



DODGE LEGAL GROUP, SPC

How to Set Up Your LLC/Corporation to Maximize Legal Protection

Thank you for subscribing to the Dodge Legal e-newsletter. Here's your free start-up business checklist.

Decide on a business name for your entity:

When selecting your name, please be aware of legal issues such as trade names and deceptively similar business names. Think about marketing and domain names in relation to your business name too!

Select the state where the company will be created:

Where will the principal office be registered? Will your company need to be qualified to transact business in other states? Consider any additional annual filings or fees.

Determine your business location and take these steps:

- Home-based: check zoning requirements.
- Other location: Lease office or retail space and obtain the necessary furniture, equipment and supplies.

Select a type of entity:

Are you aware of the different types of entities and their attributes? What's your best choice based on legal, tax, and commercial implications?

File the appropriate formation document(s) with your state agency:

The name of this document differs by state; sometimes it's called a Certificate of Formation, Articles of Incorporation, or Articles of Organization. Before you file, make sure your business name meets statutory requirements and is available for use.

Obtain an EIN ([see my blog for How To Obtain an EIN for FREE in 5 Minutes](#)):

It's easier if you know whether your company will be taxed as a disregarded entity, partnership, C-Corp, or S-Corp.

Obtain a state taxpayer identification number.

Create and sign an operating agreement, such as Bylaws or Company Regulations:

Consider the rights of the owners, management, initial or on-going capital contributions, dissolution, and other issues.

Conduct organizational meetings at least once a year.*

- Document your company's organizational meeting with written Minutes.***
- Issue ownership interests with certificates and a transfer ledger.***
- Check your own state for other requirements, business certifications, licenses, etc. and obtain the necessary business licenses and permits.**
- Ensure you comply with government requirements (e.g., unemployment insurance, worker's compensation, OSHA, payroll tax requirements, self-employment taxes, etc.).**
- Open a bank account for your entity:**
Take your formation documents and your EIN with you to the bank.
- Set up your business accounting and bookkeeping.**
- File state and federal tax returns (even if you don't owe any taxes).**

Other good business practices:

- Start establishing your business credit.**
- Determine what business insurance is needed.**
- Create any necessary contracts, service agreements and invoices so you can easily bill customers, track payments and keep records.**
- Create business cards, letterhead, envelopes, etc.**
- Secure a domain name and create a website.**

**Some states do not require this for LLCs, but we recommend this as a wise business practice for good governance.*

This checklist is for informational purposes only and should not be construed as legal advice. You should seek the advice of an attorney before making legal decisions.