THE LLC GUIDE

LLC Startup Checklist

A practical, attorney-created guide to the decisions and tasks that come before formation, immediately after approval and throughout the life of your LLC.

HOW TO USE IT **Check off what applies to you. Use the linked guides when you need more detail. Save a clean copy with your LLC records and review the annual items each year.**

Where are you now?

Still deciding	Start with Steps 1-3: entity, state, ownership and formation choices.
Ready to file	Complete Steps 3-4 and use the state-specific formation guide.
Just approved	Begin with Step 5: documents, EIN, banking, funding and licenses.
Already operating	Review Steps 6-7: money, tax, insurance, records and annual compliance.

Your LLC snapshot

LLC name: ____

Formation state: _____________________ Formation date: _____________________

Members / ownership: ______________________________________

Registered agent: ____

Start the interactive checklist and LLC Roadmap: **TheLLCGuide.com/llc-startup-checklist**

STEP 1

Confirm the LLC is the right entity

An LLC often combines liability protection with fewer corporate formalities, but the right choice depends on the business, owners, taxes and growth plans.

> WHAT AN LLC DOES - AND DOES NOT DO **An LLC can help separate business liabilities from an owner's personal assets when it is properly formed and operated. It does not eliminate every personal exposure, such as personal guarantees or the owner's own misconduct.**

- ☐ Identify what the business will do, where it will operate and what assets or risks it will have.
- ☐ Compare an LLC with a sole proprietorship, partnership and corporation.
- ☐ Discuss tax classification with a CPA or tax adviser. An LLC can retain its legal form while electing S corporation tax treatment when appropriate.
- ☐ Consider whether outside investors, multiple classes of equity or an anticipated venture financing make a corporation more suitable.

> CONSIDER PROFESSIONAL ADVICE **Get individualized legal or tax advice when there are multiple members, unequal contributions, investors, rental properties, valuable assets, multi-state operations, unusual tax questions or a holding-company structure.**

Compare LLCs, corporations and sole proprietorships →

STEP 2

Choose the state and structure

For many operating businesses, the home state is the simplest choice. Wyoming or Delaware may make sense when their benefits justify additional registration, fees and compliance.

- ☐ Identify every state where the LLC will actually conduct business, employ people, maintain an office or own property.
- ☐ Compare the home state with Wyoming, Delaware and any other state under consideration.
- ☐ Estimate both formation costs and recurring costs, including possible foreign registration in the operating state.
- ☐ Decide whether one LLC is enough or whether separate operating or asset LLCs and a holding company should be considered.
- ☐ If using multiple LLCs, plan separate ownership records, bank accounts, contracts and books for each entity.

Choose the best state and structure →

Learn about LLC holding companies →

STEP 3

Plan the ownership and filing

Resolve the important choices before entering them into a state filing or formation-service questionnaire.

- ☐ Choose and check the LLC name. *The easiest option is to have Bizee check availability as part of the formation process. You can also search the state's official database yourself. Confirm that the name follows state naming rules, uses the required LLC designator and does not contain restricted words. Before committing, consider checking the corresponding domain name and important social-media handles.*
- ☐ Confirm the members and their ownership percentages.
- ☐ List each member's initial contribution of money, property or services and assign an agreed value. Confirm that the values align with the intended ownership percentages, or deliberately document any different arrangement and obtain tax advice. *This information is normally recorded on Exhibit A to the operating agreement.*
- ☐ Choose member-managed or manager-managed governance and identify the initial managers, if any. *Some states require this choice in the Articles. In others, including Wyoming, it is generally addressed in the operating agreement and its Exhibit A.*
- ☐ Select a registered agent with a physical address in the formation state. *Pro tip: As of this writing, Bizee includes registered-agent service for the first year when it forms the LLC and charges $149 per year afterward. You can switch before renewal if another qualified provider is a better fit.*
- ☐ Choose the LLC's principal business address and mailing address before filing. *These addresses are normally public. If you do not want to publish your home address, consider a legitimate office or virtual-office address; Bizee and other providers offer options during formation.*
- ☐ Decide whether public-record privacy is important and what the formation state will disclose. *Some states, including Wyoming, do not require member or manager names to appear in the public formation document. That can reduce public disclosure, although the result may change if the LLC must register in another state with different disclosure requirements. In some circumstances, a properly structured holding company can keep individual owner names off certain subsidiary filings, but disclosure rules vary and the structure does not create complete anonymity.*
- ☐ Decide whether the LLC will operate under its legal name or use a DBA, assumed name or fictitious business name, and register that name where required.
- ☐ Choose how to file: directly with the state, through a formation service or with an attorney. *Direct filing can minimize fees; a formation service can make the process easier for a DIY owner; an attorney is most useful when the ownership, structure or documents require individualized advice.*

Check your LLC name free with Bizee →

Member-managed vs. manager-managed LLCs →

Compare LLC formation services →

Learn what an anonymous LLC can - and cannot - do →

STEP 4

Form the LLC

Complete the filing carefully, keep the accepted documents and verify the next steps that apply in the formation state.

- ☐ File the Articles of Organization, Certificate of Formation or equivalent document and pay the required state fee.
- ☐ Review the accepted filing for the correct name, management selection, registered agent and addresses.
- ☐ Save the filed formation document and state confirmation in a permanent digital folder.
- ☐ Calendar initial reports, publication requirements or other state-specific deadlines, if any.
- ☐ If the LLC will operate in another state, determine whether and when foreign registration is required.

FORMATION SHORTCUT **The state-specific guides walk through each decision and the filing process. If you use Chris's Bizee link, you may also qualify for the Free LLC Starter Kit described on the offer page.**

Choose your state-specific LLC formation guide →

See the Bizee formation offer and Free Starter Kit →

STEP 5

Set up the LLC after approval

Formation creates the entity. These steps establish its records, tax identity, finances and operating foundation.

- ☐ Prepare, review, sign and date an operating agreement - including for a single-member LLC.
- ☐ Create a member ledger or ownership schedule and written capital-contribution records.
- ☐ Obtain an EIN when needed and retain the IRS confirmation letter. *You can apply directly with the IRS at no charge. Bizee can obtain it for you as part of its Standard package.*
- ☐ Open a bank account in the LLC's legal name and deposit the documented initial contributions.
- ☐ Keep personal and business funds separate; route business income and expenses through the LLC account.
- ☐ Identify required federal, state, county, city and industry-specific licenses, permits or registrations. *Whether the LLC needs them depends on the type of business and the state, county and city where it operates.*
- ☐ Determine whether the LLC needs state or local tax registrations. *Depending on its activities and location, the LLC may need sales and use tax, payroll tax, unemployment insurance or other tax accounts. Many payroll providers can help establish state withholding and unemployment accounts when employees are hired, but confirm exactly what the provider handles in each state.*
- ☐ If the LLC will have employees, complete the employer setup. *Establish payroll and withholding, obtain required employer and unemployment accounts, secure workers' compensation coverage, complete hiring documentation and identify the workplace notices or posters that apply.*
- ☐ Review post-formation mail carefully before paying it. *New LLCs often receive official-looking solicitations for certificates, posters, minutes or compliance services. Verify the request with the government agency or another trusted source.*
- ☐ Establish a consistent business address, phone number, email, domain and invoice / contract identity.
- ☐ Use the full legal LLC name and proper signature format on contracts and business documents.

WANT MORE DETAIL? **Chris's Next Steps Guide explains the post-approval tasks in greater depth. It is included in the Free LLC Starter Kit when you form through Chris's Bizee link, and owners who have already formed may purchase it separately.**

See the Next Steps Guide and post-approval guidance →

Operating agreement options →

How to obtain an EIN →

Chris's preferred LLC bank →

STEP 6

Fund and operate the LLC properly

Treat the LLC as a real, separate business in its finances, records, decisions and contracts.

- ☐ Document every owner contribution as equity or a loan; do not move money without recording its purpose.
- ☐ Set up bookkeeping categories and a regular reconciliation schedule.
- ☐ Consider a business credit or expense card used only for documented LLC expenses. *Reconcile its statements through the LLC's bookkeeping system and do not use it for personal purchases.*
- ☐ Keep receipts, invoices, contracts, reimbursement records and tax documents in an organized system.
- ☐ Pay owners using the method appropriate to the LLC's tax classification; do not label every transfer a salary or draw without guidance.
- ☐ If considering S corporation tax treatment, review eligibility, timing, payroll, reasonable compensation and administrative cost with a tax adviser.
- ☐ Record major decisions in written consents or minutes, even if formal annual meetings are not required.
- ☐ Keep each related LLC's money, contracts, records and activities separate.

How to fund an LLC →

How to pay yourself from an LLC →

S corporation election for an LLC →

STEP 7

Protect and maintain the LLC

Compliance is not a one-time event. Put recurring obligations on the calendar and review the business as it changes.

- ☐ Choose appropriate insurance, which may include general liability, professional liability, property, workers' compensation, cyber or other coverage.
- ☐ File annual or periodic reports and pay recurring state fees before the deadline.
- ☐ Add annual reports, recurring state fees, registered-agent renewal, licenses and tax deadlines to a calendar or reminder system.
- ☐ Maintain the registered agent and promptly update official addresses and responsible parties.
- ☐ Renew business and professional licenses and permits.
- ☐ Review federal, state and local tax filing and payment deadlines with the appropriate tax professional.
- ☐ Review the operating agreement and ownership records after contributions, transfers, new members or management changes.
- ☐ Revisit the structure when the LLC acquires valuable assets, adds business lines, expands into new states or takes on materially greater risk.

FINCEN AND FOREIGN-OWNER NOTE At the time of this writing, entities created in the United States are exempt from FinCEN BOI reporting, regardless of whether their owners are U.S. or foreign persons. Certain entities formed under foreign law and registered to do business in the United States may still have BOI reporting obligations. Separately, a foreign-owned U.S. disregarded entity may have to file IRS Form 5472 with a pro forma Form 1120 when it has reportable transactions. Confirm current requirements with a qualified tax professional.

Explore recommended business tools →

KEEP YOUR LLC ON TRACK

Your annual LLC review

- ☐ State reports and fees are calendared and complete.
- ☐ Registered-agent and official contact information is current.
- ☐ Licenses, permits and insurance coverage are current.
- ☐ Books and bank reconciliations are current; personal and business funds remain separate.
- ☐ Tax filings, payroll and owner payments match the LLC's tax classification.
- ☐ Ownership, contributions and major decisions are documented.
- ☐ Contracts use the full LLC name and proper signature format.
- ☐ The operating agreement still reflects the owners, management and actual business arrangement.
- ☐ The state and entity structure still fit the business's assets, locations and risk.

CHOOSE YOUR LEVEL OF HELP **Use the free LLC Roadmap if you want to handle the journey yourself. A formation service can simplify the filing and provide ongoing compliance alerts. Consider individualized attorney help when there are multiple owners, custom economics, investors, valuable assets, a holding-company structure or California-connected legal issues.**

Open the interactive LLC Startup Checklist

Start the complete LLC Roadmap

See the Bizee formation option and Free Starter Kit

Explore attorney help for California-connected matters

Important note

This checklist provides general educational information and is not legal, tax, accounting or investment advice. Requirements vary by state, industry, ownership and activity, and laws change. Consult qualified professionals for advice about your circumstances.

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