

## BUSINESS START-UP CHECKLIST

### Business Start-up Checklist

You have decided to start a business. This is both an exciting and demanding time. The checklist below is meant to help new business owners by providing a list of the most common start-up steps. Depending on your particular industry, additional steps may be required for your particular business.

- Update your resume as it relates to this line of work.
- Determine personal investment (Cash, home equity, Investors (Relative's Certificate of Deposit) and determine price. Talk to serial entrepreneurs about how they put a value on buying a business. Create a Sources & Use of Funds chart
- Establish and maintain a relationship with your banker.
- Prepare a business plan, if you have not done so already. Business plans define the Who, What, When, Where, and How of your business and the products and/or services you plan to provide. Business plans clearly outline the goals of the business, explain the operating procedures, detail the competition, include a marketing plan, and explain the company's current and desired funding. You should be prepared to include 3 to 5 years' worth of financial projections for your business start-up. Communicating your experience running or owning a business is important. Who will help you run your business? Be sure to include the salaries for people who are going to help you run your business in order to get your financial projections correct. Determine your owner/operator and know that YOU have to have presence.

***If you plan to seek funding either in the form of a traditional loan or from venture capitalists, a thorough business plan will be required for the application process.***

For more detailed information to include in the business plan visit the "New Business Resources" link on the economic development side of [cantonillinois.org](http://cantonillinois.org). The Spoon River Partnership for Economic Development (SRPED) strongly recommends that before presenting a business plan at a bank that you engage with a Small Business Development Center. In our area that is the Illinois Small Business Development Center (ISBDC) out of Western Illinois University located at Seal Hall, 304, Sherman Dr, Macomb, IL 61455. Their phone number is (309) 298-3040. The other ISBDC at the Turner Center for Entrepreneurship is located at 1501 W Bradley Ave, Peoria, IL 61625. Their phone number is 309-677-2992.

- Be prepared to share two years' worth of personal tax returns, a personal financial statement, credit report, and available collateral.
- Select an accountant and attorney. Many small business owners turn to accountants and attorneys for advice when starting out, as well as through the life of the business. Many people seek referrals from friends, family members, or other small business owners in order to find an attorney and/or accountant. You may want to search for professionals who have worked with other small business owners, possibly in your same industry, and are familiar with the unique business situations small business owners often face.

- Set up your business accounting. You may decide that your accountant will handle the accounting for your business, or you may want to handle the accounting yourself with a small business accounting solution such as QuickBooks. Either way, you'll want to ensure that you are prepared to properly account for all business disbursements, payments received, invoices, accounts receivable/accounts payable, etc.
- Establish a line of credit for your business. Establishing a line of credit will help lessen the number of times your new business will be required to prepay for the products and services it purchases. It also helps establish a favorable credit history, which is helpful as your business begins establishing vendor and supplier relationships. As a subset of this, obtaining a D&B D.U.N.S. number for your business is also advisable. D&B (formerly Dun & Bradstreet) is the resource most often used to check the creditworthiness of a business.
- Obtain the federal tax identification number (also called employer identification number or EIN) for your business from the Internal Revenue Service (IRS). The EIN is like a social security number for a business, and is required for corporations and LLCs that will have employees. The IRS uses this number to identify your business for all taxation matters. Business Filings can assist you with the preparation of IRS Form SS-4 for you to obtain an EIN or can obtain the EIN on behalf of your business.
- Obtain the state tax identification number for your business (if applicable). Some states require businesses to also have a state tax identification number. To learn if your state has this requirement, contact your state's taxation department.
- Open a business bank account. It is very important for corporations and LLCs to keep the finances of the business separate from those of the owners. To open a business bank account, most banks require information on the company, such as its formation date and type of business, and names and addresses of its owners. Some banks require corporations to provide a resolution from the board of directors or LLC members/managers authorizing the opening of the business bank account. It is advisable to contact the bank about their business bank account requirements prior to trying to open an account. That way, you will come prepared with all the necessary items.
- Apply for business loans (if applicable). Not all small business owners have enough of their own capital to start a business, and many seek outside funding from sources such as banks or through the Small Business Administration (SBA) loan programs.

***The Spoon River Partnership for Economic Development and the City of Canton both have Revolving Loan funds that act as supplemental or "Gap" financing. More information about each of those loans can be found at [cantonillinois.org](http://cantonillinois.org) under economic development.***

- Obtain the necessary business licenses and/or permits. Most businesses need licenses in order to begin operations. Licenses may be required for your city, your municipality, your county and/or your state. It is best to contact both your Secretary of State to check on business license requirements for your particular type of business and industry, and also to contact your local government agency in charge of licensing to learn their requirements and how to obtain the necessary licenses.
- Obtain business insurance. Just as you have personal insurance you should obtain insurance for your business. Some industries may have specific insurance requirements. Discuss your particular industry and business needs with your insurance agent, to ensure you obtain the appropriate type and business needs with your insurance agent, to ensure you obtain the appropriate type and amount of insurance.

- Investigate other insurance and government requirements. Businesses face a number government and insurance requirements, particularly if the business has employees. You should investigate your business's obligations for the following:
  - Unemployment insurance
  - Workers' compensation
  - OSHA requirements
  - Federal tax
  - State and local tax
  - Self-employment tax
  - Payroll tax requirements  
(such as FICA, federal unemployment tax, and state unemployment tax)
  - Sales and use tax
  
- Check zoning requirements. This is particularly important if you are starting a home-based business. You'll want to ensure you are meeting your city's zoning requirements for your area.
  
- Lease office space. If you are not going to be operating a home-based business, you'll probably need to find office space for your new company. Along with leasing an office, don't forget to purchase or lease the furniture and office equipment you will need to get your business up and running.
  
- Create business materials. Having materials such as a logo for your business, business cards, and stationery will help your business develop an identity and potential customers find you.
  
- Develop a marketing plan for your products/services. A primary reason you are starting your own business may be the hope of making money. In order to make sales, people need to be aware of what you are selling and how to find you. Determine ***WHO IS YOU'RE YOUR COMPETITION?***

***SRPED strongly encourages entrepreneurs to connect immediately to the Canton Area Chamber of Commerce to take advantage of several marketing opportunities through Chamber Membership.***