



Business Startup Guide

YOUR SUCCESS, **AMPLIFIED.**

Tarshus Law Firm Business Startup Guide

When you have a great idea for a business, you need to take steps right away to protect it. Forming a business that meets every state and federal requirement can seem like a daunting challenge but it doesn't have to be!

This guide helps give you an idea of what you can expect during the business startup process and things you should consider if you are thinking about launching your business.

Tarshus Law Firm revolutionizes the traditional law firm model by innovating through technology to efficiently handle the entire business startup process so you don't waste a minute of your precious time and can focus on your business. We limit our client base to give you focused, responsive service.

When choosing an attorney to assist you, know that **Tarshus Law Firm** is here to help. When you partner with **Tarshus Law Firm** to represent you during the business startup process, you can place your trust in an experienced boutique law firm that gives you the attention and respect you deserve. We will listen to your business goals and needs, use data and creativity to optimize your legal strategy, and deliver a winning solution.



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Tarshus Law Firm Business Startup Guide
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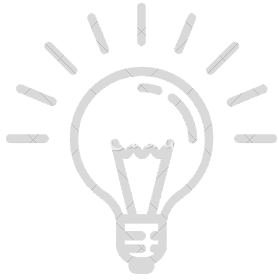
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Writing a Business Plan.

The first step in launching your business is to define it. Don't make the mistake of "figuring it out" as you go along; write everything down while it's still fresh in your mind. Great ideas need a solid roadmap with detailed execution strategies so you don't lose sight of your goals.



The Napkin Plan.

You have an idea for a business; great! Now define it. Grab a piece of paper, a napkin, whatever is nearby and jot down the basics for your business concept. Some key areas for consideration:

1. What product or service will you sell?
2. Why are you starting your business?
3. Brainstorm your name and branding.
4. Research your target customers.
5. Learn about your competitors.
6. Define your market; where and how will you sell?
7. How do you plan to fund startup costs?
8. What are your biggest risks?
9. Hash out some basic finances: How much do you need to sell to be successful? What are your biggest costs? Do you need insurance?
10. What are your goals?

Use this knowledge to decide if your plan is ready to launch or needs some revision. This is a good time to run your idea past your attorney and accountant. It's a good idea to execute a Non-Disclosure Agreement (NDA) with anyone you discuss your business plans with.



The Investor Plan.

Many entrepreneurs are anxious to take action quickly and begin executing ideas. The Napkin Plan is a great starting point. However, you can build a better foundation for your business by expanding it into a comprehensive Business Plan, which most investors will require before lending you money. If you aren't sure how to write one, contact your local county clerk's office, library, school, chamber of commerce, or bank to inquire about a free business plan writing course or guide. There are also free resources available online, and you can check out The Small Business Association at www.SBA.gov.

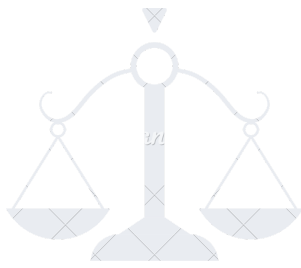
Standard components to a Business Plan:

1. Executive Summary: Overview and Mission Statement
2. Company Description
3. Market Analysis: What do you know about your competition and target audience?
4. Organization and Management: Who is in charge? Who is on the team?
5. Your Services/Products: Detailed descriptions, photos, and drawings.
6. Financial Projections: income statements, balance sheets, cash flow statements, and capital expenditure budgets for 5 years
7. Investor Request: What is your ask?



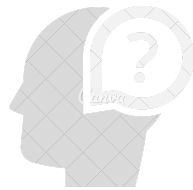
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Looking for a lawyer.

Not every entrepreneur uses an attorney to start their business. The availability of free resources online makes it tempting to jump right in and get started, without a lawyer's expertise. Of course, this usually results in a mistake, which can actually end up costing the entrepreneur more money to fix. Of course, attorneys have different levels of experience, expertise, and dedication. If you decide that you want to work with a lawyer, it is important that you set expectations and goals during the interview process so you can find the right candidate for the job.



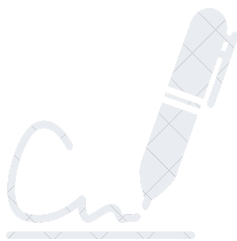
Questions to ask yourself.

What are my immediate needs? What are my long-term needs? What are my goals for timeframes, cost, commitment, responsiveness, and accomplishment? What do I value most in an attorney? Do I know anyone that can recommend an attorney that focuses on business law?



Questions to ask an attorney.

How many active clients are you currently representing? What are your usual times for turnaround? How much experience do you have as a business attorney? Have you handled this issue before? Can you give me examples of handling similar issues for other clients?



Signing a retainer agreement.

Once you've selected an attorney, you will likely be asked to review and sign a Retainer Agreement. The Retainer Agreement should detail your rights as a client, the attorney's duties and obligations to you, payment terms, and contain standard terms and conditions required to be provided to you under New York Law.





Making your business legal.

New York State Business Law prohibits anyone from doing business under a name other than his/her own unless paperwork is filed in your local County Clerk's Office or at the state level. Just because you came up with a name for your company and put it on business cards, launched a website, or use it in your social media does not mean it exists under the laws of New York. To be a legitimate business operation, you must file paperwork.



Filing a Certificate of Assumed Name.

A simple way to legitimize your business is by filing a business certificate for an assumed name, also known as a "doing business as" (DBA) designation with your local County Clerk.

A Certificate of Assumed Name contains information such as the business name, your name, address, and age. Filing fees are currently around \$25 for the NYS fee, plus an additional county fee which may be around \$10.

This is a great place to start, but does not come with any of the benefits of forming a formal legal entity such as a limited liability company (LLC) or Corporation (Inc.). A Certificate of Assumed name does not provide you with protection for your business name, limit your personal liability for your actions under the business, or the shield your personal assets from seizure in the event of a lawsuit. If any of this is important to you, you should hire an attorney to draft and file appropriate legal entity formation paperwork that protects you.



Forming a Legal New York Entity.

To protect your business name, limit your personal liability for your actions under the business, and the shield your personal assets from seizure in the event of a lawsuit, you need to form a legal business entity. The most common options are Limited Liability Company (LLC), and Corporation (Inc.).

Limited Liability Companies (LLC) are the quickest, cheapest option. LLCs are pass-through entities, which are taxed at the owner level. This means your business income and expenses are itemized on your personal tax returns. LLCs are simple and not required to have employees (W2) or a board of directors.

Corporations (Inc.) are more complex. They require a board of directors and have strict record-keeping requirements. Shareholders are taxed, and the business pays taxes. This is a good option if you have many investors or plan to go public.

Your attorney will help you determine which structure is best for your business and will give you the most flexibility and advantages long-term.





Paying taxes.

Getting your finances in line and paying taxes is critical to the success of your company. Ignoring your tax obligations could result in fines and even criminal charges.

You should consider enlisting the help of a seasoned business accountant to verify your compliance with rules and regulations, and also to help maximize your business write-offs. A professional business accountant should be able to recommend personalized strategies for you to lower the amount of taxes you owe, plan for future goals, and reinvest in your business.



Obtaining an EIN.

An Employer Identification Number (EIN) is issued by the IRS to distinguish your business. Your business will use this number when remitting tax payments. If you are a sole proprietor, meaning you are the only owner of the business, the EIN will also help protect your personally identifiable information, as you can use this in lieu of providing your individual social security number. The application for an EIN can be filed electronically, for free, at [IRS.gov](https://www.irs.gov).



Determining your tax obligations.

A professional accountant can help you determine the best tax structure for your business. The tax designation you claim, such as S-Corporation, C-Corporation, Sole Proprietor, Partnership, Joint Venture, LLC, or Non-Profit 501c(3), will determine how often, and which types, of taxes you and your business will be liable for.

Self-employed individuals must remit quarterly estimated tax payments at both the state and federal level. These payments may be made electronically through accounts created at [NY.gov](https://www.ny.gov) and [IRS.gov](https://www.irs.gov).



Documenting income and expenses.

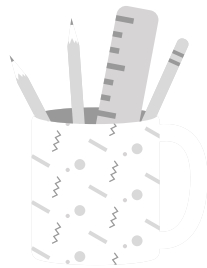
Make it a habit to document all of your business income and expenses. There are several software options available to assist with this, and many are free to use.





Hiring and Paying Your Team

Going from a solopreneur to a business with staff is an exciting jump. More manpower means more production! Make sure you get your team integrated the right way so you don't run into issues down the road.



The W-2 Employee.

Taking on an employee, or paying yourself as an employee, requires that you follow a legal roadmap to ensure you are meeting your employer obligations.

1. **Employment Eligibility Verification**

Form/I-9: This form confirms an employee has the legal right to work in the U.S. Keep in personnel file.
<https://www.uscis.gov/>

2. **W-4:** Employees complete this form so you know how much to withhold from their paycheck.

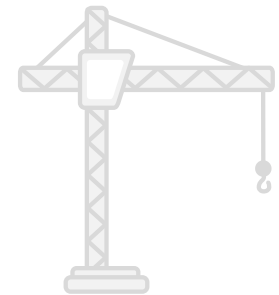
3. **W-2:** This is the form you use to tell the employee and IRS gross pay and tax withholdings.

4. **Workers' Compensation, Disability, and Paid Family Leave:** You may be required to provide this to employees. Verify applicable requirements for your business at <https://dol.ny.gov/online-services-employers-0>

5. **Employment Agreement:** Details job description, pay, benefits, reporting structure, and regular hours.

6. **Employee Manual:** This is your internal set of standard operating policies and procedures (SOPs)

7. **Training:** Staff must be trained on your SOPs and receive mandatory annual training as directed by NYS, including for sexual non-harassment.



The 1099 Independent Contractor.

Starting out, you may choose to pay part-time staff as Independent Contractors instead of as Employees.

1. **W-9:** Independent Contractors submit this form to provide tax information to the Company.

2. **Form 1099-NEC:** Businesses must file this with the IRS by January 31 to show monies paid to Independent Contractors.

3. **Taxes:** Independent Contractors are not paid through company payroll, and are responsible for self-reporting and paying taxes on personal income tax returns.

4. **NYSDOL Compliance:** Employers must verify staff paid as Independent Contractors are not actually employees being mislabeled to skirt tax obligations.
<https://dol.ny.gov/system/files/documents/2021/05/ia318.14.pdf>

5. **Independent Contractor Agreement:** It's good practice to execute an agreement that clearly identifies roles, responsibilities, duties, and obligations.



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Step-By-Step Business Guide

What you need to form your business.

This guide will help entrepreneurs become knowledgeable about the steps required to legally organize and operate a business in the state of New York. This guide is meant to be illustrative in nature and should not be relied upon by the entrepreneur as legal advice. For additional resources, entrepreneurs are encouraged to contact an attorney, or the County Clerk's office in the location where the entrepreneur resides, or will be headquartered.

For-Profit Business: Limited Liability Company (LLC)

- 1. Identify your products or services.**
 - A Business Plan can help build a clear vision, with financials, goals, and strategies.
- 2. Verify that LLC is an appropriate legal entity structure.**
 - LLC: Has 1 or more Members, operated by Members or appointed Managers.
 - Corporation (C-Corp.): Has 1 or more Shareholders, operated by Board of Directors.
 - Review the Common Business Types chart for additional guidance.
- 3. Verify the name you want is available.**
 - Search the Corporation and Business Entity Database, accessible on the New York State Department of State Division of Corporations website, to verify that your name is not already being used. <https://apps.dos.ny.gov/publicInquiry/>
- 4. Draft and file Articles of Organization with NYS.**
 - Blank **Articles of Organization Form DOS 1336-f** and electronic filing is available through New York State Department of State On-Line Filing System. Create login and follow prompts for Domestic Limited Liability Company in the section for On-Line Filing for Domestic Business Owners.
 - Filing fee is \$200.
 - A Certified Copy can be requested for an additional \$10.
- 5. Publish legal ads in two county newspapers; one daily and one weekly.**
 - Within 120 days of formation, you must publish for six (6) consecutive weeks, **two (2) legal advertisements**.
 - The first legal ad must be published in a newspaper that has a daily publication, and is located in the county of formation.
 - The second legal ad must be published in a newspaper that has a weekly publication, and is located in the county of formation.
- 6. Obtain an Employer Identification Number (EIN).**
 - Must apply for a federal EIN using **Form SS-4** located at: <https://www.irs.gov/pub/irs-pdf/fss4.pdf> or complete the **online application** located electronically at the IRS website. <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
 - Filing fee is \$0.
- 7. Draft an internal Operating Agreement.**
 - Members must adopt an **Operating Agreement** which is a procedural guide for how the business will conduct its operations and manage its membership.
 - This does not get filed with NYS but must be kept with Company records.



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LLC Step-By-Step Business Guide

> > > Continued.

8. >

File Certificate of Publication.

- After Affidavits of Publication are mailed to you from both newspapers at the conclusion of the ad period, you must submit them to New York State Department of State, Division of Corporations, using **Form DOS 1708-f, Certificate of Publication**.
- Filing Fee is \$50.

9. >

Register for Biennial Statement Reminders and File Biennial Statement Every 2 Years.

- Provide an email address at the Department of State's E-Statement Filing System to register for reminders. >>> <https://filing.dos.ny.gov/eBiennialWeb/>
- First **Biennial Statement** will be due two years from registration.
- Filing fee is \$9.

10. >

Pay Quarterly Estimated Taxes.

- Quarterly tax estimates must be submitted at the state and federal level.
- Register to pay New York State tax estimates online. <https://www.tax.ny.gov/pay/>
- Register to pay federal tax estimates online. <https://irs.gov/payments>

11. >

Obtain Required Licenses and Permits.

- Each county, city, and town has licensure and permit requirements for certain trades.
- Contact the Clerk's Office in each area where you will be providing services or selling products for more information.



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For-Profit Business: Corporation (Inc.)

- 1. Identify your products or services.**
 - A Business Plan can help build a clear vision, with financials, goals, and strategies.
- 2. Verify that Corporation (Inc.) is an appropriate legal entity structure.**
 - Corporation (C-Corp.): Has 1 or more Shareholders, operated by Board of Directors.
 - LLC: Has 1 or more Members, operated by Members or appointed Managers.
 - Review the Common Business Types chart for additional guidance.
- 3. Verify the name you want is available.**
 - Search the Corporation and Business Entity Database, accessible on the New York State Department of State Division of Corporations website, to verify that your name is not already being used. <https://apps.dos.ny.gov/publicInquiry/>
- 4. Draft and file Certificate of Incorporation with NYS.**
 - Blank **Certificate of Incorporation Form DOS 1239-f** and electronic filing is available through New York State Department of State On-Line Filing System. Create login and follow prompts for Domestic Limited Liability Company in the section for On-Line Filing for Domestic Business Owners.
 - Filing fee is \$125.
 - A Certified Copy can be requested for an additional \$10.
- 5. Obtain an Employer Identification Number (EIN).**
 - Must apply for a federal EIN using **Form SS-4** located at: <https://www.irs.gov/pub/irs-pdf/fss4.pdf> or complete the **online application** located electronically at the IRS website. <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
 - Filing fee is \$0.
- 6. Appoint an Initial Board of Directors.**
 - Must be of legal age (18).
 - Should appoint a President, Vice President, Treasurer, and Secretary. One person may serve in more than one role.
- 7. Draft Internal Bylaws.**
 - Board of Directors must adopt a set of Bylaws through a Board Resolution.
 - Bylaws are a procedural guide for how the business will conduct its operations and manage its shareholders.



INC. Step-By-Step Business Guide

> > > Continued.

8. >

Register for Biennial Statement Reminders and File Biennial Statement Every 2 Years.

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- First **Biennial Statement** will be due two years from registration.
- Filing fee is \$9.

9. >

Pay Franchise Taxes.

- File franchise tax reports and pay franchise taxes annually, even if you do not conduct business or make any profit. <https://irs.gov/payments>

10. >

Obtain Required Licenses and Permits.

- Each county, city, and town has licensure and permit requirements for certain trades.
- Contact the Clerk's Office in each area where you will be providing services or selling products for more information.

11. >

Conduct Regular and Annual Meetings.

- Follow procedures set forth in Bylaws for regular and annual meetings.
- Keep detailed meeting minutes in company records.
- Keep accurate books and records, including Shareholder information.



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Common Business Types

This helpful chart summarizes the key differences in common business structures. Not sure which legal entity is right for you? Consult with a business attorney for guidance.

	PEOPLE	LIABILITY	TAXES	FLEXIBILITY
SOLE PROPRIETORSHIP	1 (Unless married couple electing qualified joint venture status)	Personal liability for the financial obligations of the business.	Passed through to owner and reported on owner's personal tax returns.	Cannot add owners; sole responsibility for management.
PARTNERSHIP	2 or more	Personal liability for the financial obligations of the business.	Passed through and reported on individual tax returns; subject to self-employment tax.	Can add partners and manage according to Partnership Agreement.
C-CORPORATION	1 or more	No personal liability.	Corporation is taxed, and individual shareholders pay taxes on dividends.	Can add shareholders by following Bylaws; decisions made by Board of Directors.
S-CORPORATION	1 or more	No personal liability.	Passed through and reported on individual tax returns; employees must be paid a "reasonable" salary.	Limited shareholders; must be US individuals; profits must be paid out proportionately.
LIMITED LIABILITY COMPANY (LLC)	1 or more	Shielded from personal liability.	Passed through to members and reported on individual tax returns; income subject to self-employment tax. Can elect Corp taxation.	Can add members by following Operating Agreement; can be managed by one or more members.

**This can vary from state to state, so you should consult with an attorney to verify the requirements of your state before proceeding.*

Can a 50/50 Partnership Work?

This helpful chart summarizes key considerations in setting up a 50/50 partnership. Not sure how to draft a solid Partnership Agreement? Consult with a business attorney for guidance.

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	PROS	CONS	SET UP FOR SUCCESS
MANAGEMENT & CONTROL	Shared responsibilities and obligations.	Confusion about who is "in charge"; agreement needed for decisions.	Issue titles; delegate authority based on strengths; require unanimous consent for significant spending, third party obligations, and acquiring or disposing of assets.
GRIDLOCK	Partners have equal say in resolution.	Litigation or dissolution may be only recourse.	Agree to use mediation or neutral third party to resolve disputes.
PROFITS & LOSSES	Shared start-up costs and shared losses.	Profits are split equally despite effort exerted.	Regular open communication to foster mutual motivation, support, and shared responsibility for risks.
MWBE STATUS	Can allow access to certain government contracts.	Some states require 51% ownership by a woman/minority to qualify; grants certain opportunities for government contracts.*	Determine whether MWBE status applies in your industry by researching "minority-owned business certification" in your state; adjust ownership accordingly.
TRANSFER OF OWNERSHIP	Can agree to dilute shares equally to maintain voting clout when bringing on additional partners.	Without restrictions, if partner sells shares or dies, original partner could become paired up with an undesirable cohort.	Implement transfer restrictions in Buy-Sell Agreement; give company/original partner the right of first refusal.
CONSIDER 49/49/2%	The 2% owner can act as neutral third party to advocate for consensus.	Diluted power; potential to be out-voted.	Identify key decisions that require unanimous consent of all partners.
PARTNERSHIP AGREEMENT	Outlines responsibilities, obligations, voting, transfer restrictions, and dispute resolution.	If partners can't agree on this basic document, they are unlikely to function well as a business team.	Draft even if already in operation. A solid Partnership Agreement will help avoid costly and time-consuming litigation down the road.

**This can vary from state to state, so you should consult with an attorney to verify the requirements of your state before proceeding.*

How to Fund Your Startup

Want to launch your business but not sure how to fund it?

This chart summarizes some common options.
Consult with a business attorney and accountant
to make sure your interests are protected.



	PROS	CONS
BANK LOAN	Builds business credit; can retain ownership (vs. giving investors equity).	Difficult to qualify for; monthly repayment with interest restricts cash flow; personal guarantee required; security interest on assets.
PRIVATE INVESTOR	Flexible repayment terms; the right investor can add valuable experience to your operations; easier access to cash.	Shorter repayment term than bank loan; may require equity in company; potential for "strings attached"; can jeopardize personal relationships.
SBA LOAN	Higher rate of approval vs. traditional bank; usually have lower down payments; negotiable terms; restructuring options.	Lengthy application; must submit personal finance reports & cash flow projections; lengthy processing time; personal liability; higher interest rates; potential for denial.
401(K) LOAN	Can borrow lesser of up to half of your vested balance, or \$50k for eligible business purpose.	Plan-specific; must pay interest; must remain employed & enrolled in employer-sponsored 401(k) while balance is outstanding.
401(K) ROLLOVER	Can rollover balance into a new 401(k), called Rollovers as business Startups (ROBS); leverage retirement funds tax penalty-free.	Plan-specific; new business must be organized as a C-Corp; puts your retirement plan at risk; must administer a retirement plan.
CREDIT CARDS	May have introductory interest-free payments, perks and rewards; builds business credit; lack of collateral required.	Annual fees; high interest rate; requires monthly payments; can negatively impact personal credit score; potential to incur more debt than capable of repaying.
CROWDFUNDING	Appeals to large audience; quick access to short-term funding; helps market products/services.	Fees due to campaign host; lack of long-term funding strategy; difficulty attracting investors; if goal is unmet the campaign will be cancelled.
HOME EQUITY LOAN	Fixed rate and repayment schedule; lower interest rate than business loan; likelihood of approval with current mortgage lender.	Puts home at risk as collateral; debt generally cannot be discharged in bankruptcy if business fails; personal risk.
PERSONAL SAVINGS	Access to cash; known parameters for spending ability; motivation to generate cashflow.	Once depleted, unable to pay personal debts.

**This chart is for informational purposes only. You should consult with an attorney and your accountant before proceeding.*

How to Negotiate

ADVOCATING FOR YOUR BEST INTERESTS IS CRITICAL TO THE LONG-TERM SUCCESS OF YOUR BUSINESS. USE THIS CHART TO HELP STRATEGIZE YOUR NEGOTIATION TACTICS AND SECURE A FAVORABLE BUSINESS DEAL. NOT SURE IF YOUR AGREEMENT IS FAIR? HAVE AN ATTORNEY DO A QUICK REVIEW TO EXPLAIN THE RISKS BEFORE YOU EXECUTE.

COMMON BUSINESS NEGOTIATIONS: PARTNERSHIP AGREEMENTS, CONTRACTS, PAYMENT TERMS, EQUIPMENT AND PROPERTY LEASES, EMPLOYMENT AGREEMENTS, VENDOR CONTRACTS, PURCHASE AND SALE AGREEMENTS, TERM SHEETS, PROPOSALS, INVOICES



KNOW YOUR VALUE.
HOW DO YOU CREATE DESIRABLE VALUE? WHY DOES THE OTHER PARTY NEED YOUR BUSINESS? IF YOUR PROPOSAL IS REJECTED, HOW CAN YOU MAKE IT MORE APPEALING? NEVER TAKE "NO" FOR AN ANSWER. ASK FOR FEEDBACK & WORK ON A SOLUTION THAT FITS YOUR MODEL.



RECOGNIZE THAT EVERYTHING IS NEGOTIABLE. IDENTIFY YOUR BEST-CASE SCENARIO & PUSH FOR IT. IF YOU'RE ADVISED AN AGREEMENT CANNOT BE MODIFIED, YOU'RE LIKELY FAILING TO SHOW WHY MAKING A DEAL WITH YOU IS ADVANTAGEOUS. KNOW & UNDERSTAND THEIR NEEDS & SHOW HOW YOU MEET THEM.



DON'T MAKE A BAD DEAL UNDER PRESSURE.
HAVE A BACK-UP PLAN & KNOW YOUR ALTERNATIVES. USE COMPROMISES AS LEVERAGE FOR CONCESSIONS. IF YOU GIVE SOMETHING, ASK FOR SOMETHING. MOST DEALS AREN'T DONE AT THE FIRST MEETING; WALK AWAY AND REASSESS.



DON'T NEGOTIATE AGAINST YOURSELF.
IF YOUR OFFER IS DECLINED, ASK THEM TO MAKE A COUNTER-OFFER. BE FIRM & RESPECTFUL. IDENTIFY WHERE YOU CAN MAKE CONCESSIONS. DO NOT MAKE THEM ALL AT ONCE. TAKE TIME TO UNDERSTAND CRITICAL AREAS OF CONTENTION.



PUT IT IN WRITING.
ASK YOUR LAWYER TO PREPARE THE FIRST DRAFT OF YOUR PROPOSED DEAL & BRING IT WITH YOU TO THE NEGOTIATION. FRAME KEY POINTS WITH YOUR PREFERRED TERMS. IF CHANGES ARE MADE, INITIAL THEM. KEEP A FULLY SIGNED COPY ON FILE.

How to Make a Contract

PUT ALL OF YOUR BUSINESS DEALS IN WRITING AND PROTECT YOUR RIGHTS BY FOLLOWING THESE SIMPLE STEPS. NOT SURE IF YOU LEFT SOMETHING OUT? HAVE AN ATTORNEY DO A QUICK REVIEW BEFORE YOU SIGN.

COMMON BUSINESS CONTRACTS: EQUIPMENT AND PROPERTY LEASE, NON-DISCLOSURE AGREEMENT (NDA), SERVICE AGREEMENT, INDEPENDENT CONTRACTOR AGREEMENT, EMPLOYMENT AGREEMENT, PURCHASE ORDER, BILL OF SALE, INDEMNITY AGREEMENT



1

CORRECTLY IDENTIFY THE PARTIES. USE LEGAL ENTITY NAMES IF YOU ARE DOING BUSINESS WITH A COMPANY. INCLUDE ADDRESSES FOR EACH PARTY.



2

DEFINE KEY TERMS. INCLUDE: RESPONSIBILITIES, SCOPE OF SERVICES OR PRODUCTS, PAYMENT TERMS, TERM (DURATION) AND TERMINATION (END), GOVERNING LAW, DISPUTE RESOLUTION.*



3

DATE & SIGN IT. BE SURE THE PEOPLE SIGNING HAVE THE LEGAL AUTHORITY TO BIND THE PARTY OR COMPANY THEY ARE SIGNING ON BEHALF OF. NOT SURE? ASK THE PRESIDENT TO VERIFY.



4

KEEP A COPY. IF YOU SIGNED FIRST, MAKE SURE YOU GET A COUNTER-SIGNED, FULLY EXECUTED AGREEMENT FOR YOUR FILES.



5

DON'T LET IT EXPIRE. YOU'LL NEED TO SIGN A NEW CONTRACT OR AMENDMENT TO PROTECT YOUR RIGHTS IF YOU WANT TO CONTINUE DOING BUSINESS AFTER THE TERM EXPIRES.

**General description. Appropriate language is specific to the business transaction at hand.*

How to Hire Your Team Legally

READY TO HIRE STAFF? USE THIS CHART TO GET YOUR TEAM ONBOARD LEGALLY WHILE PROTECTING YOUR BUSINESS. NOT SURE HOW TO DRAFT DOCUMENTS THAT COMPLY WITH RULES AND REGULATIONS IN YOUR AREA? ASK A LOCAL ATTORNEY TO ASSIST.



1

OBTAIN AN EMPLOYER IDENTIFICATION NUMBER (EIN)
YOU'LL NEED THIS FOR TAX PURPOSES. APPLY FOR FREE ONLINE AT IRS.GOV AND RECEIVE YOUR NUMBER SAME-DAY. ALSO CHECK YOUR STATE'S LABOR WEBSITE FOR ANY RELEVANT EMPLOYER REGISTRATION REQUIREMENTS.



2

CLASSIFY THE WORKER CORRECTLY.
NOT SURE IF THE WORKER SHOULD BE AN EMPLOYEE (W2), INDEPENDENT CONTRACTOR (1099), UNPAID INTERN, AND HOURLY VS. SALARIED? SEARCH YOUR YOUR STATE'S DEPARTMENT OF LABOR FOR CLASSIFICATION RULES AND GUIDELINES OR ASK YOUR ATTORNEY.



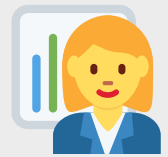
3

VERIFY ELIGIBILITY TO WORK IN THE U.S.
THIS IS YOUR RESPONSIBILITY. ISSUE THE WORKER A FORM I-9. YOUR STATE MAY ALSO REQUIRE YOU TO E-VERIFY. VISA ISSUES CAN BE ADDRESSED BY CONSULTING WITH AN IMMIGRATION ATTORNEY. ALSO CONSIDER RUNNING A BACKGROUND CHECK.



4

ISSUE EMPLOYMENT DOCUMENTS.
DRAFT AND EXECUTE AN OFFER LETTER, EMPLOYMENT OR INDEPENDENT CONTRACTOR AGREEMENT THAT DEFINES ROLES AND RESPONSIBILITIES, ALONG WITH A CONFIDENTIALITY AGREEMENT, NON-COMPETE AGREEMENT, AND STATE-COMPLIANT EMPLOYEE MANUAL.



5

AFTER YOU HIRE:
REPORT THE HIRE TO YOUR STATE; OBTAIN WORKERS' COMP. INSURANCE; TRACK HOURS; ISSUE PAYROLL; WITHHOLD AND REPORT TAXES; POST REQUIRED LABOR POSTERS; CONDUCT REGULAR PERFORMANCE REVIEWS; DOCUMENT ANY ISSUES; STAY INFORMED ABOUT WORKPLACE REGULATIONS.

How to Protect Your Ideas

It's important to protect your intellectual property if you want to prevent your competitors in the marketplace from freely copying your ideas. This chart summarizes key information to get started. An attorney can help you follow through.

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	PATENT	TRADEMARK	COPYRIGHT
WHAT IT PROTECTS	Tangible invention for the way something looks (design patent) or is used and works (utility patent)	Word, phrase, symbol, and/or design that identifies your product (trademark) or service (service mark)	Work of authorship
EXAMPLES	Manufactured item such as a shirt, the process to manufacture it, or the material used to create it	Company logo, slogan, or brand	Book, music, movie, software
DESIGNATION SYMBOLS	Patent Pending or Pat. Pend. = common law patent claim (not registered with USPTO) ® = registered with USPTO	™ = common law trademark (not registered with USPTO) SM = common law service mark (not registered with USPTO) ® = registered with USPTO	©, year first published, and owner's name = same designation whether unregistered, or registered with US Copyright Office ex: © 2020 Tarshus Law Firm, PLLC
HOW LONG IT LASTS	Design Patent (look): 15 years Utility Patent (use): 20 years	Indefinite; so long as regular required filings are maintained	Life of author + 70 years
INTERNATIONAL PROTECTIONS	None; file separate application(s) for other countries; may be able to do multiple countries at once under Patent Cooperation Treaty (PCT)	None; file separate application(s) for other countries; may be able to do multiple countries at once under Madrid Protocol via USPTO	Some. Participating countries have standards to uphold rights of U.S. copyright owners; see Circular 38A
HOW TO ENFORCE	Owner's responsibility to monitor infringement and file civil action	Owner's responsibility to monitor infringement and file civil action	Owner's responsibility to monitor infringement and file civil action
WHERE TO FILE	United States Patent and Trademark Office (USPTO)	United States Patent and Trademark Office (USPTO)	U.S. Patent Copyright Office
COST TO FILE	Total for filing fee, application fee, search fee, and examination fee ranges from \$1,000 - 1800*	Fee per class of goods = \$275* International protections = fee varies based on countries included*	Basic application fee = \$45 - 65*
BEFORE YOU FILE	Hire an attorney to perform an advanced patent search via USPTO to verify that your idea has not already been patented	Hire an attorney to perform an advanced mark search via USPTO to verify that your mark has not already been registered	Hire an attorney to perform a search in the Copyright Public Records Catalog to verify that no copyright exists

**This chart is for informational purposes only. Fees are based on current governmental agency published rates and do not include legal fees. You should consult with an attorney before proceeding.*



We'd love to help you **amplify** your success!

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