











The following is a list of many big picture issues that should be considered when starting a business. This list is not all-inclusive, and OnTarget CPA encourages you to seek professional guidance and advice where necessary.

 = OnTarget CPA can provide services, advice or assistance



Entity Set Up

- ☐ Determine business name 
- ☐ Determine type of entity. Use an accountant/attorney where applicable. 
- ☐ Obtain a taxpayer identification number 
- ☐ Determine state of organization if choices are available 
- ☐ Register business with the applicable Secretary of State 
- ☐ DBA ("doing business as") filing 
- ☐ Business licensing with professional board, state, or locality
- ☐ Ownership - Solo or with a partner? 
- ☐ Buy-sell Agreement and Operating Agreement if more than one partner or owner 
- ☐ Develop a business plan (and strategic plan) 
- ☐ Will property or assets be transferred from another entity?
- ☐ Will premises be rented or owned, and if so, in what state?
- ☐ If business will have inventory, where will it be kept and in rented or public warehouses?
- ☐ Is business part of a controlled group or related entities?
- ☐ If business will own real estate, consider a passthrough entity, unless it is foreign-owned
- ☐ If foreign ownership, consider an entity that is NOT a passthrough entity 
 - Become familiar with withholding requirements for distributions
 - Determine whether there is a tax treaty with country where owners reside
- ☐ If foreign-owned, address of owners
- ☐ Location – office or retail space
- ☐ Premises – own, rent or sublet


Finances

- ☐ Determine how business will be financed 
- ☐ Open a bank account (separate from personal account) 
- ☐ Project cash flow and cash flow management methods 
- ☐ Determine capitalization and loan policies for initial and subsequent investments. If loans, make sure there are notes with interest and due dates stated 
- ☐ Tax elections and policies to be established 
 - Basis of accounting – cash, accrual or other
 - Fiscal year, if applicable
 - Startup costs
 - Inventory method
 - Retirement plans
 - Expense reimbursement policy
- ☐ Identify and obtain accounting software 
 - Establish billing and invoicing methods and payment terms
 - Administrative software such as mailing list and customer relationship system
 - Establish policies for paying vendors
- ☐ Establish payroll with a reputable payroll provider 


Staffing

- ☐ Determine staffing levels and admin support
- ☐ Determination of worker classification: employee vs. independent contractor 
- ☐ If using independent contractors, obtain W-9s 
- ☐ Employment agreements, if necessary, for your type of business
 - Employees, executive and managerial employees
 - Confidentiality agreements
 - Employee Handbook
- ☐ Staff scheduling, project management system, and oversight or review methods
- ☐ If there is more than one owner, clearly define work and responsibilities
- ☐ For patents or other intellectual property determine who will own them, business or individual(s)

Insurance and Benefits

- ☐ Obtain insurance – umbrella, workers' compensation, product and malpractice liability, general office
- ☐ Health insurance
- ☐ Life insurance for owners
- ☐ Disability income insurance on owners; disability buyout insurance if more than one owner
- ☐ Pension or retirement plan contribution policy 

Consideration for Owners

- ☐ Owners' meetings frequency, location and length
- ☐ Document all important decisions with memos or minutes of meetings
- ☐ Owners' compensation and profit division policy 
- ☐ Owner benefits policy such as vacations and time off

Operations

- ☐ Technology hardware and technical and specialized software
- ☐ Cloud, paperless strategies and document management systems
- ☐ Determine necessity of getting pro forma contracts to use with customers
- ☐ Need secure portal availability
- ☐ Create email addresses
- ☐ Mail delivery to office or PO Box
- ☐ Office equipment, filing, telephone, postage meter, stationery, etc.

Marketing

- ☐ Create a logo
- ☐ Obtain a website
- ☐ Publicity, marketing, advertising and sales promotional activities
- ☐ Establish social media accounts, plan strategies
- ☐ Networking methods
- ☐ Mailing list – establish and maintenance
- ☐ Announcement(s) of new firm or business
- ☐ Join professional or business associations

Long-Term Planning

- ☐ Practice or business continuation agreement if a single owner
- ☐ Exit strategy/Succession planning