



## GUIDE FOR INCORPORATING AS AN LLC

Please keep the following points in mind as you read through this guide:

1. Choosing the right business structure for your company is an important part of starting up any new business. An LLC is just one of several business structures. Other common examples include: Corporation, General Partnership, Sole Proprietorship, etc. Each business structure has its own advantages and disadvantages, and the best business structure for your business will depend on your specific circumstances.
2. This guide is provided specifically as a resource for Four Streams students and graduates who have decided to incorporate their coaching business as an LLC.
3. ***Any decision determining how and what you do in the formation of your business is ultimately up to you.***

## INCORPORATION PROCESS

**Before reading “Key Steps in Organizing Your LLC”, please note the following:**

1. LLCs can be owned by one or more people, who are known as LLC “members.”
  - a. An LLC with one owner is known as a single-member LLC.
  - b. An LLC with more than one owner is known as a multi-member LLC.
  - c. You do not have to hire legal counsel to form an LLC, but it is sometimes advisable if the LLC will have multiple owners or outside investors.
2. The general recommendation of Four Streams is that you set up as a single member LLC -- this will lend towards ease of tax filing requirements.
  - a. Note: You will need to determine how to keep track of business expenses and income in an accounting system of your choice.
3. **The exact rules for setting up an LLC vary by state, although the general requirements are quite similar.**
4. Additional resources to learn more about launching your business and specific requirements for your state:
  - a. [U.S. Small Business Administration](#)
  - b. [List of state websites](#) for information on doing business in the state, taxation, etc.
  - c. [How to Start an LLC](#)



## KEY STEPS IN ORGANIZING YOUR LLC

1. **Choose LLC Location:** Research and pick where you want to organize your LLC.
  - PLEASE NOTE:
    - i. THIS GUIDE IS MORE SPECIFIC TO ORGANIZING IN COLORADO.
  - ADDITIONAL RESOURCE(S):
    - i. How to Start an LLC: Where Should I Form My LLC is a resource to learn more.
    - ii. SBA.gov: Pick Your Business Location is a resource to learn more.
  
2. **Choose LLC Name**
  - Is your business name available?
    - i. **PLEASE NOTE:** Be prepared to finish this transaction (aka registering your business name) once you start the process of searching.
      1. Why? Once you choose a name, you want to protect it. If you wait to register, there is potential for someone else to register the same business name before you.
      2. Check with your state for rules about how to register your business name.
      3. Examples of where to search for an available business name:
        - a. Colorado Secretary of State
        - b. LegalZoom: Entity/Business Name Check
  - Is the URL/Web Domain name available?
    - i. **PLEASE NOTE:** Once again, even if you don't plan on building your business website today, consider purchasing the URL once you start the process of searching.
      1. Why? If you search your business name a lot without purchasing, there is potential for the name to be bought out from under you. As a result, you could end up paying more for the URL (this is a business for some people).
    - ii. Examples of where to search for an available URL/Web Domain:
      1. GoDaddy.com
      2. NameCheap



- ADDITIONAL RESOURCE(S):
  - i. [SBA.gov: Choose Your Business Name](#) is a resource to learn more.

### 3. Choose a Registered Agent

- If you choose to elect a registered agent other than yourself:
  - i. All legal documents will be received and handled by that registered agent.
  - ii. Suggestions include:
    1. LegalZoom
    2. Northwest
    3. Incorporate.com
    4. Swiftfilings.com
    5. Personal Lawyer
- If you choose to elect yourself as a registered agent:
  - i. All legal documents will be received and handled by you.
- ADDITIONAL RESOURCE(S):
  - i. [What is a registered agent and do I need one?](#)
  - ii. [SBA.gov: Register Your Business](#) is a resource to learn more.

### 4. Create an Operating Agreement (if applicable -- check with your state)

- **What is an operating agreement?** An operating agreement is a legal document outlining the ownership and operating procedures of an LLC.
- **Why are operating agreements important?** An operating agreement is an important document because it ensures that all business owners are on the same page and reduces the risk of future conflict.
- **Note:** Even if your state doesn't require an Operating Agreement, it is strongly encouraged to create one. Research and make your decision.

### 5. Register Your LLC with Federal, State and Local Agencies (where applicable)

- To register your LLC, you will need to file the **Articles of Organization** with your state. This can be done online.
  - i. [SBA.gov: Register Your Business](#) is a resource to learn more.
  - ii. In Colorado, you can learn more [here](#).
  - iii. For other states, check with your Secretary of State.
- Keep in mind, when filing, you will need to state whether your LLC will be member-managed or manager-managed.
  - i. [Learn more](#) about these two options and make your decision.
- Fees vary depending on state.



## 6. Obtain Federal and State Tax ID Numbers

- Obtain Federal Tax ID Number -- also known as Employer Identification Number (EIN)
  - i. To learn more and/or to begin the application process, [click here](#).
- Obtain State Tax ID Number
  - i. Visit your state's website to identify whether you need to get a state tax ID number in order to pay state taxes.
- [SBA.gov: Get Federal and State Tax ID Numbers](#) is a resource to learn more.

## 7. Apply for a Business License or Permit (if applicable)

- Check with your state to determine if a business license is required
  - i. To determine if a business license is required within the state of Colorado [click here](#).
- Check with your city and county to determine if a business license is required
  - i. To determine if a business license is required within Denver County [click here](#).

## NEXT STEPS

1. Open a business banking account
2. Get business insurance
3. **CELEBRATE!** You own your own business!