

FOOD TRUCK COMPLIANCE



Food Truck Compliance Overview

1. Name Your Food Truck

This is an intellectual property issue. There are two parts to this. First, make sure you are not infringing on another person's name (search far and wide in the food truck industry). Learn how to do this with our Business Law 101 Course. Pro Tip: Start by search the federal database as www.uspto.gov. Second, take steps to protect your business by registering a state and/or federal trademark of your own.

2. Risk Management

Manage your risk by protecting your personal assets with an LLC or other entity. You can do this one yourself, use our service, or hire an attorney. And protect your business with insurance. I would recommend that you get two quotes for general liability insurance and, of course, automobile insurance as well if you can drive your truck.

3. Business License

You will need to get a business license in the city or county where you operate. Google “[your city] + business license” and it will take you to your business license division. It is usually a one page form and they can assist you on how to apply for what you need.

4. Health Department

This is probably your biggest compliance areas. Work with your state health agency. Dive into this full steam ahead because you need to learn all the health compliance rules so that you can make your food truck compliant and also manage your employees to ensure your operations remain compliant as well.

5. Local Compliance

This one is more opened-ended because every local government has different rules. Just be aware that there are local rules that govern your conduct such as where you are allowed to park, etc.

6. Sales and Use Tax

Contact your state tax agency (e.g. department of revenue) to obtain a proper license. What you have to do here is report your sales because they are going to tax them. It is typically a monthly report. It's a good idea to bring on an accountant day 1 in the business to make sure you are properly handling money.

7. Employment and Independent Contractor Agreements

You should have anyone that is working in or for your food truck business sign agreements. They should state how much you are paying them and also make sure you protect your recipes and other processes in your business.

8. Commissary Kitchens

Many states require food to be prepared in an approved kitchen outside of the food truck. These are often referred to as commissary kitchens. This will require you to sign a lease so make sure you understand those terms. Also, be sure to get proof of their health department compliance because you, too, could be fined if you are serving food from a kitchen that is not approved.

9. Vendor and Service Agreements

Pay attention to agreements you sign with vendors and other service providers (such as with events). Make sure you understand everything in them and ask for changes if needed. You'll be surprised how accommodating people can be. And, never sign anything you don't understand.