

Checklist for Creating a Business Entity



Let us help you start your new business the right way.

We apply practical strategies and timely service to help minimize taxes and structure your business for maximum profitability. Great service, personal attention and our expertise set us apart.

- ☐ **Consult a CPA** to help choose the right business structure/entity type to minimize your tax burden and maximize profit potential, advise you on the best accounting practices for your situation, assist in setting up your record system to make financial reporting easier. Factors to consider: liability, taxation and record keeping.
- ☐ **Consult a lawyer** to discuss entity formation, licensing requirements, and regulation hurdles; create written contracts to protect your interests; protect intellectual property such as trademarks and domain names. Discuss buy/sell agreement.
- ☐ **Register with the Secretary of State.** Reserve business name, file incorporation, LLC or other documents with the state.
- ☐ **Obtain FEIN** (federal employer identification number) from the IRS.
- ☐ **file IRS Form 2553.** For entities electing Subchapter S (S-Corp) status.
- ☐ **Consult a banker** to discuss banking and financing needs; establish business checking accounts; possible lines of credits, etc.
- ☐ **Create a written agreement among principles** (e.g., operating agreement). Document ownership issues, profit/loss allocation, voting rights, etc.
- ☐ **File for certificate of assumed name** (DBA), if applicable, with city/county clerk.
- ☐ **Obtain state tax identification numbers.** File required documents for payroll tax and/or sales tax account numbers.
- ☐ **Obtain required city/ county/ local business licenses/ permits.** Additionally, your business may also need to apply for corporate registrations, professional licenses, or other special operating permits prior to application.
- ☐ **Fund the entity.** Corporations issue stock certificates.
- ☐ **Establish reliable accounting system;** e.g., Quickbooks (online or desktop).
- ☐ **Consult with an insurance agent** to obtain business liability and worker's compensation coverage. Address health/disability insurance needs. Consider funding buy/sell agreements.
- ☐ **Hire employees;** engage payroll service. Determine employee vs. independent contractor status.
- ☐ **Establish retirement plan.** Discuss plan options with CPA and financial advisor. May need census.
- ☐ **Start business operations.**
- ☐ **Budget/plan for taxes.** Remit quarterly taxes to avoid IRS penalties; evaluate tax strategies.
- ☐ **Ensure ongoing compliance.**
 - Income tax returns
 - Sales tax returns
 - Payroll tax returns
 - Business personal property tax returns
 - Business license renewals
 - Secretary of State annual renewals
 - Forms 1099
 - Schedules K-1