

Starting a Business Checklist

Checklist · 90 items · 15 sections

A working checklist for US-based founders launching an LLC or corporation. Covers idea validation, entity selection, state and federal registration, the FinCEN Beneficial Ownership Information (BOI) report under the Corporate Transparency Act, licenses, insurance, funding, branding, operations, hiring, and ongoing compliance. Built from SBA, IRS, SCORE, US Chamber, and state Secretary of State guidance.

Open the editable, AI-powered version online:

<https://genechecklist.com/checklist/starting-a-business-checklist>

IDEA VALIDATION

- Write the problem statement in one sentence: who hurts, how often, and what they pay today to make the pain go away

HIGH

- Size the market top-down (industry reports) and bottom-up (customers x price x frequency) to estimate TAM, SAM, and SOM

HIGH

Use IBISWorld, Statista, Census Bureau, and Bureau of Labor Statistics data; cross-check with SBA Office of Advocacy small business stats.

- Map the competitive landscape: list 5-10 direct competitors, 3-5 indirect substitutes, and the status quo (do nothing) option

HIGH

- Run 15-20 customer discovery interviews using the Mom Test: ask about past behavior, not future intent

HIGH

- Define the riskiest assumption (demand, willingness to pay, channel, or delivery) and design the cheapest test to falsify it

HIGH

- Build a minimum viable product: concierge, Wizard of Oz, landing page with waitlist, or hand-built service before code

HIGH

- Get 3-5 paying customers (not free pilots) before scaling spend

HIGH

BUSINESS PLAN

- Choose a planning format: lean canvas (one page, 9 boxes) for fast iteration, or traditional business plan (20-40 pages) if applying for an SBA loan

HIGH

Use the SBA business plan template at sba.gov/business-guide/plan-your-business/write-your-business-plan.

- Draft the lean canvas: problem, customer segments, unique value prop, solution, channels, revenue streams, cost structure, key metrics, unfair advantage

HIGH

- Build a 3-year financial projection: revenue model, monthly cash flow, P and L, and break-even analysis

HIGH

- Write a 1-page executive summary covering the offer, market, team, traction, ask, and use of funds

- Get a free mentor review from SCORE (score.org) or a local Small Business Development Center (SBDC) before raising or borrowing

CHOOSE ENTITY TYPE

- Compare entity types: sole proprietorship, general partnership, LLC, S-corporation, C-corporation, and benefit corporation

HIGH

Sole prop and GP offer no liability shield. LLC is the default for most small businesses. C-corp is required if raising priced VC rounds.

- Pick LLC if you want pass-through taxation, flexible ownership, and a liability shield without corporate formalities

HIGH

- Pick S-corp election (Form 2553) on top of an LLC or corporation once profits exceed roughly \$40-60k/year to save on self-employment tax

HIGH

S-corp requires reasonable W-2 salary to owner-employees. Run the math with a CPA before electing.

- Pick Delaware C-corp if raising venture capital or issuing preferred stock; otherwise default to home-state LLC

HIGH

- Choose the state of formation: home state for most, Delaware for VC-backed, Wyoming/Nevada only with a specific reason

HIGH

REGISTER BUSINESS

- Search business name availability on the state Secretary of State business entity database before filing

HIGH

- Reserve the business name with the state SOS if you cannot file articles within 30 days (most states charge \$10-50 for 60-120 day reservation)
- Appoint a registered agent with a physical street address in the state of formation; use a service like Northwest, Harbor Compliance, or LegalZoom if you lack one

HIGH

- File Articles of Organization (LLC) or Articles of Incorporation (corporation) with the state SOS; state fees range \$50-500

HIGH

- Draft an operating agreement (LLC) or bylaws plus shareholder agreement (corporation), even in single-member states that do not require one

HIGH

- Apply for a free Employer Identification Number (EIN) at irs.gov/ein; complete Form SS-4 online and get the number immediately

HIGH

Never pay a third party for an EIN. The IRS issues it free in 5 minutes.

- File a DBA (Doing Business As, also called fictitious name or trade name) with the county or state if operating under a name other than the legal entity name

- Hold and document the organizational meeting: adopt bylaws/operating agreement, appoint officers, issue stock or membership units, authorize bank account

HIGH

BUSINESS BANK ACCOUNT

- Open a dedicated business checking account; bring EIN letter, formation documents, operating agreement, and government ID

HIGH

Commingling personal and business funds can pierce the LLC liability shield.

- Compare options: traditional bank (Chase, BofA, Wells Fargo) for cash deposits; online-first (Mercury, Relay, Bluevine, Novo) for software businesses

HIGH

- Open a separate business credit card to build business credit history under the EIN; pay it off monthly

HIGH

- Set up a business savings account and move 25-30% of net revenue into it monthly for quarterly taxes

HIGH

ACCOUNTING

- Pick accounting software: QuickBooks Online for most US small businesses, Xero for service businesses, Wave (free) for solo operators under \$50k revenue

HIGH

- Choose cash vs. accrual accounting method; cash is simpler and allowed for most under \$30M average revenue, accrual is required for GAAP and most inventory businesses

HIGH

- Set the fiscal year (calendar year is the default and simplest for LLCs and S-corps)

HIGH

- Build a chart of accounts aligned to the IRS Schedule C or Form 1120 categories so tax filing maps cleanly to bookkeeping

- Connect bank and credit card feeds to the accounting software and reconcile monthly

HIGH

- Hire a bookkeeper (Bench, Pilot, or local) once monthly transactions exceed 50, and a CPA before the first tax filing

TAX REGISTRATION

- Confirm federal tax obligations with the EIN: income tax, self-employment tax, and quarterly estimated payments (Form 1040-ES) if expected tax owed exceeds \$1,000

HIGH

- Register for state income tax withholding and state unemployment insurance (SUTA) accounts with the state department of revenue and labor

HIGH

- Register for a state sales tax permit (also called seller's permit or resale certificate) before making the first taxable sale

HIGH

Check economic nexus rules (post-Wayfair): most states trigger sales tax collection at \$100,000 in sales or 200 transactions per year into the state.

- File the Beneficial Ownership Information (BOI) report with FinCEN at boiefiling.fincen.gov if required by your entity type

HIGH

Under the Corporate Transparency Act, new entities formed in 2024 file within 90 days; entities formed in 2025 or later file within 30 days. Check current FinCEN guidance because enforcement and scope have shifted (March 2025 interim final rule narrowed reporting to foreign reporting companies). Verify status at fincen.gov/boi before filing or skipping.

- Register for federal payroll taxes if hiring: Form 941 (quarterly), Form 940 (annual FUTA), W-2s, and Form 944 if a small employer

HIGH

LICENSES AND PERMITS

- Identify required licenses at the federal level: only specific industries (alcohol, firearms, aviation, broadcasting, agriculture, transportation, fisheries)

HIGH

- Pull the state general business license and any industry-specific licenses from the state SOS or department of commerce
HIGH
- Check city and county requirements: local business license, zoning permit, home occupation permit, signage permit, and health department permit if handling food
HIGH
- Verify professional licensing for regulated occupations: contractors, real estate, cosmetology, healthcare, financial services, legal, accounting
HIGH
- Use the SBA license and permit lookup tool at sba.gov/business-guide/launch-your-business/apply-licenses-permits to cross-check requirements

INSURANCE

- Buy a general liability policy (\$1M/\$2M is standard) to cover third-party bodily injury and property damage
HIGH
- Buy professional liability (Errors and Omissions) insurance if you give advice, write code, design, or deliver a professional service
HIGH
- Bundle into a Business Owners Policy (BOP) if you have a physical location: combines general liability, commercial property, and business interruption
- Buy workers compensation insurance before the first W-2 hire; required by every state except Texas (and Texas employers should still carry it)
HIGH
- Add cyber liability insurance if you store customer PII, payment data, or health records
- Get commercial auto insurance for any vehicle used for business; personal auto policies exclude business use
- Get 3 competing quotes through Next Insurance, Hiscox, Coalition, Embroker, or a local independent broker

FUNDING

- Bootstrap first: cut personal burn, validate with revenue, and avoid dilution until product-market fit is real
HIGH
- Tap friends and family with a written convertible note or SAFE; never take their rent money and document every dollar
- Apply for an SBA loan: 7(a) for general working capital up to \$5M, 504 for real estate and equipment, or Microloan up to \$50k for startups

Find an SBA Preferred Lender at sba.gov/funding-programs/loans/lender-match. Expect 60-90 days, personal guarantee, and 10%+ down.

- Open a business line of credit at the primary bank once you have 6-12 months of revenue history for flexible working capital
- Pitch angel investors through AngelList, local angel groups, or warm intros once monthly revenue or strong traction exists
- Raise venture capital only with a C-corp, a large market, a defensible moat, and 3x year-over-year growth potential
- Consider revenue-based financing (Pipe, Capchase, Founderpath) for SaaS with \$20k+ MRR; non-dilutive but pricier than venture
- Run a rewards crowdfunding campaign on Kickstarter or Indiegogo for physical products with a clear hero photo and demo video
- Apply for non-dilutive small business grants through grants.gov, state economic development offices, and industry-specific programs

BRANDING

- Brainstorm 20+ business names, then narrow by saying each aloud, spelling test, and 5-second logo readability test
HIGH
- Run a USPTO trademark search at uspto.gov/trademarks/search and a common-law Google search before committing
HIGH
- File a federal trademark application (TEAS Standard, ~\$350/class) once revenue exists or you plan to scale beyond one state
- Buy the matching .com domain at Namecheap, Porkbun, or Cloudflare Registrar; secure common typos and the .co fallback
HIGH
- Lock down social handles on Instagram, X, LinkedIn, TikTok, and YouTube even if you do not plan to post immediately
- Commission a logo, color palette, and one-page brand guide (Looka, 99designs, or a freelance designer for \$300-2,000)

ONLINE PRESENCE

- Launch a basic website (Framer, Webflow, Squarespace, or Next.js) with clear value prop, pricing, contact, and one trust signal above the fold
HIGH
- Claim and verify the Google Business Profile at business.google.com for local search and Google Maps visibility
HIGH
- Set up a business email on the custom domain (Google Workspace \$7/user/month or Microsoft 365); stop using gmail.com for the brand
HIGH

- Install website analytics (Google Analytics 4, Plausible, or Fathom) and a basic conversion event before driving traffic

OPERATIONS

- Document the core delivery workflow (order to cash) in a single Loom video or one-page SOP before hiring anyone

HIGH

- Pick a payment processor: Stripe for online, Square for in-person retail, PayPal as a checkout fallback; budget 2.9% + 30 cents

HIGH

- Set up invoicing through Stripe Invoicing, QuickBooks, or Wave with Net 15 terms and an automated reminder schedule

HIGH

- Pick a CRM (HubSpot Free, Pipedrive, or Folk) and log every prospect from day one
- Stand up a project and communication stack: Notion or Linear for work, Slack for team chat, Google Drive or Dropbox for files

HIRE FIRST EMPLOYEES

- Decide W-2 employee vs. 1099 contractor using the IRS three-factor test (behavioral control, financial control, relationship); misclassification triggers back taxes and penalties

HIGH

- Collect Form W-9 from every contractor before paying; issue Form 1099-NEC by January 31 for anyone paid \$600+ in the year

HIGH

- For W-2 hires, collect Form I-9 (within 3 days), Form W-4, state withholding form, and direct deposit info on day one

HIGH

- Report new W-2 hires to the state new hire reporting agency within 20 days (federal requirement)

HIGH

- Pick a payroll provider: Gusto for most small businesses, Rippling for tech-forward teams, ADP or Paychex for 50+ headcount

HIGH

- Set up a basic benefits package once you reach 3-5 employees: health (ICHRA or group plan), 401(k) with Guideline or Human Interest, and PTO policy

- Write an offer letter and at-will employment agreement; add IP assignment, confidentiality, and (where enforceable) non-solicit clauses

HIGH

COMPLIANCE CALENDAR

- Build a compliance calendar with every recurring deadline: state annual report, federal and state tax filings, payroll filings, license renewals, insurance renewals

HIGH

- File the state annual report or biennial report with the SOS; missing it can trigger administrative dissolution within 60-180 days

HIGH

Delaware franchise tax is due March 1 for corporations and June 1 for LLCs. California LLCs owe the \$800 franchise tax annually.

- Pay quarterly estimated federal taxes by April 15, June 15, September 15, and January 15 of the following year

HIGH

- File the annual federal return: Schedule C (sole prop or single-member LLC), Form 1065 (partnership/multi-member LLC), Form 1120-S (S-corp), or Form 1120 (C-corp)

HIGH

- Update the FinCEN BOI report within 30 days of any change to beneficial owners, addresses, or company information (when BOI applies to your entity)

HIGH

- Renew state and local licenses, sales tax permits, and professional licenses on their individual cycles; set 60-day advance reminders

HIGH

- Hold and document an annual meeting with minutes (corporations) or an annual member consent (LLCs) to preserve the liability shield