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CHECKLIST

New Business Setup Checklist

5 steps · First 90 days

Everything to handle, roughly in order, when starting a new business. Not every step applies to every entity type — skip what doesn't apply.

1. Choose Your Entity Type

- Decide between sole proprietorship, single-member LLC, multi-member LLC, partnership, S-Corp, or C-Corp
- Understand the liability protection and tax treatment differences before filing anything
- If unsure between LLC and S-Corp election, hold off on the S-Corp election until you have real revenue — you can elect later

2. Register the Business

- File formation documents with your state (Articles of Organization for an LLC, Articles of Incorporation for a corporation)
- Confirm business name availability with the Secretary of State
- File a DBA if operating under a different name
- Designate a registered agent if required in your state

3. Get Your EIN

- Apply for an EIN directly at IRS.gov — free, takes minutes
- Keep the CP 575 EIN confirmation letter somewhere permanent; banks will ask for it repeatedly

4. Handle State & Local Requirements

- Register for state income tax withholding (if you'll have employees)

- Register for state sales tax permit (if you'll sell taxable goods or services)
- Check for city/county business license requirements
- Confirm any industry-specific licensing (contractors, healthcare, food service)

5. Set Up Banking & Bookkeeping

- Open a dedicated business bank account — never commingle business and personal funds
- Open a business credit card if you'll carry any business expenses on credit
- Set up a bookkeeping system (QuickBooks, Xero) **before** your first transaction
- Establish a simple chart of accounts from the start

Payroll & Contractors (if applicable)

- Register for state unemployment insurance if you'll have employees
- Set up a payroll system before your first hire
- Collect a signed W-9 from every contractor **before** you pay them

Insurance

- General liability insurance
- Professional liability / errors & omissions, if applicable
- Workers' compensation, if you'll have employees

Tax Planning Basics

- Understand your estimated tax payment obligations from day one
- Decide on a bookkeeping cadence (monthly is strongly recommended for a new business)
- Set aside 25–30% of every payment received for taxes until we can calculate your actual rate

Get the Right People in Your Corner Early

- A tax professional to advise on entity structure and estimated payments before your first filing
- A bookkeeper or bookkeeping system from month one
- A business attorney for contracts, especially if you have partners or investors

> The single most common mistake we see in year one: waiting until tax season to set up bookkeeping. A business with clean books from day one costs less to file and gives you real numbers to make decisions with all year — not just in April.
