



cheryl jefferson & associates

CPAs
Business Advisors

CJA's Checklist for Starting a New Business

1) Write a business plan

- a. This step brings together the goals of the business, plans to reach those goals, and financial information. The business plan will be used by lenders, suppliers, and other interested parties.
<http://www.sba.gov/content/what-business-plan-and-why-do-i-need-one>
- b. The SBA (Small Business Administration) website contains a guide for what to include in the business plan.
<http://www.sba.gov/content/templates-writing-business-plan>
- c. The IRS provides a site with links to various specific industries and professions
<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Industries-Professions>

2) Get business assistance and training

- a. There are many resources available to new business owners. Taking advantage of these resources can prevent losses, wasted time, and unnecessary stress.
- b. The SBA (Small Business Administration) website contains links to many resources.
<http://www.sba.gov/category/navigation-structure/counseling-training>

3) Research

- a. Many factors affect the success of a business. Taking the time to thoroughly research now will greatly increase the successfulness of the business.
A few areas to study are
 - i. Demographics
 - ii. Location
When choosing a location be sure to include permits to renovate, renovation costs, phone/IT hookup costs, etc.
 - iii. Competition
 - iv. Local laws

Note: This is not a limited list.

- b. The SBDCs (Small Business Development Centers) on the SBA (Small Business Administration) website provides links to local centers, which offer financial, marketing, production organization, and feasibility studies.
<http://www.sba.gov/content/small-business-development-centers-sbdcs>

4) Determine how the business will be financed

Some options are:

- a. Credit Card
- b. Home Equity Line of Credit
- c. Business Loan
- d. SBA guaranteed loan program
<http://www.sba.gov/content/guaranteed-loan-programs-debt-financing-1>

- e. Local loan programs
 - i. Maryland http://www.mdsbdc.umd.edu/libraries_finance.html
 - ii. Virginia
<http://vdba.virginia.gov/vsbfa.shtml>
 - iii. DC
<http://brc.dc.gov/planning/finance/findfinancing/findfinancing.asp>

___ 5) **Determine the legal structure of your business**

- a. Sole Proprietorship
- b. Limited Liability Company
- c. Corporation
- d. Partnership
- e. S Corporation
- f. Cooperative

There are pro's and con's to each type of business. The SBA (Small Business Administration) website provides information on these pro's and con's as well as the tax implications associated with each type.

<http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/choose-your-business-stru>

- g. Nonprofit
<http://www.sba.gov/content/nonprofit-organizations>

___ 6) **Register your business**

- a. The default name of your business will be your name unless you register under a fictitious name otherwise known as assumed name, trade, name or DBA (Doing Business As).
<http://www.sba.gov/content/register-your-fictitious-or-doing-business-dba-name>
- b. Each state has different requirements for registration. The link below to the SBA website provides state by state information.
<http://www.sba.gov/content/registering-your-business-state-agencies>
- c. There are requirements that must be met if a business wishes to be a government contractor.
<http://www.sba.gov/content/register-government-contracting>

___ 7) **Get EIN (Employer Identification Number)**

Remember this is a Federal number

- a. The IRS website can help to determine whether an EIN is needed.
<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Do-You-Need-an-EIN>

- b. Applying for the EIN can be done by internet, phone, fax, or mail.

The instructions for each type of application are found on the IRS website

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/How-to-Apply-for-an-EIN>

- c. Other questions regarding the EIN such as how long it will take, what happens if EIN number is lost, and how to cancel the EIN.

<http://www.sba.gov/content/obtain-your-federal-business-tax-id-ein>

8) **Register for state and local taxes**

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/State-Links-1>

- a. Maryland

The Maryland registration system allows for one registration to cover state and local registration.

- i. File Form CRA http://forms.marylandtaxes.com/current_forms/CRA.pdf

- ii. or online

<https://interactive.marylandtaxes.com/webapps/comptrollercra/entrance.asp>

- b. Virginia

- i. Online registration <https://www.ireg.tax.virginia.gov/VTOL/Login.seam>

- ii. or file forms according to type of entity <http://www.scc.virginia.gov/clk/formfee.aspx>

- c. District of Columbia

- i. File FR-500 <https://www.taxpayerservicecenter.com/fr500/>

- ii. Online

<http://brc.dc.gov/planning/requirements/combinedreg.asp>

- iii. The District of Columbia registration is not all-inclusive Contact the Office of Tax and Revenue for assistance beyond the initial registration. (202)727-4829

9) **Obtain business licenses and permits**

There are federal, state, and local licenses and permits.

- a. The SBA website has a great tool for determining what licenses and permits you will need.

<http://www.sba.gov/content/search-business-licenses-and-permits#>

- b. Check the state links page provided by SBA to verify all licenses and permits have been applied for.

<http://www.sba.gov/content/what-state-licenses-and-permits-does-your-business-need>

___ 10) **Understand employer responsibilities**

<http://www.sba.gov/content/10-steps-hiring-your-first-employee>

To highlight a few;

- a. Set up records for Withholding Taxes
- b. Employee eligibility verification
- c. Register with the state's new hire reporting program
- d. Register for the state's workers compensation insurance

___ 11) **Set up a tax calendar for both federal and state taxes**

SOME FEDERAL TAX DUE DATES

- a. W-2's
<http://www.ssa.gov/employer/filingDeadlines.htm>
 - i. Distribute to employees by January 31st
 - ii. Paper filing due February 28th
 - iii. E-filing due April 1st
- b. 1099's
<http://www.irs.gov/pub/irs-pdf/f1099msc.pdf>
 - i. Distribute to employees by January 31st
 - ii. Paper filing due February 28th
 - iii. E-filing due March 31st
- c. Estimated taxes
<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Estimated-Taxes>
 - i. Paid each quarter at a time
 - ii. Due on April 15, June 15, September 15, and January 15 of the following year
 - iii. Visit the above website to for information as to how to pay and who must pay.
- d. Unemployment insurance tax due date is dependent on whether the business is required to pay quarterly, semi-annually, or annually.
<http://www.irs.gov/Individuals/International-Taxpayers/Federal-Unemployment-Tax>
See Form 940 for filing instructions

SOME MARYLAND TAX DUE DATES

- a. Annual Employer Withholding Reconciliation Return (Form MW508)
Due to the Comptroller of Maryland by February 28
http://taxes.marylandtaxes.com/Business_Taxes/Business_Tax_Types/Income_Tax/Employer_Withholding/Year_End_Reconciliation_Requirements/

- b. State income taxes are due on the date assigned to each business when it is registered.
<http://business.marylandtaxes.com/taxinfo/withholding/default.asp>
- c. Withholding depends on the frequency employers send in their reports. (MW506)
http://taxes.marylandtaxes.com/Business_Taxes/Business_Tax_Types/Income_Tax/Employer_Withholding/Filing_Withholding_Reports/Report_Filing_Due_Dates.shtml
- d. Estimated Tax is due on the 15th of April, June, September, and December.
<http://business.marylandtaxes.com/taxinfo/duedates/corpduedates.asp>
- e. Personal Property Tax is due on April 15th <http://www.dat.state.md.us/sdatweb/personal.html>
- f. Sales and use tax is due on the 20th of the month following the end of the reporting period
http://taxes.marylandtaxes.com/Individual_Taxes/Individual_Tax_Types/Sales_and_Use_Tax/Filing_Information/Use_Tax_Due_Date.shtml
- g. Unemployment Insurance tax is due with the quarterly wage and tax returns
These are due one month after the quarter end
<http://www.dllr.state.md.us/employment/empfaq.shtml>
- h. Other tax due dates for the state of Maryland to stay abreast of are found on the Comptroller of Maryland website.
http://taxes.marylandtaxes.com/Business_Taxes/General_Information/Filing_Deadlines/

SOME VIRGINIA TAX DUE DATES

- a. Annual or Final Summary of Virginia Income Tax (Form VA-6) Due to the Virginia Department of Taxation by February 28
<http://www.tax.virginia.gov/site.cfm?alias=WithholdingTax2>
- b. State income tax due 15th day of the 4th month (non-profit – 15th day of the 6th month) after the close of the tax year
<http://www.tax.virginia.gov/site.cfm?alias=CorpIncomeTax>
- c. Withholding depends on the amount withheld each month.
<http://www.tax.virginia.gov/site.cfm?alias=WithholdingTax>
- d. Estimated Tax is due April 15th, June 15th, September 15th, and December 15th
<http://www.tax.virginia.gov/site.cfm?alias=CorpIncomeTax>
- e. Unemployment Tax is due quarterly on April 30th, July 31st, October 31st, and January 31st
http://www.vec.virginia.gov/vecportal/employer/pdf/fc_20_21ins.pdf

For more information from Virginia Employment Commission
<http://www.vec.virginia.gov/employers/tax-registration>

- f. Personal Property Tax Paid through local cities, counties, and towns. Look on the local websites for personal property tax information.
<http://www.tax.virginia.gov/Documents/TaxFacts.pdf>
- g. Sales and use tax is due on the 20th of the month following the end of the reporting period
<http://www.tax.virginia.gov/site.cfm?alias=HowToFileSales>
- h. Other Taxes and their due dates to be aware of
<http://www.tax.virginia.gov/Documents/TaxFacts.pdf>

SOME DISTRICT OF COLUMBIA TAX DUE DATES

- a. Annual Reconciliation and Report is due January 31st
<http://otr.cfo.dc.gov/node/646222>
- b. Income Tax due on the 15th day of the 4th month after the last day of the tax year.
<http://otr.cfo.dc.gov/page/business-tax-forms-and-publications>
- c. Withholding depends on the frequency required.
<http://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/2013%20R-230%20INCOME%20TAX%20WITHHOLDING%20TABLES%202-20-13.pdf>
- d. Estimated taxes are due quarterly. The due date depends on whether the business is a calendar year or fiscal year filer.
<http://otr.cfo.dc.gov/node/559242>
- e. Unemployment Tax is due quarterly on April 30th, July 31st, October 31st, and January 31st
http://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/UI%20Employer%20Handbook_0.pdf
- f. Personal Property Tax Due July 31, 2013
<http://otr.cfo.dc.gov/node/508852>
- g. Sales and Use Tax Due Contact the Office of Tax and Revenue to determine whether annual, quarterly, or monthly filing is required.
<http://otr.cfo.dc.gov/page/sales-and-use-tax-forms>
- h. Other taxes and their due dates to be aware of
<http://otr.cfo.dc.gov/page/business-tax-forms-and-publications>