information on a variety of state tax issues. DOR also offers a free Small Business Workshop designed to walk you through the tax issues. This workshop is co-sponsored by the IRS and also covers important federal tax issues.

### **Massachusetts Division of Marine Fisheries**

251 Causeway St., Boston, MA 01970; (617) 626-1520  
<http://www.mass.gov/dfwele/dmf/>

The Division of Marine Fisheries manages the Commonwealth's living marine resources and the harvesting of those resources by the commercial and recreational fisheries, while maintaining a diverse number of self-sustaining fish populations at healthy levels of abundance in balance with the ecosystem. If you will operate a commercial fishing business, you should contact the Division of Marine Fisheries.

### **Massachusetts Division of Professional Licensure (DPL)**

239 Causeway St., Boston, MA 02114; (617) 727-3074  
<http://www.mass.gov/dpl/home.htm>

DPL serves as the Commonwealth's source for regulatory jurisdiction over 40 different trades and professions. It is responsible for licensing and regulating the activities of over 330,000 individuals, corporations and partnerships to protect the public health, safety and welfare by licensing qualified

individuals who provide services to consumers and by fair and consistent enforcement of the statutes and regulations of the boards of registration.

### **Massachusetts Office of Consumer Affairs and Business Regulation**

1 Ashburton Pl., Boston, MA 02108; (617) 727-7755

<http://www.mass.gov/?pageID=ocahomepage&L=1&L0=Home&sid=Eoca>

The Office of Consumer Affairs and Business Regulation protects consumers through advocacy, education and ensuring fair, honest business practices among companies and licensees within its rule.

### **Massachusetts Secretary of the Commonwealth, Corporations Division**

1 Ashburton Pl., Boston, MA 02108; (617) 727-7030

<http://www.sec.state.ma.us/cor/coridx.htm>

The Corporations Division of Secretary of the Commonwealth's Office is the repository for certain records of over four hundred thousand business and nonprofit corporations organized or registered to do business in Massachusetts. This site provides information and forms required to operate a corporation.

### **United States Army Corps of Engineers, New England**

696 Virginia Rd., Concord, MA 01742; (978) 318-8580

<http://www.nae.usace.army.mil/>

The Corps has jurisdiction over construction or placement of structures, dredging, and dredged material disposal in the waters of the United States for any project in or affecting the waters of the U.S. must comply with the conditions of the Massachusetts Programmatic General Permit (PGP) or, in the case of larger projects, the conditions of an Individual Permit. The Corps' involvement sometimes parallels review from the Conservation Commission.

### **United States Coast Guard, Prevention Division**

408 Atlantic Ave #5, Boston, MA 02110; (617) 223-8600

<http://www.uscg.mil/d1/prevention/default.htm>

The Marine Safety Division protects public health and safety, the environment, national security, and U.S. economic interests by ensuring coordinated, integrated, efficient and effective response to minimize the consequences of pollution incidents, maritime contingencies, and incidents of national security. If you will operate a passenger ship in Salem, you need to contact the U.S. Coast Guard for approval.

### **United States Internal Revenue Service (IRS)**

JFK Bldg., 15 Sudbury St., Boston MA 02203; (617) 316-2850

<http://www.irs.gov/>

Among other duties, the IRS provides Federal Tax or Employee Identification Numbers (EINs) to identify a business. Business owners may not transfer EINs if he or she sells or otherwise transfers their business and the new business owner and operator may not use your EIN.

Tax information for starting a business can be found by going to [www.irs.gov/businesses/index.html](http://www.irs.gov/businesses/index.html).

The following IRS tax publication may be useful:

- Sole proprietor: #334 "*Tax Guide for Small Business*"
- Small Business Tax Kit #454
- Partnership: #541 "*Partnerships*"

## ADDITIONAL CONSIDERATIONS

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### *How do I get a tax identification number?*

For a federal tax identification number, please contact the Internal Revenue Service for Form SS4. This form is available through their website at [www.irs.gov/pub/irs-pdf/fss4.pdf](http://www.irs.gov/pub/irs-pdf/fss4.pdf). You can also contact the IRS at 1-800-829-1040 and ask for the Small Business Tax Kit #454.

### *Who should I contact regarding trash collection?*

The Department of Public Services Trash Recycling Division is the municipal contact for questions regarding trash collection throughout the City. Any commercial establishment which utilizes municipal collection of solid waste and recycling shall be charged a monthly fee of \$30 per month. There is a maximum of 8 bags or containers per business. A private operator, Northside Carting, performs curbside collection throughout the week. Contact the Department of Public Services Trash Recycling Division for a schedule of your pick-up day and time.

#### Department of Public Services Trash Recycling Division

120 Washington Street, 4<sup>th</sup> Floor, Salem, MA 01970; (978) 619-5673

✉ Principal Clerk, [bconnors@salem.com](mailto:bconnors@salem.com)

### *Who should I contact to have my water service or sewer turned on or connected?*

The Department of Public Services will connect water or sewer to your business for a fee.

#### Department of Public Services (DPS)

5 Jefferson Ave., Salem, MA 01970; (978) 744-3302

✉ Principal Clerk, [vcoviello@salem.com](mailto:vcoviello@salem.com)

### *Who should I contact regarding the taxes on my property?*

If you need information regarding the assessment of your property, you should contact the City's Assessor's Office.

#### Assessor's Office

93 Washington St., Salem, MA 01970; (978) 619-5608

✉ City Assessor, [fkulik@salem.com](mailto:fkulik@salem.com)

If you need information regarding your tax bill or the payment status of your account, you should contact the Treasurer's Office.

#### Treasurer's Office

93 Washington St., Salem, MA 01970; (978) 619-5637

✉ Treasurer, [abusteed@salem.com](mailto:abusteed@salem.com)

If you need information regarding collection of your taxes, you should contact the Collector's Office.

#### Collector's Office

93 Washington St., Salem, MA 01970; (978) 619-5621

✉ Collector, [bceli@salem.com](mailto:bceli@salem.com)

*Who should I contact if my business involves the use of vehicles as transportation for compensation?*

The Massachusetts Department of Telecommunication and Energy, Transportation Division regulates vehicles used in business such as tow companies and household movers.

MA Dept. of Telecommunication and Energy, Transportation Division  
1 South Station, Boston, MA 02110  
(617) 305-3559

If you will be operating a taxi business, you should first contact the Salem Police Department, Traffic Division for a referral to the City Council. If you plan to service Logan Airport, you should also contact Massport, Manager of Ground Transportation.

Salem Police Department, Traffic Division  
95 Margin St., Salem, MA 01970  
(978) 744-0171

Massport, Manager of Ground Transportation  
1 Harborside Dr., Suite 200S, E. Boston, MA 02128  
(617) 428-2800

*Who should I contact to bid on a municipal contract?*

Purchasing is a service department responsible for contracting all goods and services to support the City. If you're interested in doing business with the City, please talk to the Purchasing Agent.

Purchasing Department  
120 Washington St., Salem, MA 01970; (978) 619-5697  
✉ Purchasing Agent, [ahill@salem.com](mailto:ahill@salem.com)

*Who should I contact regarding having my electrical service established?*

You should contact National Grid in order to request new service, to reconnect or disconnect service, to obtain your account balance and payment history, to make changes to your account information, to change your account information, to report a power outage, to discuss credit and collection issues.

National Grid  
25 Research Dr., Westboro, MA, 01582; (508) 389-2000

*Who should I contact regarding having my natural gas service established?*

KeySpan operates and manages natural gas distribution in Salem. If you need to connect to a natural gas line, please consult with a KeySpan representative.

KeySpan Energy Delivery – Customer Correspondence  
52 Second Ave., Waltham, MA 02451, (617) 469-2300 or (800) 233-5325

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# FINANCIAL AND TECHNICAL ASSISTANCE

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## FINANCIAL AND TECHNICAL ASSISTANCE

This section identifies sources of funding and assistance from those who know what it takes to run a successful business in Salem.

### **Chart of Financial and Technical Assistance Resources**

This chart briefly summarizes the available programs for financial and technical assistance available to you in the City. More information about each agency can be found in the next section of this chapter.

\$ - Those organizations offering Financial Assistance in the listed areas

① - Those organizations offering Technical Assistance in the listed areas

	Financing	Tax Credits, Incentives	B2B Networking	Permitting & Licensing	Business Counseling	Start-up Workshops	Loan Preparation	Other Products and Services
<b>Local</b>								
Planning & Community Development (DPCD), Page 46	\$	\$		①			①	
Enterprise Center, Page 47			①	①	①	①	①	①
Salem Chamber of Commerce/Main Streets, Page 47			①	①				①
Salem Harbor Community Development Corp., Page 47			①		①	①	①	①
Small Business Development Center, Page 48					①	①	①	①
Service Corp. of Retired Executives (SCORE), Page 48					①			
North Shore Workforce Investment Board, Page 49	\$					①		①
<b>Other Resources</b>								
MA Business Resource Team, Page 50	\$	\$		①				①
Center for Women and Enterprise (CWE), Page 50			①		①	①		
Commonwealth Corporation, Page 50								
MassDevelopment, Page 51	\$	\$						
MA Alliance for Economic Development, Page 51			①					①
Office of Minority and Women Business Asst, Page 52			①					
US Small Business Administration, Page 52	\$							①

## LOCAL AGENCIES

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Salem enjoys a reputation as the heart of Boston's North Shore. Regional and state offices responsible for business assistance are located right in your backyard. The following agencies are located within Salem and are ready to help you as you move toward your business goals.

### **City of Salem, Department of Planning and Community Development (DPCD)**

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970; (978) 619-5685

✉ Economic Development Planner, [planning@salem.com](mailto:planning@salem.com)

The City of Salem, through DPCD, provides support to business owners by providing financial resources to expand and grow their business. In addition, DPCD is available to help business and property owners navigate the City's permitting process and refer them to the wealth of technical assistance agencies located in Salem.

#### *Financial Resources*

DPCD provides financial assistance to local business owners through its Business Loan Program, Storefront Improvement Program, and Tax Increment Financing (TIF) Agreements. For more information on any of these programs, contact the Economic Development Planner in DPCD at (978) 619-5685 or [planning@salem.com](mailto:planning@salem.com). You can also find more information on the [www.salem.com](http://www.salem.com).

#### **Small Business Loan Program**

The Small Business Loan Program works to expand financing opportunities for local entrepreneurs, while creating jobs and revitalizing the city's downtown and eligible neighborhoods. The program provides low-interest loans to qualified entrepreneurs to cover the gap between the amount of financing needed for an economic development project and the amount that conventional lenders can finance. Funds are available for acquisition, construction, or rehabilitation of real property and for financing related to the purchase of equipment, fixtures, inventory, leasehold improvements and working capital. Terms and conditions vary.

#### **Storefront Improvement Program**

This program is designed to encourage private investment and reinvestment by new and existing property/business owners. The program allows a one-to-one match for moderate to substantial exterior and/or façade improvements in the designated areas. The match from the city is up to \$5,000 for each project.

#### **Tax Increment Financing (TIF) Agreements**

Tax Increment Financing (TIF) Agreements are an economic development tool that gives companies an incentive to improve their property and/or expand their facilities in exchange for the City to exempt the property taxation of a portion of those improvements. In addition, the company will qualify for the State's 5% Investment Tax Credit and would be exempt from personal property taxes. The company continues to pay taxes on the value of the property prior to the improvements (the "base" tax bill). The program aims to create new, permanent full-time jobs for residents of Massachusetts. Typically projects that qualify for this program will achieve one or more of the following goals: improve the appearance of a blighted property, add to the local tax base, return a vacant building to active use, and stimulate future investment.

### **Enterprise Center**

121 Loring Ave., Salem, MA 01970; (978) 542-7528  
[www.enterprisectr.org](http://www.enterprisectr.org)

The Enterprise Center at Salem State College is both a business incubator where start-up small businesses may lease space in the center's building and a virtual center for North Shore entrepreneurs at every stage of business development.

Specifically, the Enterprise Center offers:

- Dozens of [free programs](#) designed to help small business owners and employees improve their business skills
- An annual [Business Plan Competition](#) aimed at finding high growth companies and helping them find financing
- An initiative to grow the [creative economy](#) on the North Shore with a part of the center focused on creative economy businesses
- [Office space](#) for start-up as well as established companies
- Assistance to small businesses at every stage through free advice and help from the [Small Business Development Center](#), located within the Enterprise Center.

The Enterprise Center at Salem State College provides a supportive and nurturing environment for new and expanding enterprises whose services and development efforts benefit from and contribute to the academic, social and cultural mission of Salem State College.

### **Salem Chamber of Commerce/Salem Main Streets Program**

265 Essex Street, Suite 101, Salem, MA 01970; (978) 744-0004  
[www.salem-chamber.org](http://www.salem-chamber.org)

The Salem Chamber of Commerce serves as the voice for member businesses, representing, advocating and working to enhance the business and civic environment. With over 600 members, the Chamber is the largest business organization in Salem. The Chamber offers a number of networking opportunities and sponsors events that promote the business community in Salem.

The Chamber of Commerce also oversees the Main Street program. The Main Streets approach is a preservation-based, volunteer-driven strategy for commercial district revitalization. Seeking to recognize, enrich and preserve the unique character of the city's neighborhood commercial districts, the Main Streets program's success is based on a comprehensive strategy of work tailored to local needs and opportunities. Business owners throughout the city regularly comment about the initiative's assistance to getting off the ground and staying informed.

### **Salem Harbor Community Development Corporation (CDC)**

102 Lafayette St., Salem, MA 01970; (978) 745-8071  
[www.shcdc.org](http://www.shcdc.org)

The Salem Harbor CDC offers training and technical assistance to both start-up and existing small businesses through its Advancing Community Business program, Small Business Technical Assistance and Entrepreneurial Training Program. The mission of these programs is to assist low-income, female and minority business owners with business planning, access to financing and training.

#### *Small Business Technical Assistance*

As part of its commitment to the community, the Salem Harbor CDC offers consultations to all area businesses, beginning with an assessment of the entrepreneur's skills and business, developing a

plan to help the business achieve its goals, whether it is opening a business, expanding it, assessing its strengths and weaknesses, developing a marketing plan, obtaining a commercial loan, or any other business goal. This service is free to low-income entrepreneurs or businesses that will primarily serve low-income clientele.

#### *Entrepreneurial Training Program*

The Entrepreneurial Training Program is a free 20-week daytime program for qualified prospective entrepreneurs to research, analyze and realize their business dream. The first ten weeks of the program are held in a classroom setting, in which instructors and students assist each other in the preparation of business plans tailored to each individual entrepreneur and guest speakers discuss all aspects of starting and running a business. The last ten weeks of the program are unscheduled so as to offer participants an opportunity to implement their business plans while continuing to meet with the instructor individually.

### **Salem State College Small Business Development Center (SBDC)**

121 Loring Ave., Suite 310, Salem, MA 01970; (978) 542-6343

<http://www.salemstate.edu/sbdc/>

The Salem State College Small Business Development Center (SBDC) provides free and confidential management counseling and free or low-cost business seminars to help you raise capital or to start or grow your business in Massachusetts.

- Business counseling and workshop topics cover a wide array of management concerns. They may include business plan development, pre-venture feasibility, buying or selling a business, financing, cash flow analysis, marketing and personnel issues. Special programs include assistance with international trade, minority business assistance, and state and federal government contracting.
- Business counseling services are available at the Salem office in the Enterprise Center and at chambers of commerce and community colleges across the region.
- Business seminars are held at the Enterprise Center in Salem and throughout the region.

### **Service Corps of Retired Executives (SCORE), Northeast Massachusetts**

Beverly Cooperative Bank, 73 Lafayette St., Salem, MA 01970; (978) 745-1941

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

The Service Corps of Retired Executives (SCORE) provides professional guidance and information, accessible to all, to maximize the success of America's existing and emerging small businesses.

SCORE has 389 chapters in locations throughout the United States and its territories, with 12,400 volunteers nationwide. Local chapters provide free counseling and low-cost workshops in their communities. Both working and retired executives and business owners donate their time and expertise as business counselors. SCORE was founded in 1964.

SCORE Counselors come with a wealth of experience from years of business management and ownership. Our counselors come from many areas of the business world, including: accounting, banking, engineering, human resources, law, manufacturing, marketing, real estate, retailing, insurance, and sales.

The local SCORE office is located at the Beverly Cooperative Bank in Salem at 73 Lafayette Street. Counseling sessions are free and take place on Tuesdays between 10:00am and 2:00pm. Contact SCORE at (978) 745-1941 to set up an appointment.

### **Northshore Workforce Investment Board**

North Shore Career Center of Salem, 70 Washington St., Salem, MA 01970; 978.825.7200  
<http://www.northshorewib.com/>

The North Shore Workforce Investment Board (WIB) was established as a concerted effort among business, education and community leaders to strengthen human resource development in a competitive labor market.

The North Shore WIB believes and understands that a skilled workforce will ensure the State's competitive economic advantage. The WIB oversees the North Shore Career Center of Salem, which is designed to help companies and individuals get available services in the simplest and most efficient manner. These services are provided free of charge.

One Stop Services available at the North Shore Career Center for Employers include the following:

- Pre-screening job applicants
- Placement services
- Listing of job openings on America's Job Bank
- Access to economic data and labor market information
- Information about various training vendors and programs
- Customized recruitment fairs, either on-site at the company or at the Career Center
- Information on how to access other company-support initiatives, such as small business loans, relocation support, and related programs
- Planning and/or hosting job fairs
- Access to recent training graduates
- Information on employment tax credits
- Access to financial support for training programs
- Information on various employment laws and regulations

## OTHER RESOURCES

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### **Business Resource Team (BRT), Northeast Office**

600 Suffolk St., 5<sup>th</sup> Floor, Lowell, MA 01854; (978) 970-1193  
<http://www.state.ma.us/mobd>

The Massachusetts Office of Business Development is committed to assisting companies who want to locate, expand, grow, or maintain a presence in Massachusetts. Through their six regional offices, MOBD works with companies and municipalities to help them take advantage of available economic incentive programs that are available. MOBD also assists companies in navigating and accessing the technical, human, financial, training, educational and resources necessary to expand or locate in Massachusetts.

Committed to job creation, job retention, and private investment in the Commonwealth, MOBD leads and coordinates the Business Resource Team (BRT), which provides a single point of contact for businesses looking to create and retain jobs in Massachusetts. The BRT is a one-stop shop, which aggregates government and other economic development programs and services, making them easier to access and providing a higher level of service to businesses.

If you are a business locating to locate, expand, access working capital or hire new employees in Massachusetts, please call the Business Resource Team Northeast Office at (978) 970-1193 or [contact the BRT online](#).

### **Center for Women and Enterprise (CWE)**

24 School Street, 7<sup>th</sup> Floor, Boston, MA 02108; (617) 536-0700  
<http://www.cweboston.org/>

Established in 1995, CWE is a nationally recognized non-profit organization dedicated to helping women start and grow their own businesses. CWE has served over 12,000 diverse entrepreneurs, offering education, training, technical assistance, women's business enterprise certification and access to both debt and equity capital to entrepreneurs at every stage of business development.

In addition, if your business is 51% women owned, managed and controlled, you could qualify for the Women's Business Enterprise National Council Certification (WBENC), which will give you access to a world of corporate contracts. Pursue supplier diversity contracts with Fortune 500 companies and beyond. The CWE Certification Specialist will discuss with you the requirements for certification, benefits to your business, and process to become certified.

### **Commonwealth Corporation**

The Schraft Center, 529 Main Street, Suite 110, Boston, MA 02129, (617) 727-8158  
<http://www.commcorp.org>

The Commonwealth Corporation is a quasi-public organization responsible for administering and delivering a wide range of public and privately-funded initiatives designed to meet the labor needs of businesses; improve current and emerging workers' skills; foster career success through lifelong learning; and retain, sustain, improve and create job-generating businesses.

The Commonwealth Corporation offers two different programs for businesses: Applicant Assistance Program (AAP) and The Economic Stabilization Trust (The Trust).

- The AAP was developed to link private sector training needs with public sector training funds. Their senior professional staff helps employers develop effective training plans and competitive applications

to the Massachusetts Workforce Training Fund (WTF). This is a state-level fund, operated by the Division of Career Services, Department of Workforce Development.

- The Trust lends working capital to small and medium sized, value-added businesses in the Commonwealth. By providing loans where traditional financing is not available or where credit is no longer extended, companies are able to implement restructuring plans to create a stable financial future for the company and its employees. The Trust's experienced staff also works hand-in-hand with management to assist in the turn-around of businesses.

### **MassDevelopment, Northeast Office**

600 Suffolk St., 5<sup>th</sup> Floor, Lowell, MA 01854; (978) 459-6100

<http://www.massdevelopment.com/>

MassDevelopment is the state's leading economic development authority. It combines a private sector business approach and a public sector mission to strengthen the state's regional and sector economies. The organization's seasoned professionals increase jobs and housing in Massachusetts by providing finance, real estate and development solutions to nonprofits, employers, developers, municipalities, and other government offices.

Whether you are a manufacturer, nonprofit, small business or real estate developer, MassDevelopment can structure a financing package that suits your needs. Their experienced staff has resources and extensive financing experience to get the job done. Utilizing a wide range of financing tools, such as development funds, tax-exempt bonds and a variety of loan guarantee programs, they work to strengthen communities across Massachusetts.

For more information on the different programs offered through MassDevelopment, please contact the Northeast Office.

### **Massachusetts Alliance for Economic Development (MAED)**

892 Worcester St., Wellesley, MA 02482; (781) 489-6262

<http://www.massecon.com/>

The Massachusetts Alliance for Economic Development (MAED) is a private, non-profit partnership of business, industry leaders, and government dedicated to the economic growth of Massachusetts. MAED provides an array of services to help your company grow including: Site Finder, Information Resource, Massachusetts Ambassadors, and Industrial and Research Park Directory.

- The Site Finder is a service in which the MAED staff will conduct a customized property search if you represent a company seeking to relocate or expand in Massachusetts and are seeking industrial, R & D space, or a related use for a minimum of 10,000 square feet or land to develop a minimum of 20,000 square feet.
- Through the Research and Information Service, MAED can help support your relocation or expansion efforts through customized staff-supported research, extensive collection of online resources and connecting you with individuals in key government agencies, trade associations and relevant firms across the state.
- The Massachusetts Ambassadors are a network of executives throughout Massachusetts who serve as peer contacts for companies evaluating Massachusetts as an expansion location.
- The Massachusetts Industrial and Research Park Directory is an online database featuring 100 business parks in Massachusetts. This one-of-a-kind Directory features many pre-approved, fully permitted, master planned properties offering sites that are currently ready for development.

**State Office of Minority and Women Business Assistance (SOMWBA)**

10 Park Plaza, Suite 3740, Boston, MA 02116; 617.973.8692

<http://www.somwba.state.ma.us/>

SOMWBA provides state and federal Disadvantaged Business Enterprise certification and SOMWBA certification for women and minority-owned businesses that meet all state and federal requirements and services for those businesses. Certification allows businesses to participate in certain state and federal business assistance programs. In addition to certification, SOMWBA also provides procurement and marketing services, publishes a quarterly newsletter, Certified Business Bulletin and conducts advocacy work.

**United States Small Business Administration (SBA), Massachusetts**

10 Causeway Street, Room 265, Boston, MA 02222; (617) 565-5590

<http://www.sba.gov/ma/>

The US Small Business Administration (SBA) was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation. Although SBA has grown and evolved in the years since it was established in 1953, the bottom line mission remains the same. The SBA helps Americans start, build and grow businesses.

The SBA is charged with the responsibility of providing four primary areas of assistance to American Small businesses. These are: Advocacy, Management, Procurement, and Financial Assistance. Financial Assistance is delivered primarily through SBA's Investment programs, business Loan Programs, Disaster Loan Programs and Bonding for Contractors.

For more information about SBA programs and services available visit the SBA website.

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# APPENDIX

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## MEETINGS CALENDAR

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This calendar shows when several municipal boards and commissions meet during the four weeks of any given month. To verify up-to-date information, see the Meetings Calendar at [www.salem.com](http://www.salem.com).

<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>
		Historical Commission 7.30 pm 120 Washington St. Third Floor	Planning Board 7.00 pm 120 Washington St. Third Floor
Licensing Board 6.00 pm 120 Washington St. Third Floor	Board of Health 7.00 pm 120 Washington St. Third Floor	SRA 6.00 pm 120 Washington St. Third Floor	Conservation Commission 6.00 pm 120 Washington St. Third Floor
		Zoning Board of Appeals 6.30 pm 120 Washington St. Third Floor  Historical Commission 7.30 pm 120 Washington St. Third Floor	City Council - Smte. On Ordinances, Licenses & Legal Affairs 6.30 pm 93 Washington St. Council Chambers  Planning Board 7.00 pm 120 Washington St. Third Floor
Licensing Board 6.00 pm 120 Washington St. Third Floor		DRB 6.00 pm 120 Washington St. Third Floor	Conservation Commission 6.00 pm 120 Washington St. Third Floor

Conservation Commission: 2<sup>nd</sup> and 4<sup>th</sup> Thursdays at 6:00pm at 120 Washington St., 3<sup>rd</sup> Floor.

Board of Health: 2<sup>nd</sup> Tuesday at 7:00pm at 120 Washington St., 3<sup>rd</sup> Floor.

Historical Commission: 1<sup>st</sup> and 3<sup>rd</sup> Wednesdays at 7:30pm at 120 Washington St., 3<sup>rd</sup> Floor.

Licensing Board: 2<sup>nd</sup> and 4<sup>th</sup> Mondays at 6:00pm at 120 Washington St., 3<sup>rd</sup> Floor.

Planning Board: 1<sup>st</sup> and 3<sup>rd</sup> Thursdays at 7:00pm 120 Washington St., 3<sup>rd</sup> Floor.

Salem Redevelopment Authority (SRA): 2<sup>nd</sup> Wednesday at 6:00pm at 120 Washington St., 3<sup>rd</sup> Floor.

Zoning Board of Appeals: 3<sup>rd</sup> Wednesday at 6:30pm at 120 Washington St., 3<sup>rd</sup> Floor.

Design Review Board (DRB): 4<sup>th</sup> Wednesday at 6:00pm at 120 Washington St., 3<sup>rd</sup> Floor.

## CONTACT INFORMATION

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This is a complete list of the numerous local, state, federal and private non-local departments, offices, boards, commissions and agencies mentioned throughout this Guide.

### Local

#### Assessor's Office

93 Washington St., Salem, MA 01970

☒ 978.745.9595 x-5608

#### Building Department (Public Property)

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970

☒ 978.745.9595 x-5641

#### City Clerk's Office

93 Washington St., Salem, MA 01970

☒ 978.745.9595 x-5611

#### City Council

93 Washington St., Salem, MA 01970

☒ 978.745.9595

#### Collector's Office

93 Washington St., Salem, MA 01970

☒ 978.745.9595

#### Conservation Commission

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970

☒ 978.745.9595 x-5685

#### Electrical Office

44 Lafayette St., Salem, MA 01970

☒ 978.745.6300

#### Enterprise Center

121 Loring Ave., Salem, MA 01970

☒ 978.542.7528

#### Fire Prevention

29 Fort Ave., Salem, MA 01970

☒ 978.745.7777

#### Harbormaster Department

51 Winter Island Rd., Salem, MA 01970

☒ 978.741.0098

#### Health, Board of

120 Washington St., 4<sup>th</sup> Floor, Salem, MA 01970

☒ 978.741.1800

#### Historical Commission

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970

☒ 978.745.9595 x-5685

#### Licensing Board

120 Washington St., Salem, MA 01970

☒ 978.745.9595 x-5648

#### Planning and Community Development, Dept. of

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970

☒ 978.745.9595 x-5685

#### Planning Board

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970

☒ 978.745.9595 x-5685

#### Police Department

95 Margin St., Salem, MA 01970

☒ 978.744.0171

#### Public Works, Department of

5 Jefferson Ave., Salem, MA 01970

☒ 978.744.3302

#### Purchasing Department

120 Washington St., Salem, MA 01970

☒ 978.745.9595 x-5696

#### Salem Redevelopment Authority (SRA)

120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970

☒ 978.745.9595 x-5685

#### Salem Chamber of Commerce

265 Essex Street, Suite 101, Salem, MA 01970

☒ 978.744.0004

#### Salem Harbor Community Development Corp.

102 Lafayette St., Salem, MA 01970

☒ 978.745.8071

#### Salem Main Streets Downtown Program

265 Essex Street, Salem, MA 01970

☒ 978.744.0004

#### Service Corps of Retired Executives

73 Lafayette St., Salem, MA 01970

☒ 978.745.1941

Zoning Board of Appeals (ZBA)  
120 Washington St., 3<sup>rd</sup> Floor, Salem, MA 01970  
☒ 978.745.9595 x-5641

State

Alcohol Beverage Control Commission  
239 Causeway St., Salem, MA 01970  
☒ 617.727.3040

Department of Environmental Protection  
205B Lowell St., Wilmington, MA 01887  
☒ 978.694.3200

Department of Revenue  
100 Cambridge St., Boston, MA 02114  
☒ 617.887.6367 or 1.800.392.6089

Div. of Marine Fisheries  
251 Causeway St., Boston, MA 01970  
☒ 617.626.1520

Division of Employment and Training  
70 Washington St., Salem, MA 01970  
☒ 978.825.7200

Division of Professional Licensure  
239 Causeway St., Boston, MA 02114  
☒ 617.727.3074

Office of Business Development  
600 Suffolk St., 5<sup>th</sup> Floor, Lowell, MA 01854  
☒ 978.970.1193

Office of Consumer Affairs & Business Regulation  
1 Ashburton Pl., Boston, MA 02108  
☒ 617.727.7755

Massport  
1 Harborside Dr., Suite 200S, E. Boston, MA 02128  
☒ 617.428.2800

Secretary of the Commonwealth, Citizens Info. Svc.  
1 Ashburton Pl., Boston, MA 02108  
☒ 617.727.7030

Secretary of the Commonwealth, Corporations Div.  
1 Ashburton Pl., Boston, MA 02108  
☒ 617.727.7030

Salem State Small Business Development Center  
121 Loring Ave., Suite 310, Salem, MA 01970  
☒ 978-542-6343

Office of Minority and Women Business Asst.  
10 Park Plaza, Suite 3740, Boston, MA 02116  
☒ 617.973.8692

Transportation Division  
1 South Station, Boston, MA 02110  
☒ 617.305.3559

Federal

Army Corps of Engineers, New England  
696 Virginia Rd., Concord, MA 01742  
☒ 978-318-8580

Coast Guard, Marine Safety Division  
408 Atlantic Ave #5, Boston, MA 02110  
☒ 617.223.8600

Federal Trade Commission  
101 Merrimack Rd., Boston, MA 02222  
☒ 617.424.5960

Internal Revenue Service  
JFK Bldg., 15 Sudbury St., Boston MA 02203  
☒ 617.316.2850

Small Business Administration,  
Massachusetts  
10 Causeway St., Room 265, Boston, MA 02222  
☒ 617.565.5590

Private Non-Local

Center for Women and Enterprise  
24 School Street, 7<sup>th</sup> Floor, Boston, MA 02108  
☒ 617.536.0700

Mass. Alliance for Economic Development  
892 Worcester St., Wellesley, MA 02482  
☒ 781.489.6262

MassDevelopment  
600 Suffolk St., 5<sup>th</sup> Floor, Lowell, MA 01854  
☒ 978.459.6100

## MAPS

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Please click on the links below:

[Local Historic Districts](#)

[North River Canal Corridor District](#)

[Urban Renewal Areas](#)

[Zoning Map \(including Entrance Corridors\)](#)

*Note: In the printed version of this guide, the maps listed will follow this page.*

## SIGNAGE WORKSHEET

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Please click on the link below:

[Salem Sign Ordinance Worksheet](#)

*Note: In the printed version of this guide, the worksheet listed will follow this page.*

## GLOSSARY OF BANKING, BUSINESS AND FINANCIAL TERMS

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There are several terms that business owners should know before creating a business plan, applying for a loan, or operating a successful enterprise. Please use this glossary often to better acquaint yourself with the lingo.

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#)

**A** [\(Back to Glossary\)](#)

**Accountant** – A financial advisor who keeps, audits and inspects the financial records of individuals or businesses and prepares financial and tax returns.

**Accounting Period** – A regular period of time, such as a quarter or year for which a financial statement produced.

**Accounts Payable** – Debts owed to creditors.

**Accounts Receivable** – Debts owed to a business, usually due from customers for goods or services purchased from the business.

**Accrued Interest** – Interest earned but not yet credited to an account.

**Amortization** –

- An accounting practice of gradually decreasing an asset's book value spreading its depreciation over time.
- The gradual reduction of a debt by making periodic principal payments.

**Annual Percentage Rate (APR)** – The cost of credit on an annual basis. APR is expressed as a percentage, resulting from an equation that considers three factors: the amount financed, the finance charge and the terms of the loan.

**Annual Percentage Yield (APY)** – The return earned on an investor's capital investment, expressed as a percentage.

**Appreciation** – An increase in the value of an asset.

**Asset** – Anything that has commercial or exchange value that is owned by a business or an individual.

**Asset-Based Loan (ABL)** – Financing that provides credit secured by a company's balance sheet assets. Such as inventory, accounts receivable or other collateral other than real estate.

**Assign** – To transfer ownership of an asset to another party by signing a document.

**Audit** – Inspection and verification of financial accounts records and accounting procedures.

**Audit Trail** – A chronological record of systems activity or banking transactions that is sufficiently clear and detailed to enable reconstruction and examination of a sequence of events.

**Available Balances** – The balances in an account that can be invested, disbursed or wired out.

**B** [\(Back to Glossary\)](#)

**Balance Sheet** – Financial statement showing assets on the left side and liabilities on the right. A balance sheet provides an overview of a company's financial position at the given time, usually at the close of a month. Unlike a profit and loss statement, which shows the result of operations over a period of time, a balance sheet shows the state of affairs at one point in time.

**Balance Reporting System** – A system whereby a corporate customer is provided with detailed account activity and balances daily. These systems are often automated and on-line.

**Balloon Payment** – The last payment on a loan, significantly larger than previous installments, which pays the loan in full.

**Bank Statement** – A periodic statement of a customer's account detailing credits (deposits) and debits (withdrawals) posted to the account during a specific time period and the book balance as of the statement cut off date.

**Basis Point** – One basis point is calculated as 1/100th of a percentage point.

**Boilerplate** – Standardized "fine-print" language in a contract or other agreement detailing terms and conditions.

**Break-Even Point** – Volume of sales at which total costs equal total revenues. Sales above this volume generate profits.

**Broker** – Individual or company authorized to buy or sell something for another party without ever owning the goods.

**Business Plan** – A detailed description of a new or existing business, including the company's product or service, marketing plan, financial statements and projections and management principles.

**Bottom Line** – The net profit or loss from a business.

## C

[\(Back to Glossary\)](#)

**Capital** – Property of a business, including money, used to conduct its business.

**Capital Expenditure** – Purchase of long-term assets, especially of equipment, used in manufacturing a product.

**Cash Flow** – Incoming cash less outgoing cash during a given period.

**Cash Management** – The systematic gathering of information about a business' collections, disbursements, and balances and the use of that information to effectively manage the funds available to the business.

**Character** – The combination of qualities or features especially moral or ethical strengths that distinguishes one person from another. Character is an extremely important consideration for lenders when giving loans.

**Chief Executive Officer (CEO)** – The person who holds the highest position of authority within a company or organization.

**Chief Financial Officer (CFO)** – The person who holds the highest financial authority within a company or organizations. Responsibilities include handling funds, signing checks, keeping financial records and doing financial planning.

**Closely Held Business** – A business privately owned and run by a few individuals. If the individuals are related, also know as a Family Business.

**Collateral** – Property that is offered to secure a loan or other credit and that becomes subject to seizure upon default.

**Commercial Credit** – Short-term credit extended by a seller to the buyer to finance the purchase of a product or service.

**Compensating Balance** – Money required by a bank to be left in a deposit account as part of a loan agreement.

**Compound Interest** – Interest earned on previously accumulated interest as well as the principal.

**Controlled Disbursement** – A checking account service that provides a detailed summary of all activity having an impact on a customer account each business day.

**Corporation** – Form of business ownership that is a legal entity on its own in which stockholders and the board of directors are in control.

**Covenant** – A promise in a debt agreement that certain things will happen and others will not.

**Credit Advice** – A written bank notice that describes the crediting of funds to a specific account.

**Credit Bureau** – Company that compiles and maintains information on consumer credit and provides the information to potential creditors for a fee.

**Credit Rating** – Evaluation of an individual or corporation's history of repaying past loans. Credit ratings are used as a benchmark to assess the future ability of a creditor to pay back loans.

**Current Ratio** – Calculation of current assets divided by current liabilities, measuring the ability of a company to pay its current obligations from current assets.

**Current Assets** – Cash or other assets that the business expects to use in the operation of the company within one year.

**Current Liabilities** – Debts that the business expects to pay within one year.

**Current Yield** – The dividends or interest paid, expressed as a percentage of the current price of a security; also known as the current rate of return.

## D

[\(Back to Glossary\)](#)

**Debit Advice** – A written bank notice that describes the withdrawal of funds from a specific account.

**Debt** – An obligation to repay money, goods or services in accordance with an agreement.

**Debt Ratio** – Calculation of total liabilities divided by total liabilities plus capital, measuring the debt level of the business (leverage).

**Debenture** – Debt secured by the creditor based on the general creditworthiness of the debtor, as opposed to security based on specific assets.

**Default** – Failure of a borrower to make interest and/or principal payments when due.

**Demand Deposit Account (DDA)** – Funds that are available to a bank customer at any time and which require no advance notice of withdrawal. A non-interest bearing checking account is the most common form of a DDA.

**Demand Loan** – A loan with no fixed maturity date, and payable at the discretion of the bank.

**Deposit Cutoff** – Time of day before which checks must be deposited at a bank in order to ensure that the funds are credited on the same day.

**Depreciation** – Decrease in the value of equipment from wear and tear and the passage of time. Depreciation on business equipment is generally deductible (over a period of time) for tax purposes.

**Direct Loans** – Financial assistance provided through the lending of federal monies for a specific period of time, with a reasonable expectation of repayment. Such loans may or may not require the payment of interest.

**Disaster Loans** – Various types of physical and economic loan assistance are available to individuals and businesses that have suffered loss due to natural disaster. This is the only SBA loan program available for residential purposes.

**Disbursement** – Payment made to satisfy a debt or other financial obligation.

**Discount Rate** – The rate of interest charged by the Federal Reserve on loans it makes to member banks. This rate has an influence on the rates banks charge their customers.

**Distribution** – Payment made to the owner(s) of an asset, such as stock dividends or funds in a retirement plan.

**Dividend** – Distribution of earnings to shareholders.

**E**

[\(Back to Glossary\)](#)

**Earnings Credit Rate (ECR)** – Rate used by a bank to determine the earnings allowance for a customer's demand deposit balances. Such allowances are used to offset bank fees. This rate is usually indexed to some market rate.

**Electronic Funds Transfer System (EFTS)** – The paperless transfer of funds.

**Endorsement** – Refers to the signature placed on the back of a check which transfers that check or note to another party.

**Enterprise** – A business venture.

**Equity** – The value of an asset that exceeds any claim or lien on it. In banking, the difference between the market value of an asset and the amount of claims (such as mortgages) against it. In investing, equity refers to financing by means of shareholders investment in a venture, usually through stock. Equity financing is the major alternative to debt financing (borrowing.)

**Escrow** – Temporary deposit with a third party of assets by agreement between two parties to a contract. The money is released when the conditions of the contract have been met.

**Expense Account** – Account often used by salespersons or executives for travel and entertainment expenses.

**Extraordinary Items** – Unusual or nonrecurring event that must be explained to shareholders.

**F**

[\(Back to Glossary\)](#)

**Factoring** – Type of accounts receivable financing in which receivables are assigned to a factoring company which is responsible for collecting the receivables.

**Federal Deposit Insurance Corporation (FDIC)** – A federal agency that guarantees (within limits) funds on deposit in member banks and performs other functions, such as making loans to or buying assets from member banks to facilitate mergers or prevent failures.

**Federal Reserve** – The central money authority of the United States. The Federal Reserve system is divided into 12 districts, each having its own reserve bank. Each of the 12 regional banks is owned by the member bank in its district.

**Fiduciary** – Person or company entrusted with assets owned by another party (beneficiary), and is responsible for investing the assets until they are turned over to the beneficiary.

**Financial Projections** – Estimates of the future financial performance of a company.

**First In, First Out (FIFO)** – A system of inventory valuation where items purchased earliest are considered to have been used first in the firm's operations. The result is that the cost of items purchased most recently is assigned to the inventory on the firm's financial statements.

**Fiscal Year** – Any 12-month period used by a company or government as an accounting period.

**Float** – The processing period between the time that a check is presented for payment and then delivered to the issuer's bank for payment. During this period, the issuer is still earning interest on his money and the payee is waiting for funds to be collected.

**Foreign Exchange** – The trading in or exchange of foreign currencies in relation to U.S. funds or other foreign currencies.

**G**

[\(Back to Glossary\)](#)

**General Ledger (GL)** – Consolidated summary books of account for a business entity. The GL provides the bases for all published statements of condition.

**Goodwill** – An intangible asset that arises from considerations such as a company's strong reputation, favorable location and good customer relations.

**Grace Period** – Time allowed a debtor in which the creditor will not undertake legal action when payment is late.

**Gross Profit** – Revenues of the business before consideration of operating expenses, calculated by subtracting cost of goods sold from net sales.

**Guarantee** – Pledge by a third party to repay a loan in the event that the borrower cannot.

**Guaranteed/Insured Loans** – Programs in which the federal government makes an arrangement to indemnify a lender against part or all of any defaults by those responsible for repayment of loans.

**Guarantor** – A third party who promised to repay a loan if the borrower does not.

H [\(Back to Glossary\)](#)

**Home Equity Line of Credit** – Credit line offered by banks and brokerage firms that allow a homeowner access to the built-up equity in his or her home.

**Hypothecation** – The pledging of property as collateral for a loan. The bank is not given the title to the property, but has the right to sell it in the event of default.

I [\(Back to Glossary\)](#)

**Identification Number** – a/k/a EIN or FIN. A number obtained by a business from the IRS by filing application form SSA. This number is to be shown on all business tax returns, documents and statements. Wholesalers often request this number when offering wholesale prices to retailers.

**Income Statement** – Financial statement that provides a historical perspective about a company's revenues, costs, and profitability for a specific time period. Also called profit and loss statement.

**Incorporation** – A legal process through which a company receives a charter and the state in which it is based allows it to operate as a corporation. A corporation is a legal entity that is separate from its owners, the shareholders. No shareholder of a corporation is personally liable for the debts, obligations or acts of the corporation.

**Incubators** – Incubators provide a facility within which a number of enterprises may share services that are common business overhead expenses, such as meeting areas, secretarial services, and accounting and bookkeeping. In this manner they encourage entrepreneurship and minimize obstacles to new business formation and growth.

**Indemnity** – Obligation of one party to reimburse another party for losses that have occurred or which may occur.

**Inventory** – Value of a business' raw materials, work in process, supplies used in operations, and finished goods.

**Investor** – Individual who takes an ownership position in a company, thus assuming risk of loss in exchange for anticipated returns.

**Idle Funds** – Available funds in an account, in excess of the compensating balances requirement, that have not been invested or put to use.

**Insolvency** – The state of being unable to pay one's debt obligations when they become due.

**Installment Loan** – Loans that are repaid in fixed, periodic payments.

J [\(Back to Glossary\)](#)

**Joint Account** – Any investment, charge, bank account or other account that lists two or more persons who share equally in the rights and liabilities associated with the account.

L

[\(Back to Glossary\)](#)

**Lease Financing** – A specialized area of equipment finance whereby the owner of a specific piece of equipment agrees to rent the equipment for a specified time period to the user of that equipment.

**Letter of Credit (LOC)** – An instrument issued by a bank to an individual or corporation, by which the bank substitutes its own credit for that of the individual or corporation.

**Leverage** – The process of incurring debt in order to continue or expand the scope of a business operation. An enterprise is said to be highly leveraged if it relies heavily on debt financing as opposed to equity financing.

**Liability** – A financial obligation, or the cash outlay that must be made at a specific time to satisfy the contractual terms of such an obligation.

**Lien** – Legal right to hold property of another party or to have it sold or applied in payment of a claim.

**Line of Credit** – A financial institution's promise to lend up to a specific amount during a specific time frame.

**Liquid Assets** – Business assets easily convertible into cash.

**Liquidation** – Sale of the assets of a business to pay off debts.

**Local Development Corporation** – An organization, usually made up of local citizens, designed to improve the economy of the area by inducing business and industry to locate there. A local development corporation usually has financing capabilities.

**Loan** – The rental of money.

**Loan Agreement** – A document that outlines the terms and conditions of a loan.

**Lockbox** – A service provided by the bank whereby the customer's mail, containing payments, bypass corporate offices and is sent directly to the bank for deposit. This reduces the collection float.

**London Inter-bank Offered Rate (LIBOR)** – An international inter-bank rate, sometimes used as a pricing mechanism for commercial loans.

M

[\(Back to Glossary\)](#)

**Magnetic Ink Character Recognition (MICR)** – The process by which the information magnetically encoded in the printed characters; located on the bottom of checks is optically scanned and read by computer.

**Money Market Account** – A limited-transaction, interest-bearing corporate or personal account.

**Mutual Funds** – A fund operated by an investment company that raises the money from shareholders and invests it in stocks, bonds, options, commodities or money market securities.

**Marginal Cost** – Additional cost associated with producing one more unit of output.

N

[\(Back to Glossary\)](#)

**Net Income** – Sum remaining after all expenses have been met or deducted: net profit or net loss.

**Net Worth** – Excess of assets over debt.

**Non-bank Lenders** – Any commercial lender not classified as a bank. Examples include investment companies, savings & loan associations, credit unions, lending units of major corporations, mortgage companies, venture capitalists, development corporations, insurance companies, and independent lenders.

**Negotiable Instrument** – An unconditional order or promise to pay an amount of money, easily transferable from one person to another. Examples include checks, promissory notes or bills of exchange.

Net Worth – The excess of assets over liabilities.

**Note** – An instrument that outlines the repayment terms of a loan.

**Not Sufficient Funds (NSF)** – A term indicating that the amount of a requested withdrawal is greater than the amount of money currently in the account.

O [\(Back to Glossary\)](#)

**Operating Expenses** – Costs associated with the day-to-day activities of the business.

**Operating Profit/Loss** – Income (or loss) before taxes and extraordinary items (resulting from transactions other than those in the normal course of business) are deducted.

**Outsource** – To obtain products or services formerly delivered in-house from an external supplier.

**Overdraft** – The result of drawing checks on a bank account for more than the balance of the account.

**Overhead** – Business expenses not directly related to a particular good or service produced. Examples are insurance, utilities, and rent.

P [\(Back to Glossary\)](#)

**Partnership** – A company owned by two or more people, who are jointly and personally liable for debts and assets of the company. General partners, who have control, have unlimited liability; limited partners have limited liability.

**Prime Rate** – The interest rate that banks charge their best commercial customers. Rates charged to other borrowers are expressed in terms of the prime rate plus a number of percentage points.

**Principal** – The currently unpaid balance of a loan, not including interest owed.

**Profit Sharing** – Compensation arrangements whereby employees receive additional pay or benefits when the company earns or increases profits.

**Prompt Pay** – If federal government agencies do not pay invoices for goods and services within 45 days of billing, they have to pay interest to the vendor on any amount overdue.

**Personal Identification Number (PIN)** – A code, usually four or seven digits long, that customers use to access their accounts at ATM locations and when conducting transactions by phone.

**Power of Attorney** – The legal contract by which one party is authorized to act on behalf of another.

**Prime Rate** – The interest rate banks charge to their most creditworthy customers. Also referred to as the Base Lending Rate (BLR)

**Profit** – What is left after taxes are paid.

**Pro Formas** – Financial statements prepared based on assumptions of future events that will affect the expected condition of the company.

Q [\(Back to Glossary\)](#)

**Qualified Plan or Trust** – An employer's plan or trust for the benefit of his or her employees or their beneficiaries. Usually used with retirement plans, a qualified plan or trust entitles the employer to deduct the payments made to the plan or trust for income tax purposes.

**Quasi-Public Corporation** – A corporation that is operated privately but with a public mandate and sometimes with government backing.

R [\(Back to Glossary\)](#)

**Receivable Financing** – Type of financing in which a business borrows money with the expectation of repaying it quickly upon the receipt of certain receivables. The receivables are pledged as collateral on the loan.

**Receivables** – Unsettled claims and transactions representing money owed to a creditor, usually the result of a sale of the creditor's product or service. Also referred to as Accounts Receivable and listed as a current asset on the balance sheet.

**Retained Earnings** – Net profits kept to accumulate in a business after dividends are paid.

S [\(Back to Glossary\)](#)

**Seasonality** – Changes in business, employment or buying patterns, which occur predictably at given times of the year.

**Seed Money** – Funds used to start a new business or to finance a new venture by an existing firm.

**Simple Interest** – Interest paid only on the principal of a loan. No interest is paid on interest accrued during the term of the loan.

**Sole Proprietorship** – Business or financial venture in which the owner has full control and liability.

**Stale Dated Check** – A check dated six months or more prior to being cashed.

**Stop Payment** – A depositor's instructions to the bank directing it to dishonor a specific check.

**Surety Bonds** – Surety bonds provide reimbursement to an individual, company or the government if a firm fails to complete a contract. SBA guarantees surety bonds much like SBA's guaranteed loans.

T [\(Back to Glossary\)](#)

**Tax Number** – A number assigned to a business by a state revenue department that enables the business to buy wholesale without paying sales tax on goods and products. Contact the state government's department of revenue.

**Term Loan** – Credit granted to a company to finance capital equipment, fixed assets or real estate with a repayment term of greater than one year.

**Time Deposit** – An account on which time limitations on withdrawal are required in order to receive a given return. Penalties for early withdrawal are usually applicable. An example of a time deposit is a Certificate of Deposit (CD)

**Transit Routing Symbol (TRS)** – The number on the face of a check that facilitates routing for collection funds from the drawee bank by the Federal Reserve. TRS appear in the magnetically encoded line at the bottom of the check as well as in the upper right-hand corner.

U [\(Back to Glossary\)](#)

**Uncollected Funds** – The portion of a deposit balance not yet collected by the depository bank.

**Unsecured Loan** – An obligation not backed by specified assets.

**U.S. Treasury Bills (T-Bills)** – Direct obligations of the U.S. Government. T-bills with three and six month maturities are sold weekly so that bills maturing each week up to six months are available in the secondary market. T-bills are sold at a discount, with the amount of the discount determining the investment return.

V [\(Back to Glossary\)](#)

**Variable Cost** – Any costs which change significantly with the level of output.

**Variable Rate** – A rate on a note that is adjusted up or down each time the base rate changes.

**Variance** – A variance allows an exception to certain development standards such as setbacks, building height, lot dimensions and other zoning code requirements.

**Venture Capital** – Money used to purchase an equity stake in a new or existing enterprise; equity, risk or speculative investment capital. This funding is usually provided to new or existing firms that exhibit potential for above-average growth.

W

[\(Back to Glossary\)](#)

**Wire Transfer** – A transaction by which funds are moved electronically from one bank to another upon the customer's instructions.

**Withdrawal** – The removal of money or valuables from a bank or other place of deposit.

**Working Capital** – The difference between the firm's current assets and current liabilities. This is also the amount of money available for use in operating the business.

Z

[\(Back to Glossary\)](#)

**Zero Balance Account (ZBA)** – A unique type of corporate checking account that companies use for disbursement control, where a daily closing balance of zero is maintained. At the close of each business day, a transfer of funds is made from a corporation's master account to cover the total amount of checks drawn on the ZBA that arrived for payment that day. This returns the account to a zero balance. Corporations that want central cash control while allowing decentralized disbursing operations typically use ZBAs. *(Note: The letters ZBA also stand for the City of Salem's Zoning Board of Appeals.)*

**Zoning** – The public regulation of the use of land. It involves the adoption of ordinances that divide a community into various districts or zones. Each district allows certain uses of land within that zone, such as residential, commercial, or industrial. Typical zoning regulations address building height, bulk, lot area, setbacks, parking, signage, and density.

