

THE FOUNDATION

STARTING YOUR FAMILY BUSINESS

A Family Business is one of the primary means by which Private Estates are *Funded*.

This Business can bring exceedingly large amounts of income into the Family Estate for multiple Generations if Properly:

- i. Created
- ii. Administered
- iii. Scaled
- iv. And Protected

Keep in Mind ALL *successful* businesses offer VALUE to customers through the sale of a specific Good or Service.

Creating a *QUALITY Good or Service* and applying proper business techniques by way of an LLC or Corporation (Partnership etc.) is what separates most with regards to Wealth.

The specific *Type* of entity you use will depend on your particular business, jurisdiction and situation. We tend to lean towards an LLC structure due to the elasticity and protections, but *research and diligence should be applied in determining which corporate structure is right for you and/or your estate*.

There are many books and resources available for running a successful business and it is recommended that you invest as much time as you possibly can learning and applying the principles and attributes of success.

Above All,

There is no substitution for Actual experience. Regardless of your doubts, concerns or lack of knowledge,

Get Out There and BEGIN.

You either Work for Your Family Business or You Work for Someone Else's Family Business.

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The *general* procedure for legally creating a business is not difficult and is as follows.

1. CHOOSE A BUSINESS NAME

Your Business needs a Name.

You may want to choose a name that means something to you or your family.

You may simply want a name that consists of initials of family or numbers associated with a birthdate or special occasion.

Don't overthink the name.

You can use letters, numbers, words or a combination of both.

It is important that the Entity Name being created (LLC, INC, Partnership, Inc.) has it's designation.

You will have to put LLC or INC etc. (depending on the Type of entity) at the end of the Company Name i.e. "The Foundation LLC".

A. Search the chosen Name at the State level.

- i. Make sure the business Name is available before paying the filing fee.
- ii. If the business name you want is unavailable, simply choose another business name or add/remove words/letters to make the name unique.

2. FILE THE BUSINESS DOCUMENTS

Most businesses are created or organized at the Secretary of State.

Some may be organized at the county level.

Make sure you know the rules and policies for your jurisdiction regarding incorporation/organization.

- ✓ You may need to list managers for the LLC or shareholders if organizing a corporation.
- ✓ You will need an address for the business. (for business credit, a commercial address) if you don't have a commercial address, you may use a residential.
- ✓ You will need to list an Organizer. Organizers are not necessarily a part of the company. For example, law offices offer services of organization and registered agents for those not residing in the jurisdiction of the state. *note. Be sure to ascertain whether the information being requested is required. Some jurisdictions add an additional 'Information Sheet' requesting the number of employees, type of business, etc. Often times, this information is not required and as such, should not*

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be included. It may be advantages to ask an employee what information is absolutely required.

- ✓ Pay the filling fee. Filling fees vary from State-to-State. Some fees are as low as \$50. Some as high as \$600. Be sure to arrive prepared to submit the fee.

3. OBTAIN EMPLOYER IDENTIFICATION NUMBER FROM THE I.R.S.

- ✓ IRS Form SS4 is what is used to obtain the EIN.
- ✓ Use the Business Name, Address, Registered Agent (if needed) and Organizer.
- ✓ The form may be completed online at irs.gov. This allows for the immediate receipt and printing when the option “receive online” is selected.
- ✓ You may also fill out the paper form and submit via US mail. You will have to wait to receive the EIN Documents by mail.

4. OPEN A BUSINESS BANK ACCOUNT

A Business Bank Account is Essential for the Validity of your Business.

Any Commercial Bank (Wells Fargo, Chase) will be very familiar with Business Accounts.

Opening Deposits and Minimum Deposits.

- ✓ A Minimum Deposit is an amount a bank requires in an account to Avoid Checking Service Fees. These fees typically range from \$5 to \$35 a month and can usually be avoided by initiating a certain number of debit card transactions within one calendar month.
- ✓ An Opening Deposit is the minimum amount required to be initially deposited to open the account. Opening deposits are typically \$25.

Make sure you have:

- ✓ Organizing Documents – Articles of Incorporation or Certificate of Organization
- ✓ Employer Identification Number Paperwork from the IRS
- ✓ Valid Identification
- ✓ Have No Files in Chexsystems
- ✓ Minimum Opening Deposit (Usually \$25)

Once you have the bank account open you are “Officially In Business”!
Congratulations!

There are at least two more items you want to take care of in order to properly operate. Due to the specificity of information necessary, it is recommended that you either consult a CPA or tax attorney, or book a consultation at www.welcometothefoundation.com

We are not Attorneys or Lawyers and We Do Not Give Legal or Tax Advice.