



Moore School of Business

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Checklist of Requirements for (Almost All) New South Carolina Businesses

1. Access www.scbos.com to register a new business with the Secretary of State. Once the name is registered, you will be sent a "Certificate of Existence" either via mail or email. If you are considering operating a business website, it is good to verify that your business name is the same as your web domain name. Sign up for both names at the same time.
2. Apply for your Federal Employer Identification Number (Form SS-4) through the IRS or on www.scbos.com. Corporations, partnerships, and sole proprietorships with employees must apply for this number. The local IRS office will send you a form with your new EIN number on it via the mail.
3. If your business is retail in nature, apply for South Carolina Sales and Use Tax with the South Carolina Department of Revenue on www.scbos.com.
4. Open a business checking account at a local bank. You will need the Certificate of Existence and your EIN number.
5. Apply for city and/or county business license at city hall, county courthouse or administration building. Please see www.uscbiz.net for a list of contacts.
6. If the nature of your business requires a professional or occupational license for operation, contact the South Carolina Department of Labor and Licensing Regulation at www.llr.state.sc.us.
7. Self-employed individuals operating as sole proprietorships should make quarterly individual estimated tax payments to the South Carolina Department of Revenue (using a voucher from your CPA) and to the federal IRS (using a voucher from your CPA). At year's end, you will file your business income and expense (P&L) on Schedule C as part of your annual 1040 Tax Return.
8. Contact an insurance broker to obtain fire and accident, liability, theft, workers' compensation, and other types of commercial insurance needed to operate the business. Workman's Compensation insurance requires that you keep employee accident reports and injury claims.
9. Contact an accountant, preferably a CPA, and provide him/her with all of the basic business information so that the initial books may be opened in a timely and orderly manner.
10. If you need a loan to start your business, write your business plan and create three years of forecast financials for the lender to review (as part of your loan application). Contact your local SBDC office for assistance with the business plan, forecast financials, and lender contacts. In South Carolina please access www.uscbiz.net for SBDC office locations, contact information, and for business plan and financial templates.
11. If your business is specific to environmental, waste management/landfill, water treatment, underground storage tank, emergency medical service, healthcare, day care, or food service concerns, contact DHEC for specific licensing and regulatory requirements www.scdhec.gov.

12. If your business requires building a new facility, contact local zoning and ordinance boards, secure architectural renderings, obtain a building permit, and contact the State Fire marshal for a fire and safety inspection before opening the business. Please see www.llr.state.sc.us/firemarshal.asp.
13. For businesses with or anticipating having employees, the following federal information must be filed. You will need to use IRS Form I-9 in your hiring process (available at www.uscis.gov/files/form/I-9.pdf and IRS Form W-4 available at www.irs.gov/pub/irs-pdf/fw4.pdf. Publication 15 (2010) Circular E explains how to withhold taxes from employee pay; this information is accessible at www.irs.gov/publications/p15/ar02.html. Form 940, Employer's Annual Federal Unemployment (FUTA) Form must be filed for businesses with more than four employees. Form 941 Quarterly Tax Return, and/or Form 944 Annual Tax Return must be filed. There are also ERISA retirement and pension records that must be maintained, as well as FMLA records.
14. For businesses with or anticipating having employees, the following state information must be filed. Please contact the South Carolina Department of Revenue for your South Carolina Income Tax Withholding Identification number. For more information please see www.sctax.org/Forms+and+Instructions/withholding/default.htm. You will also need to contact the South Carolina Department of Employment & Workforce at www.sces.org for State Unemployment Insurance (SUI) Quarterly Returns.
15. For businesses with or anticipating having employees that must adhere to OSHA standards, please see www.scosha.llronline.com for more information.

Additional Requirements for Partnerships

16. If operating as a general partnership, it is a good idea to develop a General Partnership Agreement to specify the details of how the partnership will work.
17. If operating as a limited partnership, prepare and file a Certificate of Limited Partnership with the Secretary of State. Your attorney can help you with this.
18. File a state partnership return (*K-1*) with the South Carolina Department of Revenue each year on or before April 15 or on or before the 15th day of the 4th month following the close of the fiscal year.
19. File IRS *Form 1065* to report partnership income. Each partner must report his/her share of self-employment income on *Schedule SE of Form 1040* and income or loss from partnership operations on *Schedule E of Form 1040*.

Additional Requirements for New Corporations

20. Contact the Secretary of State's office through www.scsos.com to register the name of your corporation. (This is not mandatory, but is a good practice.) *Secure registered name before fulfilling other requirements.*
21. Prepare and file with the Secretary of State the articles of incorporation with certificate indicating that publication of the notice of incorporation has been made and the requisite advertising fees have been made. The services of an attorney are recommended.
22. Prepare consent for appointment of registered agent (as part of legal documents filed). (Not required, but it is a good practice).
23. Arrange for the advertising of the incorporation for two successive weeks with the local newspaper designated to handle legal advertisements.

24. Prepare a consent action form or hold a meeting of the shareholders to elect Board of Directors for the corporation. You will probably need the services of an attorney to help you with this.
25. Prepare bylaws to be adopted at the organizational meeting of the Board of Directors which shall also include the election of officers. You will probably need the services of an attorney to help you with this.
26. Accept share subscription agreements and investment letters exempting the stock from state and federal securities laws. You will probably need the services of an attorney or CPA to help you with this.
27. Complete the Secretary of State's annual registration. You may need the services of an attorney to help you with this.
28. Complete the initial South Carolina license and occupation tax return, and pay the initial tax based on the capital stock issued.
29. Complete bank corporate resolution forms and signature cards necessary to establish a corporate checking account. You will probably need the services of a CPA or an attorney to help you with this.
30. Accept payment for stock from the stockholders and issue certificates. The shareholders should execute receipts for the certificates. You will probably need the services of a CPA or an attorney to help you with this.
31. Complete stockholder's information in corporate minute book and stock ledger. You will probably need the services of a CPA or an attorney to help you with this.
32. Consider election of S Corporation status (*IRS Form 2552 or 2553*) or taking steps to ensure that stock issued will qualify as Section 1244 stock under Internal Revenue Code *Section 1244*. You will probably need the services of a CPA or an attorney to help you with this.
33. Consider adopting a cross-purchase or stock redemption agreement, and in turn, place a legend on the stock certificates restricting the sale, assignability, or transferability of stock. You will probably need the services of a CPA or an attorney to help you with this.
34. File Federal Income Tax Return Form 1120 (*Form 1120-S* for an S Corporation). You will probably need the services of a CPA to help you with this.
35. Deposit federal taxes and accompanying coupons in authorized bank. You will probably need the services of a CPA or accountant to help you with this.