

This guide will walk you through some basic steps to getting your business established. PLEASE NOTE – this is NOT a comprehensive list. Rules, laws, and best practices will vary depending upon the type of business you start. Please make a FREE appointment at the local Small Business Center to go over these steps and discuss any considerations unique to your business (email us at sbc@cccc.edu). The SBC is available to serve as a sounding board for your idea or assist with any issue a small business owner might face. We also believe that it is a good idea to seek the counsel of an attorney when starting any new business. The SBC has resources available to assist you.

Startup Checklist

- 1) Email the Small Business Center to request a free appointment (sbc@cccc.edu)
Planning is the most important first step you can take and the SBC can help you with creating a start-up plan for your new venture.
- 2) Visit the Small Business Center website (www.leesbc.com) for training opportunities and seminars to help you plan, start, and operate your new business. Free seminars, workshops, and webinars are available on topics like business planning, start-up, marketing, social media, taxes, bookkeeping, and much more. The SBC regularly brings in subject matter experts to help small business owners launch and grow a successful business.
- 3) Choose a business structure:
 - a) Sole Proprietor – The simplest business structure to establish. Many solo-entrepreneurs choose this structure because it is an inexpensive way to get established. With this structure, profits and expenses from the business are included in the owner’s personal income taxes. The owner is not considered legally separate from the business, so this means that any company liabilities are the responsibility of the owner. Personal assets can be seized to satisfy a company debt or legal liability. In order to file as a sole proprietor, please visit the Register of Deeds office in Lee County. The fee is \$26 to file as of this writing. Please check for any changes to the fee structure.
 - b) Partnership – Multiple owners of a business may wish to form a partnership. A partnership can be established as a general partnership or a limited partnership. Limited partners are investors only while general partners operate the business and assume any company liabilities. Liability can be a big concern with partnerships. Each partner can take out loans and make decisions that affect the company that the other partners are legally liable for. Therefore, it is strongly recommended that you seek the advice of an attorney before forming a partnership.
 - c) Corporation – A corporation is a legal entity that is separate from the owners. Corporations have more legal and tax requirements than other business structures. A corporate structure does provide liability protection for the owner. The company’s debts are not the personal debts of the owner, therefore, personal assets are not at risk. Corporations can also raise money through the sell of stock. Corporations have legal and regulatory requirements that make the services of an attorney, accounting, and tax specialists critical. It is wise to seek the counsel of an attorney when forming a corporation.



- d) Sub Chapter S – Sub-Chapter S is generally a good option for small business owners because it provides owners with the liability protection of a corporation but avoids the double taxation of a corporation. S Corporations can have up to 100 shareholders making it easier to raise capital and bring on more investors. S Corporations must file articles of incorporation, hold shareholder meetings, and allow shareholders to vote on company decisions. Please seek the advice of an attorney and CPA before forming an S Corporation.
- e) Limited Liability Company – A very popular option for small business owners is the limited liability company or LLC. LLC's give business owners some of the legal protections of a corporation without the issue of double taxation and with less accounting and legal obligations. To form an LLC, file form L-01 (Articles of Organization) with the NC Secretary of State. The fee to file is \$125 as of this writing. You'll also have to file an annual report and pay the annual fee of \$200. You can seek the services of an attorney to form an LLC, but you may find that you can do this on your own. If you choose to form an LLC on your own, please make an appointment with the Small Business Center to discuss the requirements for maintaining the protections of an LLC.
- Please contact a business attorney with any questions you might have about choosing a business structure.*
- 4) Decide on a business name and check that it is available for use. Visit the NC Secretary of State website and do a name search to make sure the name isn't already in use. You should also check with the Register of Deeds in Lee County (and any other counties that you will be doing business in) to make sure the name is not in use at the local level. You can also check for name availability at the federal level at the US Patent and Trademark Office website.
 - 5) Apply for an Employer Identification Number (EIN) online at the IRS.gov website. The number is free and is recommended for all business owners, even though it is only required for businesses that have employees. An EIN number can be used in instead of your social security number to set up business accounts which will help you safeguard your personal information.
 - 6) Open a business checking account in your business name with your EIN number. Business and personal accounts should NEVER be mingled. Keep business income and expenses separate from your personal income and expenses.
 - 7) Visit the Tax Assessors' office in Lee County and give them a list of your business assets. You will be taxed by Lee County on your business assets and you can be penalized for failing to file.
 - 8) Seek the advice of a local insurance agent regarding business insurance. Get an insurance policy to cover liability and personal injury. Even if you form an LLC or corporation, you will still need to be insured. Professional businesses may need an Errors and Omissions policy which is separate from general business insurance. E&O insurance covers companies and its workers from claims made by clients or customers for professional mistakes or omissions that lead to a loss by the client.
 - 9) Get a sales tax number from the NC Department of Revenue if you plan to sell any products and certain services. (Form NC-BR) Visit the NC Department of Revenue website to register at <http://www.dor.state.nc.us>. You can also call them between the hours of 8 am – 5:30 pm at 1-877-308-9103 with any specific questions that you have about collecting and filing sales tax.
 - 10) Visit the EDPNC website for resources on starting a North Carolina based business and for information on whether a state privilege license is required for your business. <https://edpnc.com/> You can also call them at (919) 447-7777



- 11) Write a business plan. The Small Business Center has workshops and templates available to help you. Visit our website at www.leesbc.com for a list of upcoming training events or email us at sbc@cccc.edu to set up an appointment.
- 12) Decide on an accounting system for your business or hire a bookkeeper. QuickBooks is a popular option for small business accounting. Wave Accounting is a free option for solo-entrepreneurs and very small businesses. The SBC regularly holds seminars to assist you with getting started with your accounting.
- 13) Develop a marketing plan. This can be included as part of your business plan, but if you're not planning to develop a full business plan, make sure that you at least get a marketing plan created. The Small Business Center can assist you with creating a marketing plan.
- 14) From this point, next steps vary based on the structure and nature of your business. If you're planning to hire employees and collect withholding, you will need to take additional steps. You may need permits and inspections. The Small Business Center can help.

Make an appointment with the Small Business Center by email at sbc@cccc.edu.

Join thousands of small business owners and get the latest tips, tools, and strategies to start or grow your business delivered straight to your inbox.

Register at www.leesbc.com or text CCCCSMALLBIZ to 22828.



www.leesbc.com