

Starting a Business? 7 Things You Must Know

Starting a new business is a very exciting and busy time. There is so much to be done and so little time to do it in. If you expect to have employees, there are a variety of federal and state forms and applications that will need to be completed to get your business up and running. That's where we can help.

Employer Identification Number (EIN)

Securing an Employer Identification Number (also known as a Federal Tax Identification Number) is the first thing that needs to be done since many other forms require it. The fastest way to apply for an EIN is online through the IRS website or by telephone. Applying by fax and mail generally takes one to two weeks. Note that effective May 21, 2012 you can only apply for one EIN per day. The previous limit was 5.

State Withholding, Unemployment, and Sales Tax

Once you have your EIN, you need to fill out forms to establish an account with the State for payroll tax withholding, Unemployment Insurance Registration, and sales tax collections (if applicable).

Payroll Record Keeping

Payroll reporting and record keeping can be very time consuming and costly, especially if it isn't handled correctly. Also keep in mind, that almost all employers are required to transmit federal payroll tax deposits electronically. Personnel files should be kept for each employee and include an employee's employment application as well as the following:

Form W-4 is completed by the employee and used to calculate their federal income tax withholding. This form also includes necessary information such as address and social security number.

Form I-9 must be completed by you, the employer, to verify that employees are legally permitted to work in the U.S.

Entity Type is something you must at least consider and discuss with an advisor for direction and tax planning.

Capital Needs is an area that many overlook when starting a new business due to their excitement. How will I live while starting up my business.