



You have worked long and hard for an employer and you are now set to start out on your own. As this is an exciting time of your career, it also a crucial time in your new business venture.

This summarized checklist was developed to help you **Move Your Company Forward**. It was developed from our experiences as entrepreneurs to help other entrepreneurs within the state of Colorado. This list is not all inclusive and not a guarantee your business will succeed, however it should assist you along the way.

Background work

- Analyze your business idea by doing a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis
- Assess your strengths and weaknesses as an entrepreneur
- Establish business and personal goals
- Assess your financial resources and identify potential sources of funds
- Identify the financial risks
- Determine the start-up costs
- Decide on your business location
- Do a thorough market research
- Identify your customers
- Identify your competitors
- Develop marketing and business plans
- Select an attorney and an accountant who understand your business and your goals

Steps to complete

Set up a legal structure for your business. Common examples of legal structure are:

- a. Corporation
- b. Limited liability company (LLC) or limited liability partnership (LLP)
- c. Partnership

After you decide what your legal structure will be, you must register your new business with the Colorado Secretary of State's Office (or the state you wish to register and/or operate within). At this time you state the legal structure of your business and reserve your business name.

You may register online with the Colorado Secretary of State at www.sos.state.co.us

Obtain a Federal Employer Identification Number (FEIN)

You may apply online with the IRS at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-%28EINs%29>

File your business with the State of Colorado online for various tax accounts

You may register online with the Colorado at <https://www.colorado.gov/apps/jboss/cbe>

1. This will help you establish whether or not you need a sales and/or wage-withholding tax accounts and if you need an Unemployment Insurance (UI) account for tax purposes.
2. If you do not qualify to register online, "Google" the Form "CR 0100" (this is the Colorado Business registration). You may file the form in person or by mail.
3. If you do not qualify to file online for your UI tax account you can register your business with the Colorado Department of Labor and Employment. "Google" Form "UITL-100" and file in person or by mail.
4. Is your business located in a city that mandates that an occupational tax be paid for all employees working within the city limits? Check with your city with regards to this tax and it's applicability to your situation.

A note about sales and use tax:

The above introduces you to a Colorado sales and use tax account. Your business maybe located in an area that also has city tax and county tax or you may be in a special taxing district. Check with the Colorado Department of Revenue website to check on what sales and use taxes you may be subject to collecting and remitting to the various local governments.

This checklist is not intended to replace inquiry and your due diligence with legal and accounting professionals trained and experienced with a start up business.

When you purchase a business:

Use tax is normally due on the assets purchased in the city and county where your business resides. This tax is normally due by the 20th following the month of purchase.

Personal property tax:

Personal property tax is due each year on the tangible personal assets of every business. Call the county in which your business is located and ask them to send you a personal property tax schedule.

Banking

Setup and/or develop a commercial banking relationship.

General Liability Insurance

This insurance covers liability with regards to your products and/or services. What are your specific insurance needs? Do you need to bond any of your employees, cover a loss of records, cover loss of cash in your store, etc.? Talk to your insurance representative to ensure they understand your business needs.

Workers' Compensation Insurance

This insurance covers your employees should they have an accident on the job. You may choose your own carrier.

Location

If you are going to operate anywhere other than your current residence, you'll have to plan for leases and equipment needs.

1. Assess how much space you'll need for office, showroom and/or warehouse space.
2. Review market costs and negotiate a lease.
3. Assess equipment needs and review lease vs. buy options.

General business administration

Allow enough lead time to properly develop the items needed to operate, such as:

1. Business image/logo
2. Website
3. Business cards
4. Letterhead
5. Office supplies
6. IT needs
7. Professional trade organizations
8. Advertising/Marketing

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Matters for you and your accountant

1. Tax structure for income tax reporting purposes
 - i. Timely tax elections
2. Fiscal year end
3. Accounting system to fit your needs
 - i. Skillset needed to setup/select an accounting system.
 - ii. Your system is crucial for historical record keeping.
 1. Also can be used as a tool for planning, budgeting, cost accounting, inventory maintenance and general management reporting, etc.
 - iii. What are the considerations for maintaining timely books and records?
 - iv. Read/use our financial accounting checklist at www.langallanpcpa.com
4. Payroll or independent contractors
 - i. There are very specific definitions for employees vs. contractors.
 - ii. What are your obligations for payroll withholding, reporting and remitting payroll taxes and liabilities?
 - iii. Do you have the skillset to process and complete payroll accurately and timely?
5. What are your quarterly and year end compliance issues with regards to:
 - i. Tax reporting
 - ii. Financial reporting
 - iii. Banking considerations such as loans and lines of credits etc.
 - iv. Surety compliance
 - v. Due dates of above items
6. Tax planning needs
 - i. Are there future tax consequences to your short or long term goals?
7. Have you complied with board meeting requirements of the members of your organization or shareholders of your corporation?
 - i. Have you taken minutes and filed them?

If you need assistance along the way, ask for guidance and seek professional assistance. A “simple” question may save you hours of time and hundreds, if not thousands of dollars later to correct something. The professionals at Lang Allan & Company CPAs PC are here to help you **Move Your Company Forward**, please contact us if you need assistance with any items above.

For more information on Lang Allan & Company, please find us online at

<http://www.langallanpcpa.com>

<http://www.facebook.com/langallanpcpa>

<http://www.linkedin.com/company/lang-allan-&-company-cpas-pc/products>

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Notes/to do:

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