

Small Business Resources: A Legal Check-up

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Creating the Company

- File for a Charter to Conduct Business as an LLC or Corporation.
- Apply for a Tax Identification Number with the Internal Revenue Service.
- Open a company bank account, in the business name, using the Tax Identification Number.
- Create and maintain a record of capitalization of the Company; what money or assets have been contributed.
- Draft an Operating Agreement with all owners to state how the company will function.
- Appoint managers for the LLC or if you are a corporation establish a board of directors.

Government Compliance

- Review all agreements with Customers/Vendors for compliance with Federal, State, or Local law.
- Complete any necessary Federal, State or Local licensing.
- Set calendar reminders for continuing registration or licensing requirements.
- Purchase Commercial Insurance for the Company.
- Establish procedures with Accountant/CPA for setting up and paying income taxes and sales taxes.
- Establish payroll processing for employee payments and tax withholdings.

Agreements with Vendors, Suppliers, and other Third Parties

- Create or review all agreements to ensure the Company is protected and properly named using LLC or Inc.
- Evaluate agreements with vendors, suppliers, and landlord to determine if you have personally guaranteed payments.
- Review terms of agreements to ensure they properly document the terms of your relationship.

Employees and Independent Contractors

- Determine who is an employee and who is an independent contractor based on the IRS guidelines; See IRS form SS-8.
- Draft an Employee Handbook to establish policies to minimize risk of wrongful termination and discrimination claims.
- Post the required employee disclosures at the office.
- Create a standard independent contractor agreement.
- Draft non-compete agreements for key employees/independent contractors to limit risk of customers being taken by a former employee/independent contractor.
- Draft non-solicitation agreements with key employees/contractors/consultants to limit risk of customers or other employees being taken by a former employee/independent contractor.
- Review internal policies to ensure you are taking action to protect trade secrets such as: customer List, contacts, proprietary processes, and other confidential information.
- Establish employee benefit plans with your financial planner to take advantage of favorable tax treatment.

Marketing and Advertising

- Review agreements with contractors to ensure you actually own the work they are creating for your company.
- Register the appropriate Trademarks, Copyrights, and Patents.
- Ensure you are using © ® TM and SM with advertisements and company created material, correctly.

Succession Planning

- Create Membership Certificates/Shares with Transfer on Death Designations; review your current Estate Plan.
- Establish terms that account for the death of a member and avoid ownership by a spouse or third party.
- Purchase life insurance to avoid pulling money out of the company to buy a deceased member's share.
- Create a buy/sell agreement to ensure the value of the company is not lost at death.