



St. Paul



## QuickStart Guide for Starting a Business

SCORE is a national organization comprised of business professionals who provide free and confidential business counseling to new or established business owners. Counseling can be conducted at your place of business, at the SCORE office in St. Paul, by telephone or via email. Our goal is to help you achieve significant success in your business creation and development.

### Where to Begin?

Starting a business in Minnesota is not a single decision but a series of them, each one an important step on the road to a successful launch. To survey the landscape, a good place to start is the SCORE website. From here you will be able to access a business plan template, review seminar and webinar offerings on important business development topics, and sign-up for information or seminars on how to start or obtain help on all aspects of starting and running a business.

<http://stpaul.score.org/>

The Minnesota Department of Employment and Economic Security (DEED) also provides guidance to help you tackle the most common questions in the order you're most likely to need answers. These guidelines provide a roadmap to the world of business and the basic sense of direction you'll need before you begin.

<http://mn.gov/deed/business/starting-business/>

The Minnesota Secretary of State website also provides guidance. By clicking on "Business, Nonprofits and UCC" and then selecting "Starting a Business or Non-Profit," you will find step-by-step instructions on identifying available resources, options for choosing the proper business structure, links to agencies that require licenses or certifications, and registration fees.

<http://www.sos.state.mn.us/>

If you are planning on starting a business from home, your business may be subject to license and permit laws. The Small Business Administration (SBA) has some general guidance on this in their community blog.

<https://www.sba.gov/blogs/run-home-based-business-find-licenses-and-permits-you-need>

### Registering Your Company

In today's world, there are three important aspects to selecting a company name: (i) registering your business name with the State of Minnesota; (ii) obtaining a website; and, (iii) if desired, defining a social media presence. Keep in mind that your business name will represent you in both print and online.

To register your company, start by going to the Office of the Minnesota Secretary of State.

<http://www.sos.state.mn.us/index.aspx?page=3>

When you have selected a company name, you will need to check that name on the Minnesota Secretary of State website – “Check Name Availability” – before registering it. The Secretary of State requires a name that has not been previously registered.

Nonetheless, don't let the perfect match between company name and website address prevent you from getting started. You can always establish a name and create a DBA (“doing business as”) later. The SBA has some general guidance on DBA registration on their website.

<http://www.sba.gov/content/register-your-fictitious-or-doing-business-dba-name>

### **Doing Business in Other States**

If you plan to operate your business in other states, you may also need to consider registering your company in those states. States define “business activity” differently, so what's considered doing business in one state may not be the same in another state. For detailed information on a particular state's requirements, contact that state's business registration office or state Secretary of State. The SBA provides some basic guidance on this in their community blog.

<http://www.sba.gov/community/blogs/community-blogs/business-law-advisor/doing-business-multiple-states>

### **Tax Identification Numbers**

Once you have registered your business, the next step is to obtain a Federal Tax ID, also known as an Employer Identification Number (EIN). An EIN is a nine-digit number issued by the Internal Revenue Service for banking, tax filing, and other business purposes. You can find information on this and file online at:

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs>

Depending on your business type, you may also need to obtain a Minnesota Tax ID number. If you employ anyone who works in Minnesota or is a Minnesota resident and you are required to withhold federal income tax from the employee's wages, in most cases you are also required to withhold Minnesota income tax. If you are not required to withhold federal income tax from the employee's wages, in most cases you are not required to withhold Minnesota income tax. The rules for determining if you are required to withhold federal taxes are in *Federal Circular E, IRS Publication 15* available at [www.irs.gov](http://www.irs.gov).

<http://www.revenue.state.mn.us/businesses/withholding/Pages/HowdoIgetaMinnesotawithholdingtaxIDnumber.aspx>

### **Registering a Website Address**

You will also want to check for the availability of your company name – or some derivation of your company name – as a website address. An easy way to do this is to use GoDaddy or 1&1 and enter your company name. If a website is available, you can purchase it from one of these sites or any other internet service provider – there are several. If the name is not available, these sites will give you alternative recommendations and costs. This is an easy way to determine the availability of your website name.

<http://www.godaddy.com/>

<http://www.1and1.com/>

## Building a Website

Once you have registered a website address, you will want to consider building a website. There are many options available for this – some more complex than others. A number of companies offer templates for building a website around common website themes such as: GoDaddy, Google, 1&1, Weebly, WordPress, and WooThemes to name a few; and many are free or charge a modest fee.

Another approach is to use a site that gives you more assistance. A company like MyEvent will give you templates to pick from and with a little creativity and some cutting and pasting, your web site can be created easily and quickly. The approximate cost for this service ranges from \$200 to \$300.

<http://www.myevent.com>

## Patent Searches and Trademarks

If your idea is something that you want protected with a patent, a good first step in the process is to do a general search to determine to what extent similar patents exist and how much room you will have to make a claim for patent protection in the space. To do a basic inquiry, go to Google Patents and do a search using a description of your idea.

<https://www.google.com/?tbs=pts&hl=en>

Additionally, the United States Patent and Trademark Office (USPTO) has resources available to help small businesses with the process of obtaining patents and trademarks. This is another valuable resource.

[www.uspto.gov/inventors/index.jsp](http://www.uspto.gov/inventors/index.jsp)

## Open a Business Bank Account

Next, visit with your local banker and set up a separate bank account for your business – you will need your Federal Tax ID (EIN) when you do. Run all transactions through this account. Maintain a good accounting of all business-related expenses which can generally be used as an offset against business income. This will be important for your tax return preparation later in the year. *IRS Publication 535* covers information you will need related to Business Expenses. You may also want to explore having an accountant help you with some of these tax and accounting issues.

## Writing a Business Plan

As you progress forward with business, it is a good idea to document your assumptions, strategies, tactics, expenses and revenue – and SCORE has a useful template for this purpose. This is a good way to make certain that you have evaluated all aspects of your business in minimizing risk. It will also be a necessary component should you wish to seek financial assistance from a bank or government agency.

<https://www.score.org/resources/guide-sample-business-plans-and-templates>

## Small Business Administration Assistance

Additional assistance, webinars, availability of financial assistance and information on topics important to running a small business can be found on the SBA website. Topics include Qualifications for Loans and Grants, Rewarding Employees With Stock, Delivering on the Affordable Care Act, Creating a Business Plan, Qualifying for Government Contracts and many more.

[www.sba.gov](http://www.sba.gov)

## Online Workshops and Webinars

SCORE offers a variety of seminars and webinars to help you build your business including developing business plans, selecting a franchise, determining your legal structure, market and management basics, accounting, book keeping and budgeting basics, financing your business, and building your social media empire.

<http://www.score.org/onlineworkshops/tab-a>

## Local Seminars

SCORE also offers a number of local seminars that help in both getting started in business and growing a business. Just enter “St. Paul, MN” in the location box and you will receive a listing of all programs being offered in the Twin Cities.

<http://www.score.org/localworkshops>

## Other Suggestions

If your business has multiple owners, you will want to have written documentation of your understanding with the other owners. It is important to have legal documents prepared to protect owners, spouses, heirs, etc. You may want to explore having an attorney help you with some of the documentation of business ownership issues.

Some businesses require either certification or licenses or both. Certain services require a federal, state or local license. The Secretary of State website has more information on this topic.

Discuss with your insurance agent the need to acquire liability insurance on your business.

When starting a new business here is an additional list of items you may want to consider with help from SCORE.

1. Additional types of mentoring from SCORE – your assigned Mentor can help.
2. Billing, accounting, QuickBooks - SCORE can help with seminars that are offered regularly.
3. Legal issues – SCORE LegalCORPS provides free assistance in non-litigation business law matters to low-income owners of small businesses, small nonprofit organizations and low-income innovators in Minnesota through the services of volunteer attorneys.
4. Social marketing - SCORE clients receive a 10% discount on Constant Contact fees and seminars on social marketing.
5. Referrals to local attorneys, accountants, insurance agents, online marketing, website optimization, franchises, and computer repair.

These and other topics and resources are available at:

<http://stpaul.score.org/resources/tab-a>

*Please note: This SCORE QuickStart guide is not intended to be a substitute for the advice of an attorney, accountant or other business professionals. Be sure to seek the help of trained professionals or local government agencies on issues that affect the legality, registration, certification, licensure, liability or financial accounting of your business. All listed service providers are suggestions only and St. Paul SCORE is not affiliated with and not responsible for the services provided.*

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