



## **BizGrow Toolkit**

### **After Forming Your Entity, What's Next?**

#### **Next Steps After Forming Your Business Entity**

##### **Get Your EIN**

- An Employer Identification Number or EIN is a way to identify your business for tax purposes and is essential to conducting business.
- Once your business has been officially formed and registered with the state, you can apply for an EIN for free on the IRS [website](#).
- You should never have to pay for an EIN.
  - There are numerous websites that look like the real one but are not, the real official website has operating hours and can be accessed here:  
<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>.
- When your EIN is generated, save the number so you can have it handy.

##### **Get a Bank Account**

- Open a bank account for your business once you receive your EIN so you can receive and spend money as an owner, operate your business, and provide benefits to your customers and employees.
- Common business accounts include a credit, checking, merchant services, and savings accounts.
  - With a merchant services accounts, your business can accept credit and debit card transactions from customers.
- The benefits of a business bank account include:
  - Financial preparedness in case of an emergency;
  - Professional presence;
  - Protection from personal liability in the case of your business going bankrupt or being sued; and
  - Increasing your businesses purchasing power through increasing your credit.
- To maintain the liability protection of your new entity, you must keep your personal and business finances separate.

##### **Register Your Business and its Name**

- Owners of corporations, LLCs, and other entities typically need to register their business with the state they are operating in before conducting business.
- In Massachusetts, you can register your business with [MassTaxConnect](#), the state's website for filing and paying taxes.
- To register your business, you typically need your SSN or EIN, legal name, business mailing address, starting date of your business, and, if your entity is a C-Corp, the contact information for your business officers, including their titles and SSNs.



### **Get Insurance**

- Obtaining insurance minimizes risks during your business operations, from having to pay out-of-pocket expenses for an employee’s injury suffered on the job to dealing with damage to your company’s property. Having an array of insurance plans is recommended and often required depending on the situation. Talk with an insurance broker to get more information about what your specific business may need. Some common insurance policies for small businesses include:
  - General liability insurance;
  - Directors and officers insurance;
  - Employment practices insurance;
  - Professional liability insurance;
  - Workers’ compensation insurance; and
  - Cyber liability insurance.

### **Get the Needed Licensing and Permitting**

- Business owners need to abide by federal, state, and local rules and regulations surrounding licensing and permitting to be successful. General licenses or “Doing Business As” (“DBA”) licenses are managed by the town or city you are operating your business in, so it is recommended you contact the municipality you are operating in with any questions about licensing requirements.
  - Please note that forming an entity (incorporating your business) is not the same as registering with the city or getting a DBA license.
- Required licenses vary by business type.
  - For example, if operating a business that works on certain construction projects, you will need oversight from a [licensed construction supervisor](#).
  - If you are trying to sell alcoholic beverages at your business, you will need to get approval for an [Alcoholic Beverages Local Retail License](#) from both your municipality and the state.
  - Other common business licenses include those for food processing and distribution, tobacco sales, and certain professions and trades.
- In terms of the location of your business, permits centered on building, land use, and zoning are also needed and vary in their requirements based on the municipality you are operating your business in.
- If you need help with this process, the [Massachusetts Permit Regulatory Office](#) supports new business owners with licensing and permitting.

### Other Tips and Tricks

- Do not use your SSN in place of your EIN if you operate a business with employees or have filed an excise or pension plan tax return, and do not apply for your EIN number until after your entity is formed.
- Promptly get all the licenses you need to operate your business. Failing to do so may result in criminal and/or civil liability and have a severe impact on your company.



- For example, if you sell alcoholic beverages without the proper licensing, you may be criminally charged and have your business shut down permanently.
- Sign all business-related documents, such as contracts and commercial leases, on behalf of your company, not as yourself personally. Personally signing makes you personally liable for the contract.
- Remember every year to file the taxes appropriate for your specific business entity. [If you have employees](#), you will likely have to file multiple federal, state, and local taxes. There are [electronic filing options](#) for many taxes and forms that small businesses have to file, such as excise and employment taxes. You will want to contact a CPA to help you with your taxes.

#### Take Advantage of Certificates, Services, and Grants

- Massachusetts offers a variety of grants, online tools, and other forms of support to small business owners, including:
  - The [Regional Economic Development Organization Grant Program](#) (“REDO”),
  - [State Trade Expansion Program](#) (“STEP”) grants,
  - Assistance from the [Massachusetts Permit Regulatory Office](#) and,
  - Assistance from the [MassHire Career Center](#),
- You may be eligible to apply for one of the following [Diversity Certifications](#):
  - Minority Business Enterprise (MBE)
  - Minority Non-Profit Organization (MNPO)
  - Women Business Enterprise (WBE)
  - Women Non-Profit Organization (WNPO)
  - Portuguese Business Enterprise (PBE)
  - Veteran Business Enterprise (VBE)
  - Veteran Non-Profit Organization (VNPO)
  - Disability-Owned Business Enterprise (DOBE)
  - Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)
  - Service-Disabled Veteran-Owned Business Enterprise (SDVOBE)
- The state helps certified businesses when they bid for public contracts. The goal of the program is to promote diversity, equity, and inclusion in state contracting.

*BizGrow at Lawyers for Civil Rights also offers free legal assistance, business support, and technical help to minority, immigrant, and women business owner, including classes and workshops.*

*Email us at [BizGrow@lawyersforcivilrights.org](mailto:BizGrow@lawyersforcivilrights.org) today with any questions!*