



# New Business Start Up Checklist



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|--------------------|--|--|
| Business Plan      | Do you have a written business plan for the business you want to start?  | A written plan is needed for funding.  |
| Type of entity     | Will your business be organized as a sole-proprietorship, corporation, or partnership? What best suits your needs?   | The type of entity you choose will determine how the business is taxed and allows you to separate your personal assets from your business assets. <a href="http://www.irs.gov">www.irs.gov</a>                         |
| Federal ID Number  | A new business venture usually will need to obtain a federal taxpayer identification number, which is issued by the IRS.   | A Federal ID number (FEIN) is required to set up a bank account and for tax compliance. <a href="http://www.irs.gov">www.irs.gov</a>   |
| Tax returns        | After you have determined what type of entity best suits your needs, you need to determine what federal and state income tax returns will be required for the business and when they are due. Are you operating in multiple states? Your business may be required to file tax returns in state and local jurisdictions outside of Georgia.                       | The type of entity you choose will determine how the business is taxed and allows you to separate your personal assets from your business assets. <a href="http://www.irs.gov">www.irs.gov</a>                         |
| Secretary of State | Georgia corporations, limited liability companies and limited partnerships are formed by filing with the Corporations Division of the Secretary of State.  | <a href="http://www.sos.ga.gov/corporations/">www.sos.ga.gov/corporations/</a>   |
| Sales & Use Tax    | Are you required to withhold sales tax on sales? These rules vary by state. What is your county's sales tax rate? What forms do you need to file?  | <a href="https://etax.dor.ga.gov/Business_Taxes.aspx">https://etax.dor.ga.gov/Business_Taxes.aspx</a>  |
| Property Tax       | In Georgia business property such as computers, furniture and equipment are taxed annually. What is your county's rate? When is the return due each year?  | <a href="https://etax.dor.ga.gov/Business_Taxes.aspx">https://etax.dor.ga.gov/Business_Taxes.aspx</a>  |
| Employment Tax     | If you have employees you will need to consider federal and state withholding requirements as well as the employer portion of Social Security, Medicare and federal and state unemployment taxes.  | Due to the volume of paper work employment taxes creates, consider using a payroll service. <a href="http://www.irs.gov">www.irs.gov</a> & <a href="http://www.dol.state.ga.us/em/">http://www.dol.state.ga.us/em/</a> |
| Banking            | Do you have a business account and credit card separate from your personal funds?  | Separate accounts protect your personal assets and allow you to track business income and expenses easily.   |
| Bookkeeping        | Do you know how to read a balance sheet, income statement and cash flow statement? Do you have a software program to help you capture your business expenses and revenues? Will the accounting responsibility be outsourced to a CPA, will you hire a controller or will you maintain the books yourself? Do you know how to prepare a budget for your business? | Updated accounting reports allow you to track how your business is doing and manage your cash flow.  |
| Tax Law Changes    | Tax laws are poised to change dramatically in the next few years; therefore, having an understanding of how your business will be taxed from a federal, state, and employment tax standpoint is crucial. Do you have someone who can advise you in this area?  | View your CPA and lenders as your business partners. Involve them in your decision making process and keep them informed of your business activities.  |

## About PKM

Closely-held and small businesses constitute a significant portion of the U.S. economy. Although these businesses face many of the same challenges as large corporations, the size and composition of small businesses adds an extra layer of complexity to such issues as cash flow, taxation, budgeting and planning for growth and expansion.

At PKM, we understand these challenges and are sensitive to the “soft” issues that often drive decisions in small business environments. By working completely with both the business and the shareholders, our professionals strive to gain an in-depth knowledge of all of the interrelated financial matters. This allows PKM to suggest business and personal finance strategies that maximize tax and income benefits not only for the business, but also the shareholders, while keeping in mind “non-business” motivations.

From entity selection to financial management, the professionals of PKM offer the following services to our closely-held business clients:

**Entity Selection** – when forming a new business, it is imperative to organize the entity in the format that most closely meets your specific businesses objectives. PKM has the expertise to guide you in determining if the tax and liability benefits of an S Corporation, Limited Liability Company, or other various available entity forms makes the most sense based on the particular business and individual needs.

**Financial Planning and Taxation** – Once entity selection has been made, PKM will work with you to ensure that you make the most out of your organizational decision. For example, while S Corp status offers many benefits to small business owners, there are a number of financial and tax issues that require proper planning and monitoring. PKM can assist you with maintaining the fine balance that ensures a maximum return on investment.

**Compensation** – PKM will work with you to develop innovative means to motivate and retain key employees. Depending on the structure of your business entity, this can include stock plans, cash and non-cash fringe benefits, bonus programs tailored to maximize your business objectives.

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Leslie graduated with a Bachelors Degree in Accountancy from the University of Georgia in 2003 after which she spent two years at a regional CPA firm in Atlanta, providing tax compliance services to corporations, S corporations, and individuals. Since joining PKM in 2005, Leslie has provided tax compliance and consulting services to real estate and land developers, captive insurance companies, individuals and small business clients. Additionally, since arriving at PKM, she has been responsible for preparing basis studies, state tax planning and has acquired expertise in BNA Income Tax Planning Software while preparing income tax projections for high net worth individuals. Leslie has extensive expertise working in Go-System Tax, BNA Income Tax, Quickbooks Accounting, Peachtree Accounting, and FAS Encore.



Porter Keadle Moore, LLP (PKM) is a full service accounting firm based in Atlanta, Georgia. PKM offers audit, tax and systems services to clients throughout the country. The firm focuses its efforts on companies registered with the Securities and Exchange Commission (SEC), community banks, small businesses, the insurance industry, technology and biological sciences companies and the real estate/construction industry.

