



Planning Your Start-Up: A Checklist

Doing some simple planning **before** you start helps assure business success.

Your CVSBDC Business Advisor is trained to help you through this process and will remain available to you as you grow. Use this checklist as a guide but use your CVSBDC and its resources throughout the life of your company.

1. Determine the Feasibility of Your Business Idea

Have you surveyed customers to find out if your product/service is of enough interest for customers to change what they do now and pay you instead? Do you know what the projected costs are for start-up and for the first one to three years? Are your costs in line with industry standards? What are your personal income requirements? Do you have the supply, help and capital needed to reach profitability?

2. Prepare a Business Plan with Loan Proposal if required

Your SBDC advisor can assist you. In addition to no-fee business consulting, you can also take advantage of SBDC training opportunities and industry and regional research.

3. Assemble a Management Team

Your Banker, Accountant/Bookkeeper, Attorney, Insurance Agent, and SBDC Advisor can all be helpful and instrumental to your success. Use their experience and resources to build a strong foundation.

4. Research Financing Options

When seeking outside financing, take into account the funding environment. Be prepared with credible cash flow projections. After you have done your planning and know what your financial obligations will be, continue working through the other steps in this checklist.

5. Research Locations

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. Home-based businesses also may require permits and zoning. Contact your **local Zoning Office and/or Office of Community Development** to learn about your local requirements.

6. Choose a Business Name (and domain name)

Investigate names in use in the geographic area and industry niche you will be serving. Pay attention to other similar sounding names in your market area. Check the availability of an entity name at the **State Corporation Commission**:

<https://cis.scc.virginia.gov/Account/NameCheckAvailability>

7. Choose Your Legal Structure

The best legal entity varies for each owner and each business. 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**: <https://www.scc.virginia.gov/pages/Business-Types>.

8. 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 and click on the Business Tab.

9. 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://https.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 done on-line from <https://www.tax.virginia.gov/withholding-tax>

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: [certificate of exemption](#)

10. Register with the Virginia Employment Commission (as applicable-see below)

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**.

Register a New Business with Virginia Tax and Virginia Employment Commission at the same time (iReg): <https://www.business.tax.virginia.gov/VTOL/tax/iRegSignUp.xhtml?cid=1>

11. 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 Clerk's Information System through the State Corporation Commission. The link to file in Virginia is: <https://cis.scc.virginia.gov/>.

12. **Apply for Local Business Licenses; Inquire about Local Taxes or Permits**

A Business License may be required in some cities or counties where you operate. The fee is usually prepaid as part of the application and the tax rates vary depending on the type of business. Most businesses pay a tax based on gross receipts; a few categories pay a flat fee. New businesses will be asked to estimate their first year gross receipts and the tax will be adjusted at a later date to reflect actual. Contact your local **Commissioner of the Revenue or Town Administrator** to satisfy local license requirements and to inquire about any other local taxes such as local sales, meals or hospitality taxes or vendor fees.

13. **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. See the **Virginia Workers' Compensation website** for details: <https://workcomp.virginia.gov/>

14. **Consider Professional or Occupational Licenses specific to your industry or trade**

Virginia Department of Professional and Occupational Regulation: <https://www.dpor.virginia.gov/>.

15. **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.

16. **Other Considerations**

Employment & Hiring Practices – Request “Hiring Employees Guide” from your local Small Business Development Center. Report newly hired and re-hired employees to the Virginia New Hire Reporting Center: <https://vec.virginia.gov/new-hire/>. Complete Employment Eligibility Verification Forms (Form I-9) for all employees. [I-9](#)

Employment Taxes – For Virginia search tax.virginia.gov. Current version: [Virginia Withholding Tax Guide](#). For Federal, search “employer’s tax guide” in publications on the IRS website for the most current version: <https://www.irs.gov/publications>

Selling to State facilities: eVA Registration – <https://eva.virginia.gov/register-now.html>

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

Small, Women, or Minority-Owned (SWAM) Certifications –

<https://www.sbsd.virginia.gov/certification-division/swam/>

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, or SBDC advisor if in doubt.