

CREATING A BUSINESS ENTITY

Starting a new business can be an exciting and rewarding experience, but it can also be complex and overwhelming. To help ensure the success of your new business, it is important to properly plan and set up the business entity. Here is a guide to help you through the process of creating a new business entity:

1 The business type we recommend is: sole proprietorship, partnership, corporation, and limited liability company (LLC).

2 Choose a business name. Your business name is an important part of your brand identity and should be unique and memorable. It is important to conduct a thorough search to ensure that the business name is not already in use by another company. In some cases, it may also be necessary to register the business name with the appropriate state or federal agency.

3 Obtain any necessary licenses and permits. Depending on the type of business you are starting, you may need to obtain various licenses and permits in order to legally operate. These may include licenses related to your industry, such as a food service permit for a restaurant, as well as general business licenses. Research the requirements for your specific business to ensure that you have all necessary licenses and permits.

4 Register your business with the appropriate government agencies. In order to legally operate your business, you will need to register with the appropriate government agencies. This may include registering with the IRS, obtaining an Employer Identification Number (EIN), and registering with the state or local government.

5 Establish a record-keeping system. In order to stay organized and comply with tax laws, it is important to establish a system for keeping accurate and up-to-date financial records. This may include setting up a system for tracking income, expenses, and other financial transactions, as well as maintaining records of invoices, receipts, and other important documents.

6 For any intercompany transactions between one or more of your business entities, be sure to conduct these at fair market value and document your transactions. For example, be sure to make money transfers between entities with documentation what the money is for. Be sure to use contracts, invoices, receipts, and copies of what you used to establish pricing at fair market value.