

7 Simple Steps

The **EBIZ**
START-UP
GUIDE

Setting Up Your Online Business
the Right Way

FIFTH & RICH



**DO NOT
skip
the
following
steps.**

*This is the foundation of your home business.
Here is your MUST To-Do-List !*

Setting Up a Business

Start-Up Guide for U.S. Businesses

All of the steps on the included checklist included are discussed in detail on the following pages.

Print the checklist to refer back to later!

Its very important that don't you don't' skip any steps and that you complete them steps in order!

Once you get to the end, you'll have everything you need to complete the final steps.

With this guide, you should be able to set your business up in under 7 days.

But this information should not replace legal or accounting advise. It is recommended that you seek professional advice about the legal implications of these decisions.

Depending on where you live, there might be additional steps you need to take meet city and state guidelines.

Nevertheless, this guide is a solid beginning! Let's get started.

checklist



get a name

Research and Secure all relevant platforms.



form an entity

Sole-Prop vs. LLC vs. Corp vs. Limited Partnership



request an EIN

This is the social security number for your business.



register for taxes

You might need a Certificate of Formation depending on your state.



bank account

Separate your personal and business finances. Get a business bank account.



insurance

Consider liability insurance



license and permit

Apply for a local business license (if required).

What's in a name?

Secure your name on all relevant platforms

If you haven't decided on a niche, pick a generic business name. You can always change it later.

Don't get stuck on this step. If you don't know what you want to sell yet, then come up with a generic name. You will be able to get a DBA at any point for whatever business you decide to niche down to.

Check to make sure the name you've chosen is available on all relevant platforms. There's nothing worse than going through this entire process, only to find out that someone else is operating under the same name. Or worse, your handle is not available on one or two social media sites.

If for whatever reason your business name is not available, try adding "the" or "official" or some type of punctuation to the handle.

As a general rule, stay away from adding your name to your business name. Gone are the days of "Smith and Sons". If you use your personal name, it might negatively affect your brand if you try to sell your business later.

Find Out If Your Company Name Is Available in Your State Using an online tool like [Incfile](#).

Check domain and social username availability across multiple networks at [Namecheckr](#). You'll secure your business name /handle for:

- Facebook
- Instagram
- Twitter
- TikTok

Make sure to make your handles across all platforms. Then secure your domain name by purchasing from a site like [Namescheap](#) or [Godaddy](#).

Form an entity

Select a business type that's a right fit for you

You'll need to decide between a business type (e.g. Sole-Prop vs. LLC vs. Inc vs Corp vs. Limited Partnership)

[Trulc](#) is a great resource to guide your through this process.

Personally, I think its best if you leave the legal matters to the lawyers and invest in some affordable advice from a site like [Legalzoom](#) or [IncFile](#).

Seeking the advice of a lawyer is the best way to go in this case.

There are so many regulations that (apply to online business) that should be considered before forming a business.

Sales tax will depend on what state your in and what state you're conducting business.

Recently, there have been some regulatory changes that hold your business responsible for the end product, even if the order was fulfilled by someone else!

This allows online market places to disclose your contact information to the customer.

For all of these reasons, it might be a good move to register your business with a PO Box in a different state.

You could of course do all of this yourself and register your business directly with the Department of Commerce for your state. The associated fees will be lower if you take this step yourself.

But its super easy to overlook a small BUT COSTLY detail, and therefore, not recommended.

Also, find out if your Secretary of Sate requires an Operating Agreement.

Request an EIN

This is your business social security number.

Everyone should have an EIN for added protection.

You're Employee Identification Number (EIN) is a government issued business ID.

The EIN is also referred to as a Federal Identification Number or Tax Identification Number (TIN).

If you're going to have business, this is a very important step because it creates an extra layer of protection as a corporate veil and against identity theft.

You'll need to provide this number to all of the online marketplaces you sign up with and sometimes with suppliers.

It's a big deal but super easy to obtain.

The IRS will issue one EIN to an individual person or sole-proprietor. But every business entity will get its own EIN.

The great news is, its free!

You can apply for one online and have it faxed or mailed to you in a matter of days.

Before you attempt to open a bank account, you'll need to take this step first as this is one of the account requirements.

Register for Taxes

Your tax requirements will depend on your local and state regulations.

Contact your state's Tax Commission to find out if you need to register to collect sales tax in your state.

With your state tax ID (if applicable) wholesalers will refer to it as your reseller permit or seller permit number.

You'll need to find out if your state requires:

- Withholding Tax
- Sales tax
- Unemployment Insurance Tax
- Business & Occupation Tax

This is something you'll need to consider when forming an entity. It might be cheaper to register your business in a different state.

For state requirements and costs, you should consult a CPA.

Your retail prices and bottom line expenses will be affected by these choices 1

Get a Bank Account

Separate your business and personal finances.

Before you chose a bank, find out what the bank requirements and costs are.

It's a good thing you didn't skip any steps!

Most banks will require documents to confirm your business status.

Since you didn't skip any steps, you'll just pile up all of the above documents and take them down to the bank.

When choosing a bank, consider :

- Number Of allowed monthly deposits
- Monthly Fees
- Required balance
- Maximum number of transactions
- Cash back benefits
- ACH and Debit Origination
- Merchant Services
- Remote Deposits

Its very very very very very very very important that you have more than business banking account.

Believe it or not, a bank can freeze your account if you make too much money too fast.

Don't believe me? Its called a *Reserve* and the bank will freeze your withdrawal access to your own deposited funds to protect themselves from chargebacks.

So open two accounts and thank me later.

Also, you'll want to open a business PayPal account. You might decide to go with another online payments system, but PayPal is widely accepted and the best place to start.

TIP : Never co-mingle business and personal transactions. This will be a HUGE time saver come tax -time.

Consider Insurance

What is your risk tolerance?

Insurance is typically a good idea but extent of your insurance will depend on your products and risk tolerance.

Consider your personal risk tolerance and the risk nature of the products you plan to sell.

Selling socks is less risky than baby crib.

Having a business puts will put your assets at risk. You'll have to consider if you're willing to take that chance.

Having liability insurance is an extra layer of protection if you get sued.

eCommerce is less risky than running a brick-a-mortar but there are some possible risks.

License and Permits

Apply for a local business license (if required).

Some municipalities require a business license.

Even if you're running a business from your home, you might be required to have a business license.

The fees required depend on where you live your business type.

The business license will require that you disclose your place of business, which would be your home address.

Because this information is public, it is probably a good idea to get a PO box for a mailing address to insulate yourself from public view a bit.

Because you need to disclose a physical address, I recommend renting a virtual office address. For a small annual charge, you can use the physical office address on all of your business documents for a flat fee.