

Healthy Business Checklist

Entity Formation*

- Have you chosen a name for your business?
- Have you formed your business as a legal entity?
 - Sole Proprietorship (default status for single owner)
 - General Partnership (default for multiple owners)
 - Corporation (C-corp or S-Corp)
 - Limited Liability Company (LLC)
 - Other: _____

If you have formed your business as a legal entity:

- Have you completed the filing requirements and paid the filing and/or annual fees?

Intellectual Property

- Have you run a trademark search for your business name using the trademark search tool at www.USPTO.gov to see if a similar name, or variation, has been trademarked?
- If your business involves an invention or product, have you taken steps to protect via patents, trademarks, and/or copyright?

Insurance

- Have you obtained business insurance?
 - General Liability
 - Product Liability (if applicable)
 - Professional Liability (if applicable)
 - Commercial Property (if applicable)

Leases**

- Do you have a lease for your business location? If so, does the lease permit your planned use?

Business Licenses, Permits & Zoning

- Have you obtained the federal, state, and local licenses and permits required to run your business?
- If you are leasing commercial space, have you identified all federal, state, and local zoning and permit requirements?

Employee Requirements***

If you plan to hire employees, or have already hired employees:

- Have your employees been properly classified? (independent contractors vs. employees)
- Have you obtained an Employer Identification Number (EIN)?
- Are you in compliance with MA hiring reporting programing? Visit www.mass.gov for more information.
- Have you verified each of your employees eligibility by completing form I-9?
- Have you set up records to withhold taxes?
 - Federal income tax withholding
 - Federal wage and tax statement
 - State taxes
- Have you obtained workers compensation and unemployment insurance?

***This list of entities is not exhaustive. Consult an attorney if you are unsure of whether you have formed a business entity.**

****Please see the back for more information.**

*****Please be aware that employee/employer requirements vary depending on the type of business and location. This checklist does not encompass all of the legal issues surrounding hiring and retaining employees. Please contact us to discuss the legal issues that pertain to your business.**



Additional Information

ENTITY FORMATION

- May still need to register business name with local city hall (DBA or “doing business as” certificate).
- If sole proprietor, must pay self-employment tax on own income.

Corporation (C-Corp & S-Corp)

- File Articles of Organization with the Secretary of the Commonwealth.
- \$275.00 initial filing fee if hand delivered (\$250.00 to fax file, or file electronically).
- \$125.00 annual filing fee if hand delivered (\$100.00 to fax file, or file electronically).
- Minimum corporate excise tax due each year.
- Must have EIN even if no employees.
- S-Corporations have the same filing fees as C-Corporations, but have the benefit of pass through taxation. To become an S-Corporation, a business must first meet several eligibility requirements.
- To elect to be an S-Corporation, the corporation must file Form 2553 with the IRS by the 15th day of the 3rd month after formation of the corporation.

Limited Liability Companies (LLC)

- File Certificate of Organization with the Secretary of the Commonwealth.
- Operating agreement required if multi member LLC, but always strongly encouraged.
- \$500 initial filing fee and \$500 annual fee.
- Must obtain EIN if LLC has employees or there is more than one member.

LEASES

Planned Use

- Tenants should attempt to make planned use provision in lease as broad as possible to allow for flexibility.
- Leases often require tenants to obtain landlord permission for a change of use.

Assignment and Subletting: Restrictions and Limitations

- Tenants should attempt to make planned use provision in lease as broad as possible to allow for flexibility.
- Leases often require tenants to obtain landlord permission for a change of use.

Renewal Rights

- Agree on rent or formula to calculate rent for extended terms.
- It is generally better for tenant to have shorter term with more extension rights to allow for flexibility.
- Consider inserting protections for location-based business.
- Prevent landlord from renting nearby space to a competitor.
- Avoid personal guarantees.

Find us at www.Lawyersforcivilrights.org. Email BizGrow@lawyersforcivilrights.org with any questions