

Initial Procedures in Starting a Business

- [] Settle on a business name, preferably one that identifies what you do (“cleanerwindows.com” is preferable to “Joan and Jims”). Test your name ideas and web domain (they should be the same) availability (including internationally) using www.namefind.com, www.godaddy.com, www.registry.com, www.1and1.com, etc. Test your name among friends (namefind has a good utility). Once selected, buy the rights to domain name (price varies). Hosting domain and email typically is no more than \$5/month.
- [] Initially you’ll probably want to file as a Sole Proprietor aka “dba” (**doing business as**) or as a Partnership. These are the simplest (and least expensive) forms of business structure and you can easily change your structure in the future. See SCORE publications for the range of business structures available. You will need to select a business structure before you register your business.
- [] Register business name and address at your City Hall. If you have a partner(s) and registering as a dba, select one partner’s address. A question cities may ask is whether your business will promote excessive traffic, delivery trucks, parking issues, etc. in front of your house. Typically \$50 fee.
- [] Obtain a Federal Tax ID called an EIN (**Employment Identity Number**). This is FREE from the IRS (don’t be charged by scammers). Use <https://sa2.www4.irs.gov/modiein/individual/index.jsp>
- [] Register with the Mass **Dept Of Revenue**. Again, this is FREE from the Mass DOR. Use <https://wfb.dor.state.ma.us/WEBFILE/BUSINESS/Public/Webforms/Login/Login.aspx>
- [] Open a checking account in the company name. Try your existing personal bank – they already know you. Open a credit card in the company name. Use only for business expenses for record keeping.
- [] Set up a bookkeeping system. Initially you can use Excel or similar spreadsheets, but you’ll want a more robust bookkeeping/accounting program such as Quicken Home & Business (about \$50), which can be upgraded to QuickBooks when your business grows large enough.
- [] Keep a log to record all business expenses and vehicle mileage. Save receipts. Tax deductible.
- [] If you (and partner(s)) own your own home(s), register them with the Homestead Act at Registry of Deeds in the county you live in for protection against creditors. See <http://www.massresources.org/homestead-act.html>
- [] If you have partner(s), SIGN a partnership agreement BEFORE you earn your first dollar. Down load one or more forms available on line to promote your discussions. Note: a 50-50 partnership provides no resolution for disagreements. Execute and sign final document with a lawyer.
- [] Insurance. Because of potential liability exposure to creditors, customers, etc, you will need business liability insurance. Contact an insurance agent that specializes in business policies and describe in detail the nature of your business to obtain the correct coverage. A personal liability “Umbrella Policy” from your home or auto policy insurance company is quite affordable and should be obtained prior to starting a business.
- [] Eventually you’ll need a (charge by the hour) lawyer and accountant. Interview several and look for prior small business/start up experience. Local Chamber of Commerce can help identify candidates. Lessen your initial accountant fees by setting up your business accounts in Quicken or QuickBooks or an equivalent accounting program ahead of time.