

BUSINESS STARTUP CHECKLIST

This list applies to starting a business in Berrien County, Michigan.

All information and links were valid on January 1, 2015

1. **Select a date to start your business.** This the first day you took steps toward establishing a business. Expenses from this point on are part of your start up expenses. Start a record of your activities and all expenses. Keep receipts, noting dates and business purpose..
2. **Consider Professional Advice.** You may want to include an attorney, accountant and insurance agent as part of your planning process. You are not **required** to use any of their services but it's prudent to have their counsel. Include a banker in your advisors if you expect to borrow funds. Also consider free start up counseling assistance from SCORE, Cornerstone Alliance's Small Business Center or Kinexus' Small Business Development Center. Find them on the web at www.kalamazoo.score.org, www.cstonealliance.org, or www.kinexus.org
3. **Develop a Comprehensive Business Plan.**
There are many excellent tools to help with this step. One tool is available on-line from the Michigan's Small Business Development Centers. Go to www.sbdcmichigan.org, scroll down the page to Tool & Resources and click on Business Startups. On the page that opens up, click on the link Guide to Starting and Operating a Small Business.

An important part of the document is the cash flow plan which includes how the owner will be paid by the business.
4. **Choose a Name for your Business** - your first marketing decision. Select a name that helps customers connect with your business. Check availability on the internet and State registrations as discussed below.
5. **Check to see if the name is available** – First check with an internet domain registry, such as Godaddy.com, to see if your business name is available. Even if you do not expect to be selling on the internet you should consider having a presence on the internet. Your own URL will also let you have a distinctive email address – a big step up from somebusiness@hotmail.com.

Next, check to see if the name is available for State Registration. Go to http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp. You can "reserve" your name for less than \$25. Use the form at



**Guide to
Starting and Operating
a Small Business**

<http://www.dleg.state.mi.us/bcsc/forms/corp/corp/540.pdf> to reserve your name for a corporation, partnership or Limited Liability Company. This holds the name for four to six months dependent on type of corporation. Extensions may be filed to extend the reservation. If you are not sure of the type of corporation you may file more than one reservation form.

You may have to go back and forth between the State and the URL listings to find a truly unique identity for your business. It'll be worth it for your business.

6. **Select a type of Business:** (Seek business and legal advice as needed)

- Sole Proprietor
- Corporation
- Limited Liability Company
- Limited Liability Partnership

7. **Register your Business with the County or State**

Sole Proprietor

Register the name with the County Clerk on a “Certificate of Assumed Name” form, aka, Doing Business As or DBA form, available at http://www.berriencounty.org/uploaded/forms/cclk_32b.pdf. File at Berrien County Administration, 701 Main St., St. Joseph, MI. 269.983.7111 Cost is \$10.00. This registers and protects the business name for 5 years.

Corporation, Limited Liability Company or Limited Liability Partnership

Go to the State website for Licensing and Regulatory Affairs at http://www.michigan.gov/lara/0,4601,7-154-35299_61343_35413---,00.html Scroll down the left side of the page to Corporations, Securities, ... area and then click Forms and Publications. Call the Corporations Division at 517.241.6470 if you need help.

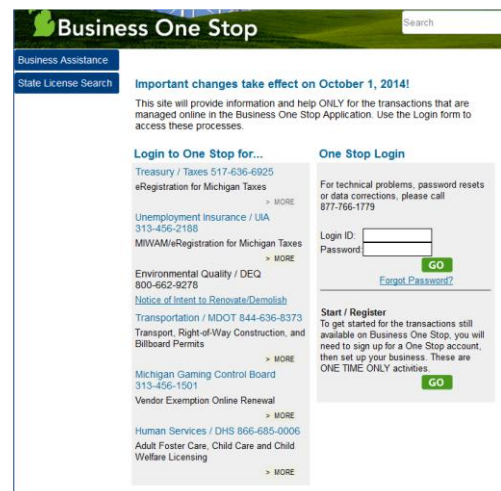
In the Business Entity Area click on the link for the forms for your type of corporation.

Cancel your County Name Registration if you register with the State.

8. **Licenses and/or Regulations:** Check if your business activity requires a license from the State. Go to the State website for Licensing and Regulatory Affairs at http://www.michigan.gov/lara/0,4601,7-154-35299_61343_35413---,00.html Scroll down the left side of the page to Corporations, Securities, ... area and then click Forms and Publications. Scroll down the page to the Licensing Forms. If your business activity is listed, click the link and complete the license application. Call the Corporations Division at 517.241.6470 if you need help.

9. **Decide on your Federal Tax classification for your business.** This decision is separate from the decision on which type of business you register with the State. For example, a Limited Liability Company may choose to be taxed as a Corporation, an S-Corporation or like a Sole Proprietor. Do your research and consult with professionals before you decide. The IRS will let you change later but it's best to start out with your final choice.
10. **Request an IRS Tax I.D. Number or Employer Identification Number, EIN** Go to www.irs.gov and look under Hot Topics for "Apply for an Employer ID number". Click that link which opens a page of information. Review the information and click on the **APPLY ONLINE NOW** link at the bottom of the page.
11. **Open a Business Bank Account.** Take a copy of your State Registration information, i.e., your Articles of Incorporation or Articles of Organization, along with your Tax ID Number to your bank to open the account. **Do not use your Social Security Number to open the account.**

12. **Michigan Sales Tax.** If your business involves selling products you must file for a sales tax license. You may be surprised to know that registering your business with the State does nothing with any other part of the State machinery. You must register separately with the treasury department for a sales tax license, payroll withholding and unemployment insurance. Fortunately you can use Michigan One Stop to register for one or more of these. Go to www.michigan.gov/business. (See image to right) Just create an account and begin the registration process. Alternatively, you may download the Michigan Business Taxes Registration Booklet which includes Form 518 for all the tax registrations. Get the form here: http://www.michigan.gov/documents/518_3620_7.pdf. If you do business in more than one state you will need a license from each.



13. Plan for Employees.

Search the web for employee applications that suit your business. Make sure you request information that will avoid disputes later. For example: if you will need weekend help, make sure your application asks if the candidate will be able to work weekends. Also learn which questions you may not ask an applicant.

Review IRS Employer's Tax Guide, Publication 15 if you will be hiring employees. You have choices on managing the payroll and related State and Federal filings: do them yourself, use QuickBooks Payroll capabilities, for an extra cost, or hire an outside payroll service. For State requirements see the Sales, Use and Withholding

Tax Forms and Instructions available here:

http://michigan.gov/documents/taxes/78_442440_7.pdf.

Also search the web for examples of **employee handbooks** of policies you can put to use in your business. These would include vacation, sick time, evaluation, discipline and many more.

14. **State Unemployment Insurance.** Registration may be done with the One Stop process above or Form 518. Contact the UIA Tax Office at P.O. Box 8068, Royal Oak, MI 48068-8068; or call 1-855-484-2636; More information can also be found on the Agency's Web site at www.michigan.gov/uia.
15. **Federal Unemployment Tax (FUTA).** No action needed; registration is not required. See IRS Employer's Tax Guide, Publication 15 for taxes and payment methods.
16. **Workmen's Compensation Insurance Contributions.** *Needed if even one employee works one minute!* Essential if you employ one or more full-time or 3 part-time employees. Most employers are required to provide workers' disability compensation coverage for their employees. A workers' disability compensation policy is purchased from a private insurance company. Contact the Workers' Compensation Agency at P.O. Box 30016, Lansing, MI 48909, or call 517-322-1195 for more information.

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Submit any comment or questions to info@kalamazoo.score.org