



NEXT STEPS AFTER YOU FORM YOUR LLC

Create a bank account for your LLC

After you set up your LLC, make sure you have a separate bank account set up under the LLC's name. This account will then be used to receive income. Depending on how you are paying yourself, you will also issue your draws from this account.

If you aren't sure how to handle the accounting side of your new LLC, we recommend talking to [Dunham Tax Professionals](#).

Obtain any necessary insurance policies for the LLC.

We recommend talking to an insurance broker who specializes in business policies to see what kind of coverage you may need.

If you use PayPal, switch to a business account.

If you are an online business using PayPal to collect payments, you will need to switch the account from your personal account to a business account that is specifically for the LLC.

Update your W9 with any companies that you receive regular payments from.

This may include your clients and customers. If you are a blogger, it may also include influencer networks.

If you have filed a W9 in the past, make sure you update it to reflect the new information for your LLC.

Ensure you enter contracts as your LLC.

Once your LLC is formed, be sure to enter all of your business contracts as your LLC. You will still be the signer, but the contracting party should be the LLC.

Update any ongoing contracts.

If you have existing contracts that should be transferred to the LLC, let the other parties know about the updates. This should also impact who is receiving payments for those existing contracts: make sure that your LLC is the party being paid and that you are depositing the funds into your business accounts.



Make any updates to your website terms.

Update any website policies to reflect your new business name. This may include your terms of use, privacy policy or any disclaimers. If you don't have website policies, [Dunham Tax Professionals](#) can assist with this.

Transfer any applicable assets into the LLC's name.

Depending upon what assets you want to transfer to your LLC, you may need to transfer any copyright or trademark registrations into the LLC's name. You can do the same for your domain registrations.

Don't get overwhelmed by administrative to-do list when you open your LLC. Most of the changes listed here are relatively simple—and once they are done, you won't have to worry about doing the updates again.

Here's a step-by-step guide to keep you on track.

1. Get Documents and Records in Order

After incorporating a business, you'll need to prepare bylaws that describe how your new corporation will operate. A few states also require you to publish a newspaper notice of your incorporation.

You should set up a corporate minute book and a file or binder where you will keep important corporate documents such as your certificate of incorporation, bylaws, shareholder information and resolutions. Some states require you to file an initial report after incorporation and you will generally need to hold shareholder and director meetings at least once a year.

After forming an LLC, you should prepare an operating agreement and set up a file or binder for your important business records. A handful of states require LLCs to publish notice of their formation, and some states also require LLCs to file initial reports.

The website of the secretary of state in your state is a good source of information about documents you must file after your incorporation or LLC formation.

2. Get an Employer Identification Number

An employer identification number, or EIN, is a number that the Internal Revenue Service uses to identify businesses—sort of like the business version of a Social Security number. Most businesses need an EIN, though solo business owners who



don't have employees or pay excise taxes can use their Social Security Number instead.

3. Open a Business Bank Account

A business bank account will help you keep your business finances separate from your personal finances. This makes recordkeeping and tax preparation easier and helps preserve your business's separate identity.

To open a business bank account, you will need your EIN and the certificate of business formation you received from the state. Business checking accounts are more likely than personal accounts to have monthly fees, so it can pay to shop around for the best rate.

It's also a good idea to get a business credit card. A credit card helps your business begin to develop its own credit history. To build business credit, consider purchasing an e-book titled, "Building Business Credit: A Practical Guide" from Dunham Tax Professionals.

4. Register Your Business with Your State and Obtain a Seller's Permit, If Needed

You must register your business with your state's tax agency so that you will be able to pay any state business taxes, including income, employment and sales taxes. You may also need to obtain a seller's permit, also known as a resale permit.

A seller's permit allows you to sell items or services in your state and collect sales tax on those items. It also allows you to buy goods from wholesalers without paying sales tax. Most states require you to obtain a seller's permit before you make any sales. If you have physical locations or sales representatives in more than one state, you may need to obtain seller's permits for multiple states.

In many states, you can register your business and apply for a seller's permit online.

5. Obtain Local Business Licenses

Depending on the type of business you're in and where you're located, you may need business licenses from your city or county. You can contact your local government offices to find out about these requirements and any local taxes you might have to pay.

6. Open a Merchant Account

If you're planning to take credit cards as payment, you'll need a way to accept and process those cards. A merchant account is a special bank account that holds funds from credit and debit card purchases. Once the transaction is approved, the funds are transferred to your regular business bank account.



You'll need to apply and be approved for a merchant account, and you can expect to pay startup costs and monthly fees. If your business doesn't have much revenue yet, you can consider starting with a third-party payment processor such as PayPal, Google Checkout or Square. These services have no monthly fees, but charge a percentage of each transaction.

7. Visit an Accountant

Don't wait until it's time to file taxes to find an [accountant](#) for your new business. Both corporations and LLCs may have choices about how they're taxed by the federal government.

Because certain tax classifications are subject to deadlines after you have incorporated, it's important to get tax advice sooner rather than later. An [accountant](#) can also recommend business deductions and ways to save money at tax time.

8. Get Legal Guidance and Insurance

It's easy for small businesses to make expensive legal mistakes. But many of those mistakes are avoidable if you seek advice from a lawyer before you sign contracts or hire employees.

A lawyer can draft and review contracts, and negotiate more favorable terms. A lawyer can advise you on how to protect intellectual property like logos or product designs. A lawyer can tell you how to avoid violating employment discrimination and independent contractor laws. And a lawyer can advise on what types of employee-related contracts you should have to protect your business and its confidential information.

To further minimize your legal risks, it's always a good idea to contact an insurance agent and get appropriate insurance for your business.

Forming a corporation or creating an LLC is just the first part of getting a new business up and running. Banking, licensing and tax and legal issues can seem overwhelming at first, but by working through them step by step, you ensure that your business is on track for success.

When you form your business through Dunham Tax Professionals, LLC, it includes corporate bylaws and a personalized LLC operating agreement depending on the services acquired. Other Dunham Tax Professionals business services also include [EIN](#) and [seller's permit](#). You can get tax advice through [Dunham Tax Professionals](#).