

New Business Formation and Structure

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New Business Formation and Structure

Disclaimer

- This presentation is for informational purposes only and does not create an attorney-client relationship.
- Every situation is unique, and we recommend that you consult with our law firm or another firm to obtain legal advice that is specific to your situation.



New Business Formation and Structure

- Registrations for New Businesses
- Types of Entities
- Trade Names
- Limitation of Liability
- Licenses and Permits
- Hiring Workers
- Books and Records
- Insurance



New Business Formation and Structure

- Registrations:
 - Entity is created with the State
 - Tax ID No. with the IRS
 - Unemployment Insurance and Withholding
 - Sales and Use Tax Accounts



New Business Formation and Structure

- Sole Proprietorship
 - No Limited Liability
 - Can still have Employees
 - Lack of Tax Options



New Business Formation and Structure

- General Partnership
 - No Limited Liability
 - Two or More “Partners”
 - Lack of Tax Options



New Business Formation and Structure

- Limited Partnership
 - One or more “Limited Partners”
 - Limited Liability
 - Cannot Participate in Management of Partnership
 - One or more “General Partners”
 - Unlimited Liability
 - Manages the operations of the Partnership
- Lack of Tax Options



New Business Formation and Structure

- Limited Liability Company
 - Limited Liability
 - Flexibility
 - Single vs. Multiple Member
 - Member vs. Manager Managed
 - Tax Options



New Business Formation and Structure

- Corporations
 - Shareholders, Directors and Officers
 - Rigid Structure
 - “Closely Held” Corporations
 - Tax Options



New Business Formation and Structure

- Fictitious Business Name Registration
 - “Trade Name” or d/b/a
 - Example: McDonalds Store #2167, LLC
d/b/a “McDonald’s”
 - Registration Required to Use



New Business Formation and Structure

- Maintaining Limited Liability (LLCs and Corporations)
 - Steps to maintain limited liability
 - DO NOT personally guarantee anything (i.e. sign in your individual capacity).
 - DO sign contracts in your **representative** capacity.
 - DO keep current accounting records.
 - DO NOT commingle personal and business assets (e.g. keep business and personal funds in the same account).
 - Maintain Annual Registration Requirements



New Business Formation and Structure

- Contracts
 - Liability can be limited in your contracts.
 - Contracts should include:
 - Specific Compensation and Duties
 - Choice of Law, Jurisdiction, and Venue for Disputes
 - Indemnification
 - Warranty Disclaimers
 - Attorney's Fees



New Business Formation and Structure

- Licenses and Permits
 - Business Licenses
 - Occupancy Permits
 - Home Occupation Permits
 - Specialty Licenses (Contractor's, Securities, etc.)



New Business Formation and Structure

- Hiring Workers
 - Employee vs. Independent Contractor
 - IRS Balancing Test
 - Differences in Duties and Responsibilities to worker
 - State Withholding Accounts



New Business Formation and Structure

- Keeping the Books of the Business
 - QuickBooks or other Software
 - Spreadsheets are the Bare Minimum
 - Working with Local Accountants
 - Meeting Minutes (Corporations)
 - Local Banking



New Business Formation and Structure

- Insurance
 - General Liability and Casualty Insurance
 - Worker's Compensation
 - Errors and Omissions Insurance



Arlington Law Group

- We offer fixed price packages for initial consultations and creating new business entities.
- We also offer fixed price estate planning packages for individuals or couples at reasonable prices.
- Hourly for all other projects. We provided estimates ahead of time. Our hourly rate is \$310.00 per hour.
- If you know of other groups that would like me to speak about business law or estate planning, please let me know.



Any Final Questions?

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