



STEPS TO STARTING A BUSINESS

Following are several steps, which may assist you as you investigate and/or start your new business. This is intended to provide general guidance and is not intended to provide detailed information on all required forms or steps. It is recommended you work with an accountant and attorney to ensure all requirements are met.

Business Plan: The first step to starting a new business or expanding an existing business is the development of an effective and inclusive business plan. The plan typically includes the following: Business name, location, the business products or services, market and competition, expertise of the management team, summary of financial projections, amount of financial assistance needed (if applicable), form of an purpose of financial assistance (if applicable), and business goals. This is typically required in order for a new business to qualify for funding assistance. A business plan should be updated as the business grows or changes.

Type of Business Entity (e.g. Sole Proprietor, Partnership, Limited Liability, C-Corp, or S-Corp.): It is recommended that you meet with an accountant and/or attorney to discuss which type of business entity is best suited for your particular type of business and situation (e.g. one owner versus multiple owners), tax benefits and reporting requirements of each.

Company Name Registration: To determine if a company name is needed and if the company name is available, you may contact the Secretary of State's office at: 651-296-2803. A business owner may file a "Certificate of Assumed Name" with the Secretary of State, Business Services Division. The forms are available by contacting the Secretary of State at: (651) 296-2803 or on-line at: www.sos.state.mn.us/business/forms.html. There is a \$25.00 filing fee which must be submitted with the application. The State will return the form with a number stamped on it and the Certificate. This must be published in the legal section of your newspaper for two consecutive issues. A company name is valid for 10 years. If you work with an attorney to incorporate your business, the attorney often times will coordinate this process for you.

Insurance: A company should investigate the types and amounts of insurance needed. This may include property insurance, business interruption insurance, liability insurance (including business automobiles), bonds (fidelity and/or surety bonds), workers compensation insurance, group life insurance, group health insurance and product liability insurance.

Business Licenses: Certain types of businesses require a license, while others do not. For local licensing requirements contact the City offices. For state licenses you may contact the Bureau of Business Licenses at: www.dted.state.mn.us or check the index of "A Guide To Starting A Business In Minnesota", which may be obtained free of Charge from the MN Small Business Assistance Office at: 651-296-3871 or 1-800-657-3858.

State Tax ID Number: To apply for a Minnesota Tax Identification Number, please call: (651) 282-5225 or 1-800-657-3605 or you may visit the Minnesota Department of Revenue's website by logging on to: www.taxes.state.mn.us/regist/busreg/html.

Federal Tax ID Number: In order to apply for a Federal Tax Identification number, you will need to submit Form SS-4, Application for Employer Identification Number (EIN) to the Internal Revenue Service. The IRS may be reached at: 1-800-829-1040 or at: Department of the Treasury, Internal Revenue Service, Kansas City, MO 64999.

State Unemployment Tax (SUTA): All business entities, except sole proprietors or single-member liability companies are required to pay MN Unemployment Tax. Form MDES-13, Report to Determine Liability, must be completed within 30 days of business. The Department of Economic Security will advise businesses of their liability. The forms and more information are available from the Department of Economic Security at: (651) 296-2919 or www.des.state.mn.us.

Federal Unemployment Tax (FUTA): Form 940 or 940-EZ is required to be filed on an annual basis, typically the first month after year-end. The Internal Revenue Service administers this fund. Forms may be obtained by calling: 1-800-829-3676 or access their web site at: www.irs.gov.

Financial Records and Reporting: It is recommended you work with your accountant to determine the type of accounting system you will maintain. Various software programs are available for record maintenance. Payroll taxes and may quarterly reports (e.g. Forms 941, 1120 and 940) can now be filed on-line through the IRS and MN Department of Revenue web sites.

Sources of Additional Assistance: There are a number of state and local offices available to assist you with the establishment of your business. These include:

- MN Small Business Assistance Office: 651-296-3871 or 1-800-657-3871. The FREE publication, "A Guide to Starting a Business in Minnesota" is available by contacting this number as well.
- MN Trade Office: 30 East Seventh Street, Suite 1000, St. Paul, MN 55101-4902: Phone: 651-297-4222 or 1-800-657-3858 (ask for MTO), or e-mail: mto@state.mn.us
- MN Workforce Center- St. Cloud office: 3333 Division Street West, Midtown Square, St. Cloud, MN 56302: Phone: 320-654-5320, Fax: 320-654-5173, TTY: 320-654-5147, Toll Free: 1-888-GET-JOBS (438-5627), web: www.mnworkforcecenter.org
- SCORE Office: St. Cloud SCORE Chapter #468, Anderson Entrepreneurial Center, #100, 616 Roosevelt Road, St. Cloud MN 56301: Phone: 320-240-1332, Email: stcloud@scoreminn.org, web: www.haec.org/SCORE.html
- Wright County Economic Development Partnership: PO Box 525, 6800 Electric Drive, Rockford, MN 55373, Phone: 763-477-3086, Fax: 763-477-3054, email: info@wrightpartnership.org. Web: www.wrightpartnership.org
- Cokato City Hall/ Chamber of Commerce: 255 Broadway Avenue, PO Box 1030, Cokato, MN 55321, 320-286-5505.
- EDA consultants: Joanne Foust or Cynthia Smith-Strack at: 952-758-7399 or staff@municipaldevelopmentgroup.com

