Checklist for Establishing Your Business

Doing some planning before you start is one of the best ways to assure business success and continued growth. This checklist provides a guideline for preparing to start your business in Fluvanna County. Keep in mind that some steps may not apply to your business.

1. **Determine the Feasibility of Your Business Idea**
   Do you have a business plan? Who is your market? What are the projected costs for start-up and for the first one to three years? What are the projected revenues for that same time period? Who will manage the daily operations? What are your income requirements? What capital will be needed to open and stay in business? Where will it come from? If you need a loan, what portion will you be investing?

2. **Prepare a Business Plan with Loan Proposal if required**
   Contact your local Central Virginia Small Business Development Center (CVSBDC) advisor to assist you through the planning process. In addition to no-fee business consulting, you can also take advantage of CVSBDC training opportunities. Call (434) 295-8198 or email admin@cvsbdc.org to get more information.

3. **Assemble a Management Team**
   Your Banker, Accountant/Bookkeeper, Attorney, Insurance Agent, and CVSBDC Advisor can all be helpful and instrumental to your success. Use their knowledge and experience to build a strong foundation for your business.

4. **Research Financing Options**
   When seeking outside financing, take into account the funding environment, have realistic expectations, know lenders’ requirements, and present your request in a professional manner. Be prepared with cash flow projections that can be supported. Also, be prepared to contribute a portion of the funding on your own.

   After you have done your planning and know what your financial obligations will be, continue working through the other steps in this checklist.

- **Find a location**
  Be sure you are going to be able to finance and move ahead with the business before committing to a lease or purchase. Verify zoning requirements and understand any restrictions on operation or required permits. Do not assume that the existence of a similar business or past businesses at that site means your business will be acceptable. Home-based businesses also may require permits and zoning. Contact your **local Zoning Office at (434) 591-1910** to learn about your local requirements.
□ Choose a Business Name
Investigate names in use in the geographic area and industry niche you will be serving. Conduct a search of Web sites and phone directories. Pay attention to other similar sounding names in your market area. You can also check the availability of an entity name at the State Corporation Commission: [http://www.scc.virginia.gov/clk/bussrch.aspx](http://www.scc.virginia.gov/clk/bussrch.aspx).

□ Choose Your Legal Structure
The best legal entity varies for each owner and each business. There is no one “best” structure to use. It is wise to consult with an attorney, an accountant, and/or business advisor. Consider the type of business, your business and personal goals, and your personal finances when making this decision. For any legal structure other than sole proprietorship, register the appropriate documents with the State Corporation Commission: [http://www.scc.virginia.gov/clk/begin.aspx](http://www.scc.virginia.gov/clk/begin.aspx).

□ Obtain a Federal Employer Identification Number (EIN)
The EIN identifies your business's tax accounts on all federal and state tax forms. All employers, corporations, partnerships, and LLCs are required to obtain an EIN. A sole proprietor without employees does not need one, but would have to display the owner’s social security number instead. Your EIN is provided FREE from the Internal Revenue Service, [www.irs.gov](http://www.irs.gov) and click on the Business Tab.

□ Determine State Tax Requirements; Register with Virginia Department of Taxation
Every company transacting business in Virginia must register with the Virginia Department of Taxation ([http://www.tax.virginia.gov](http://www.tax.virginia.gov)) for all taxes that may apply to the operations. Form R-1, the Combined Registration Application Form allows registration for all of the taxes listed below. No application fee is required. Find the form and more information under the Businesses link on their site. You will be assigned a Virginia Tax Identification Number, also called your Certificate Registration Number, to be included on all correspondence with the Department.

- **Sales and Use Tax:** If you indicate on your R-1 Application that you will be collecting sales tax or remitting use tax, the Department will send you a Virginia Certificate of Registration for Sales Tax. This is your permit to collect sales tax and to issue and receive exemption certificates. The Virginia Certificate of Registration must be displayed at your place of business. The Department will also send ST-9 forms (used to report sales & use tax liabilities and to submit the taxes). Reporting and payment can also be made on-line.

- **Employee Withholding:** If federal law requires an employer to withhold taxes from any employee’s pay, the Virginia Department of Taxation will also require Virginia withholding. You will register as a Virginia employer on Form R-1 and the Department will send you the correct forms to use. Reporting and payment can also be accomplished on-line from [www.tax.virginia.gov](http://www.tax.virginia.gov).
- **Other taxes**: Corporate Income, Litter, various agricultural, and other taxes are also covered on the R-1 form.

- **Certificate of Exemption**: If you will be purchasing goods for resale, you will need to provide a Sales and Use Certificate of Exemption to the seller. This certificate affirms that you do not have to pay sales tax as you will be re-selling the goods and will collect sales tax at the time of the sale. Obtain **Form ST-10** at: [http://www.tax.virginia.gov/web_pdfs/busForms/fst10.pdf](http://www.tax.virginia.gov/web_pdfs/busForms/fst10.pdf)

- **Register with the Virginia Employment Commission**
  Employers are liable for unemployment taxes in Virginia if you have had one employee in each of 20 weeks or more during a calendar year or have had a quarterly payroll of $1,500 or more. If you are subject to any Federal Unemployment, you are also liable in Virginia. Full details are available at the [VEC website or your local VEC field office](http://www.vec.virginia.gov/vecportal/).

- **File a Certificate of Assumed or Fictitious Name**
  Any business using a name which does not identify the owner of the business must register a trade name with the [State Corporation Commission](http://www.scc.virginia.gov).

- **Apply for Local Taxes and Permits**
  Contact your local [Commissioner of the Revenue at (434) 591-1940](http://www.fluvanna.org) to provide the information needed to set up tangible business personal property tax returns that will be filed annually. Fluvanna County does not currently require a business license.

- **Obtain Insurance Needed**
  Discuss property, liability, and other insurance needs with a qualified insurance professional to manage your risk and protection. Virginia law requires every employer who regularly employs three or more full-time or part-time employees to purchase and maintain workers’ compensation insurance. Employers with fewer than three employees may voluntarily come under the Act. Please see the [VWC website](http://www.vwc.state.va.us) for details:

- **Consider Professional or Occupational Licenses specific to your industry or trade**
  Virginia Department of Professional and Occupational Regulation: [http://www.state.va.us/dpor](http://www.state.va.us/dpor).
☐ Open a Business Checking Account
It is important to keep your business accounts separate from your personal finances. An integral part of that is a separate business checking account and/or credit card so that all business records are clear and documented and not at risk of being mixed with personal expenditures. Consult your banker for best options for a business account.

☐ Other Considerations


  - Virginia’s web-based electronic marketplace to bring government buyers and sellers together.

  - Provides for the certification of minority and women-owned businesses who wish to do business with state government agencies.

Please note: This checklist is by no means all-inclusive. Each business may have unique registration or reporting requirements depending on the industry, type of business entity, location, employment issues, and other. Do your homework by reading and studying the Web sites and booklets prepared for your use by your federal, state, and local government offices. Consult your business accountant, attorney, CVSBDC advisor or local Economic Development Department if in doubt.