



8 Steps To Incorporated And In Business.

By: Sapphire Management Trust, 2022.

Aha! You are feeling bright, inspired, and ready to start your business.

But where do you start?

With this short guide, you will be in business and open to the public in eight steps.

Getting Started

What are the key decisions that I need to make?

Step 1: Name your business.

Step 2: Select your state of incorporation.

Step 3: Choose a business structure.

Step 4: Appoint a registered agent.

Get Ready for Growth

What are the next steps I should take?

Step 5: Get ready for the internet.

Step 6: Obtain an EIN to open a bank account.

Step 7: Research business licenses.

Step 8: Stay compliant with annual reports.

1. Name Your Business.

You have an incredible business idea, the talent to develop it, and the drive to execute it.

What will you name your new business?

Get creative, think big, and consider these questions when brainstorming.

- ✓ Does your name align with your brand vision and company goals?
- ✓ What emotion(s) should your name communicate to customers?
- ✓ Does your name appeal to the kind of customer you want to attract?
- ✓ How does your business name sound when you say it out loud?
- ✓ How does your name look in an email subject line?
- ✓ Is your name different than the local competition?
- ✓ Does it stand out from the crowd when searched online?
- ✓ Is it short and sweet?
- ✓ Is it memorable?

Pro Tip: Save time by deciding on two alternate names in your brainstorming session. If your preferred business name is unavailable, you will have two additional names ready.

We can help: Our team can conduct a comprehensive name search for you to determine if your preferred business name exists as another company in your industry or region.

2. Select Your State of Incorporation.

Regardless of where you live, you can form an entity in any state.

It might be easiest to incorporate where your business is physically located, but it is not always the best option available to you.

For instance, many companies choose to incorporate in Delaware or Nevada which offer considerable advantages like tax benefits, simpler incorporation processes, and defined legal standards.

That being said, incorporating out of state does not necessarily free you from your home state obligations.

Which state should you incorporate in? Our team of Incorporation Specialists can help you explore the ins and outs of choosing a legal home for your business. Contact us.

3. Choose a Business Structure

Operating your business as a properly structured corporation or Limited Liability Company (LLC) sets boundaries between your personal assets and business liabilities.

In addition to protecting your personal property as a business owner, incorporating offers several legal, tax, and business advantages.

Compare the entities in the chart below and/or contact our business incorporation experts to decide which structure is right for you.

We can help: When you are ready to incorporate, our team of Incorporation Specialists can walk you through the entire process.

Business Entity Comparison Chart

	C Corp	S Corp	LLC	General Partnership	Sole Proprietor
Owners have limited liability for business debts and obligations	✓	✓	✓		
Created by a state-level registration that usually protects the company name	✓	✓	✓		
Business duration can be perpetual	✓	✓	✓		
May have an unlimited number of owners	✓		✓	✓	
Owners need not be U.S. citizens or residents	✓		✓	✓	✓
May be owned by another business, rather than individuals	✓		✓		
May issue shares of stock to attract investors	✓	✓			
Owners can report business profit and loss on their personal tax returns		✓	✓	✓	✓
Owners can split profit and loss with the business for a lower overall tax rate	✓				
Permitted to distribute special allocations under certain guidelines			✓	✓	
Not required to hold annual meetings or record meeting minutes			✓	✓	✓

4. Appoint a Registered Agent.

Selecting a registered agent is a required step when incorporating your business. A registered agent is the state's way of communicating with a business entity and is required by law. As the official point of contact for the Secretary of State, the registered agent must be present at a physical address (not a P.O. Box) to sign for and receive legal notices, state mandates, wage garnishments, and tax documents during specific business hours. It is critical for registered agents to be consistently accessible. A missed delivery could jeopardize your company's good standing with the state or enable a lawsuit to proceed against you without your knowledge.

5. Get Ready for the Internet.

Today, having your business online isn't a nice-to-have; it is essential for success.

When seeking out a domain name, or website address, aim for something that's as close to your company name as possible.

Depending on your industry and target audience, you might also want to utilize social channels such as Facebook, Twitter, LinkedIn, and Instagram.

Consider the convenience of being online now so your digital presence is ready to launch when the time comes.

6. Obtain your EIN and Open a Bank Account.

Your Employer Identification Number, or EIN, is like a social security number for your business. This nine-digit number is required to open a business bank account and must be present on all tax filings for the life of your business.

Pro Tip: Keep your business and personal finances separate through dedicated bank accounts and expense tracking to protect your personal assets.

We can help: BusinessIncorporationDepot.org can work with the IRS and obtain an EIN on your behalf, making the process fast and easy.

7. Research Business Licenses.

Most state, county, and local governments require companies to have the right licenses and permits in place before they open their doors.

There are more than 150,000 filing jurisdictions across the country, all with independent requirements. Depending on your industry and where you operate, many number of licenses and permits may apply to your business.

8. Stay Compliant with Annual Filings.

Once your business entity is established, you will have to maintain and manage it through business filings like annual reports.

Corporations and LLCs are required to submit an annual (or biennial in some states) report to state government entities.

By filing an annual report, you are providing the Secretary of State with updated information about your business. The details and deadlines of your annual report may vary from state to state.

The Annual Report can be used to evaluate your company's franchise tax, so it is crucial that your report is submitted with accuracy.

We can help: Preparing and filing annual reports for your company demands time, diligence, and expense. Deadlines and filing requirements vary from state to state, and with annual reminders becoming a less-common courtesy, it's easy to be left in the dark about when your annual reports are due. Save time and reduce your chances of filing mishaps by outsourcing your annual report needs to our specialists at BusinessIncorporationDepot.org.

Unlimited Support

Our teams are readily available to answer your questions from 8 a.m. to 8 p.m., Monday through Friday. info@businessincorporationdepot.org • www.businessincorporationdepot.org

Well, what are you waiting for?

Time to get started...

8 Steps

To Incorporated

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