

Dominican Checklist

To Form a Business

So, you are going to start your own business! There are plenty of checklists and other tools online that may be helpful to you. However, here are some basic steps that you should consider as you begin your planning.

Do Your Research

You probably have an idea of what business may be of interest to you. However, before starting this business, it is very important that you research your idea to see if it is something that you can make operational. Is your idea for a product or service one that already exists in the market? Have similar businesses been successful? How will your business be the same or different? What research is available that will help you plan for your business? Make a list of the questions that you need to research and then spend the time exploring information sources to obtain answers to your questions.

Write a Business Plan

A business plan that is thorough and will provide you with ongoing guidance is very important. It is worth the time to create one that will be helpful and one that can be shared with others who may be important towards its success, such as any lenders and investors. Even if your first lender or investor is just a family member, you will want to show your effort to be professional and prepare for the time when you may need to work with a bank or third-party investor. There are plenty of available templates for a good business plan. Check out a couple of examples that will identify the critical components for you. The ENTR 297 and ENTR 431 courses provide extensive learning on how to create quality business plans.

Obtain a Federal Tax Identification Number

The Internal Revenue Service requires that you have some identification number that will be associated with your business if you will be making any filing with it, such as a tax return. If it will be a corporation, limited liability company or partnership or you will have employees, you will likely need an EIN. Further information on the requirements for an EIN and the method by which you can apply for one can be found at the following link:

<https://www.irs.gov/businesses/small-businesses-self-employed/do-you-need-an-ein>

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Obtain a Federal Tax Identification Number

If you will not be doing business as a corporation or partnership and will not have employees, you will still need some identification number for federal tax purposes. This could be a Social Security number, if you have one. Otherwise, you likely will need an Individual Taxpayer Identification Number (a so-called ITIN). This is a tax processing number only available for certain nonresident and resident aliens who are not otherwise eligible to obtain a Social Security number (see this helpful link for information on whether you are eligible for a Social Security number:

<https://www.ssa.gov/pubs/EN-05-10096.pdf>.

More information on eligibility for an ITIN and the method by which you can obtain an ITIN can be found at the following link:

<https://www.irs.gov/individuals/individual-taxpayer-identification-number>

An organization that may be able to provide assistance with obtaining a ITIN is Ladder Up at the following link:

<https://www.goladderup.org/our-services/tax-assistance/#itin>

Obtain a Separate Bank Account

If you operate as a business entity, you will definitely need a separate bank account to use in your business. Even if you are not operating as a business entity, a discrete bank account is recommended so that you can have an organized way of paying bills and depositing revenues of the business.

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Check Whether Any Licenses or Permits Are Necessary

Depending on the city or town in which you will be operating your business, you may need a permit or license to conduct your business. Check with your city or town's business affairs department for information on this. In Chicago, licenses and permits are issued by the Department of Business Affairs and Consumer Protection. This Department has a special bureau for small businesses called the Small Business Center. If you contact this Center, you can receive help on what Chicago license or permit you may need. The Center can be accessed through the following link:

<https://www.chicago.gov/city/en/depts/bacp/provdrs/bus.html>

Determine Whether Any Insurance is Desirable

You should consider discussing whether you should have insurance for any part of your operations. This can best be determined by reviewing your proposed business plan with an insurance adviser who can walk you through available insurance products.

This checklist is not necessarily comprehensive but may be a tool for you to begin your planning process.

Set forth below are links to some organizations that you may wish to contact for advice on legal matters, either on a pro bono or low-cost basis:

Chicago Legal Clinic: <http://clclaw.org/programs/#immigration>

Legal Aid Chicago: <https://www.legalaidchicago.org/>

Hispanic Lawyers Association of Illinois: <https://hlai.org/>

Chicago Volunteer Legal Services: <http://www.cvl.org/get-legal-help>