



Business Startup Checklist

If you are searching for a way to **start a small business** in the most efficient way, it is only possible when the right steps are taken at the right time. Here, you would be able to learn about the specific actions that are needed for **starting your company in any state in the US**. After you have planned your business idea and know where the money would be coming from for funding your startup, this **Startup Checklist** would help you move the **right way towards success**.

Disclaimer: The Startup Checklist that has been mentioned here is a general one. So, if you want all the details about the specific state Startup Checklist, you would have to get help from a professional agency in that state. For Delaware and Nevada, IncParadise can assist you in letting you know what comes on this state's specific Startup Checklist that is personalized as per your company type as well.



STEP 1: Choose Company's Name & Legal Structure

The first thing in the Startup Checklist is that you need to do is think about a name that is unique and related to what services you would be offering in your business. There are many Business Naming resources, and some of them are:

- Business Name Brainstorming
- Business Naming Software
- Domain Name Search from IncParadise.net (assists in identifying if a domain name is available for you before you use it to register your business. It would primarily help you know the general availability.)

There are four types of legal structures from which you can select the one that would suit your idea more and provide you the most number of benefits:

- Sole Proprietorship: Sole Proprietorship is also called the DBA, means “Doing Business As,” and is a business which is not separate from the owner. The only thing that is different is that it has its own name under which the owner operates it. In this, the owner is personally responsible for the company’s profits and debts, and the income is added to the personal tax return of the owner.
- Partnership: Just like the Sole Proprietorship, this is the same in terms of all the rules. The only thing that is different is that – the number of owners here are more than one which is why it is considered as a Partnership.
- Limited Liability Company (LLC): An LLC is an independent legal structure that is separate from their owners. This means that the owner is not liable for any debts of the company, and the business is taxed just like a sole proprietorship or partnership, depending on the number of owners.
- Corporation or S-Corporation: This type of business entity is almost like the the LLC, the only difference here is the benefits that the company gets in terms of tax advantages and how they company is taxed in a whole.



STEP 2: Write a Business Plan

This is apparently an essential part of the Startup Checklist, and if you haven't yet made the business plan or even the draft of the business plan, it is time you think about it and prepare it.

STEP 3: Get your FEIN – Federal (Employer Identification Number)

In case you have set up your business as a Partnership (or Sole Proprietorship), LLC or Corporation, your next step in the Startup Checklist is to get your Federal EIN. You would get this from the IRS, and it is crucial for processing the payroll and even for opening a business bank account.

STEP 4: Open the Company Bank Account

The next step on the Startup Checklist is to choose the bank that suits your company's needs and offers enough benefits for your company (since some banks provide simple benefits, while others provide significant advantages to a checking bank account). So, choose the one that is best for you and your business to open your official bank account there.

STEP 5: Rent a Retail Space, Office or Warehouse (if not home-based)

Look for the office space that you would like to rent, depending on the type of business that you have. If you find it tough to get the property, you can contact a commercial realtor in the area. Also, ensure that you arrange all the office furniture and utilities as well.



STEP 6: Obtain Permits & Licenses

There are many types under this Startup Checklist step, and they have been explained briefly below:

Business License

Almost all the countries, as well as cities and states in the world, need you to get a business license for any type of business transaction (that is, even if you are running a business at home). The license basically grants the company authority to do business in that city, state or country. You would need to fill the required form and then submit it with the applicable fee.

Sales Tax Permit

In case your business sells any physical product within the state in which it does business, you would have to collect and even pay the sales tax for it. The permit for this is either – the Resale Permit or the State Seller's Permit. You would need to fill a form and submit it along with the applicable fee.

Although, it must be kept in mind that those businesses that do not sell any physical product are not required to collect sales tax. And so that you know all about this, it is better to contact the State taxation agency for the complete details.

State Licenses

Some businesses need the state permits or licenses, and even though the laws vary from state to state, having any of the following professions would mean that you need an applicable permit for it:



- cosmetologists
- bill collectors
- funeral directors
- private security guards
- private investigators
- auctioneers
- real estate agents
- barbers
- accountants
- appraisers
- physicians
- insurance carriers
- banks
- building contractors

A few of the state licensing needs are based on the types of the products that are sold. A few examples of what licenses most states require are:

- firearms
- gasoline
- lottery tickets
- liquor

To be sure about what your state needs, you would need to contact a professional and learn more of the details. And if you are already halfway towards opening your business, you might already have an idea about what you need.



Federal Permits

You might also need a federal permit or license, depending on the type of business that you have, which is also an essential part of the Startup Checklist step to obtain. Though most types of companies do not need the permit, if you are engaged in any of the following ventures, you would need a permit:

- Selling alcohol, tobacco or firearms (<http://www.atf.gov>)
- Ground transportation (<http://www.dot.gov>)
- Broadcasting (<http://www.fcc.gov>)
- Preparation of meat products (<http://www.fda.gov>)
- Drug manufacturing (<http://www.fda.gov>)
- Investment advising (<http://www.sec.gov>)

STEP 7: Hire Employees (if applicable)

The next part of the list of Startup Checklist is to obtain the Unemployment Insurance or the Workers Compensation Insurance or even both after you have registered with the respective agencies. This is if you are tending to hire others or even yourself as part-time or full-time employee in the company.

STEP 8: Set up a Record-Keeping & Accounting System

After you have got all the permits and insurance that you need, the next step on the Startup Checklist is to set up the record-keeping and the accounting system of your company. Learn all about the taxes that your new business is liable to pay every year.

All the business documents are needed for this; hence, it is vital to keep the records for the



formation documents, a list of all owners and their addresses, changes or amendments to the company. Each of these corporate or tax filings should be kept for about 3 years to 6 years.

STEP 9: Obtain Business Insurance

There are a lot of different types of insurances for the companies, but these are normally regarded to as “Business Owner’s Policy” or the “General Business Insurance.” So, the next point in the Startup Checklist is to get one of these as they can cover all the things from the company vehicles to the product liability. A good policy can be as little as \$300 for a year and even provides a significant amount of protection.

STEP 10: Systemize & Organize

Set up the company as though someone would be taking it from you and then operating it for you. In short, it basically, means that you should have a suitable method of maintaining the permits, paying taxes, paying the employees, paying the bills, processing the order.

The basic idea behind this step of the Startup Checklist is to make the operational features of the company efficient and automated as possible. And this, in turn, would allow you to concentrate better on your business and how to grow it.



STEP 11: Develop a Business Identity

Have a professional create a logo for your business and use it on as many things as you can for your business. Start a website and share all the services that you offer on it. Also, order your business cards, promotional materials and the letterhead for your business.

STEP 12: Get the Word Out (Marketing)

Now that you have all the business set up for you, the last step in the Startup Checklist is to spread the word about your business and market it to every corner over the area in which you want your business to rule one day. If you are not sure how to go about it, just create a plan or hire a professional to take care of all of it.

In the end of the day, missing out of any of these steps could cost you. And since each step is connected, it is important to ensure that each step in this Startup Checklist is followed if you want your business to become a huge success.



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