

## ESTABLISHING A BUSINESS CHECKLIST

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Do these steps in order!

### 1. Determine Your Business Structure

- Consult with an attorney and/or accountant to determine the best fit for you.

Issues	Sole Proprietorship	Partnership	S Corp.	Limited Liability Company	C Corp.
<b>Number of owners</b>	One	No limit	100	No limit	No limit on shareholders
<b>Liability</b>	Owner liable for all claims against business	General partners liable for all claims. Limited partners only to amount of investment.	Limited liability	Members liable as in partnerships.	Shareholders liable to amount invested. Officers may be personally liable.
<b>Life of Business</b>	Dissolution on the death of the owner	Dissolution on the death or separation of a partner unless otherwise specified in the agreement. Not so in the case of limited partners.	Continuity of life	Continuity of life	No effect
<b>Transfer of Interest</b>	Owner free to sell	General partner requires consent of other generals to sell interest. Limited's ability subject to agreement.	Subject to agreement	Free transferability of interests subject to agreement.	Shareholders free to sell unless restricted by agreement.
<b>Distribution of Profits</b>	Profits go to owner	Profits shared based on partnership agreement.	Profits go to owners.	Profits go to members.	Paid to shareholders as dividends according to agreement and shareholder status
<b>Management Control</b>	Owner has full control	Shared by general partners according to partnership agreement	Shared by owners/ shareholders	Rests with management committee (owners or those shareholders)	Rests with the board of directors appointed by the shareholders

<http://www.dummies.com/business/start-a-business/deciding-on-the-best-legal-form-for-your-business/>

### 2. Choose a Business Name

- Search [Montana Secretary of State Website](#) to see if the name has already been taken.
- Search [United States Patent and Trademark Office](#) to see if the name has already been taken.
- Google Search for the name to see if the name has already been taken.

### 3. Reserve a Business Name and File Organizational Documents (\$20 - \$150 depending on structure)

- Print out the appropriate form on Montana Secretary of State <http://sos.mt.gov/Business/Forms>
- You may need other documents depending on your organizational structure
- Website: sos.mt.gov, Phone: (406) 444-3665

#### 4. Find a location

- Check your local zoning and community planning office for more details
- City of Bozeman Zoning Check | <https://bozeman.zoningcheck.com/business>
- Zoning map: <https://gisweb.bozeman.net/Html5Viewer/?viewer=planning>
- 406-582-2260 | [businesslicenses@bozeman.net](mailto:businesslicenses@bozeman.net)

#### 5. Apply [online](#) for Employee Identification Number (EIN) (Free)

- [www.irs.gov/businesses](http://www.irs.gov/businesses) | (800) 829-4933
- **What Taxpayer ID Does a Sole Proprietor Business Use?**  
A sole proprietorship commonly uses the owner's Social Security number for the tax number for the business. Since the business files and pays taxes through the owner's personal tax return, the SSN is the only Taxpayer ID Number needed.
- **What Taxpayer ID Does an LLC, Partnership, or Corporation Use?**  
Businesses that are registered with the IRS typically use an Employer ID number for business identity. An Employer ID number (EIN) is used by all other types of businesses, even if the business has no employees. Banks often require a new business to have an EIN before they can open a business bank account. You can apply for an EIN online at the IRS website.
- **A single-member LLC is an exception. If you are the sole owner of an LLC, you should use your Social Security Number, not the tax ID number (EIN) of the business.**

#### 6. Apply for a state unemployment insurance tax ID number (free)

- If you are a corporation or planning on having employees
- Montana Department of Labor and Industry | [www.UI4Employers.mt.gov](http://www.UI4Employers.mt.gov) | (406) 444-3834

#### 7. Apply for Professional Licenses

- Montana law requires licensing for some professions—such as architects, barbers, and dentists. To determine whether you need a professional license, contact the Montana Department of Labor and Industry.
- Montana Department of Labor | <http://bsd.dli.mt.gov/license> | (406) 841-2300

#### 8. Additional Licenses (please check on your specific industry, these are a just a few)

- Any place that the public will go to: ex. Retail Food, Daycares | <http://dphhs.mt.gov/publichealth/FCSS>
- Construction Contractor
  - Montana Department of Labor & Industry Employment Relations - Construction Contractor Registration Unit
  - [www.mtcontractor.com](http://www.mtcontractor.com) | 406-444-7734
- Beer and Wine License in Montana
  - [Department of Revenue](#) | 1 (866) 859-2254
- Independent Contractor
  - [www.mtcontractor.com](http://www.mtcontractor.com) | (406) 444-9029
- Apply for Health Department Permits and Licenses
  - Permits, licenses and/or inspections may be required for your business or the activity in which you are participating. These permits, licenses or approvals may be the jurisdiction of the Health Department or another agency. Inspections are done to assure the safety of the public and the prevention of unsanitary and unhealthy conditions and practices.
    - Gallatin City-County Health Department, Environmental Health Services (EHS): [healthygallatin.org](http://healthygallatin.org)
    - Park County Health Department: [www.parkcounty.org/site/1HLT.html](http://www.parkcounty.org/site/1HLT.html)

## 9. Apply for Local Business License

- Each city and county has specific requirements. Contact your county courthouse or city office to learn more.
- A business license is required for all businesses within city limits. Doing business in the city, even temporarily, requires a business license.
- The State of Montana does not have a general business license.
- A business license is not required by Gallatin County or Park County, if the business is located outside the jurisdictional limits of a city.
- Exceptions:
  - Registered Non-Profits
  - People under the age of 18
  - Property Managers with less than three rental units (Vacation Rentals do require a License)

### City of Bozeman

<http://www.bozeman.net/Departments/Community-Dev-/Business-Licenses> | 406-582-2260 | [businesslicenses@bozeman.net](mailto:businesslicenses@bozeman.net)

### City of Belgrade

[http://ci.belgrade.mt.us/permits\\_fees.asp](http://ci.belgrade.mt.us/permits_fees.asp) | (406) 388-3760

### City of Livingston

[www.livingstonmontana.org](http://www.livingstonmontana.org) | (406) 222-2005

### City of Three Forks

[www.threeforksmontana.us](http://www.threeforksmontana.us) | (406) 285-3431

### Town of Manhattan

[www.townofmanhattan.com](http://www.townofmanhattan.com) | (406) 284-3235

## 10. Determine the Types of Insurance Coverage Needed

- General Liability Insurance
- Product Liability Insurance
- Professional Liability Insurance
- Commercial Property Insurance
- Home-Based Business Insurance
- Re-Rent Insurance (rental companies)

## 11. Apply for Worker's Compensation Insurance

- If you plan to hire employees, you are required to provide insurance coverage under Worker's Compensation Laws.
- Montana Department of Labor and Industry – Workers' Compensation Regulation Bureau  
[www.erd.dli.mt.gov/workers-comp-regulations-bureau.html](http://www.erd.dli.mt.gov/workers-comp-regulations-bureau.html) | (406) 444-7734

## 12. Open Business Banking Account(s)

- Banks will require the following to establish a business bank account:
  - Tax ID
  - business organization documents
  - proof of existence documents
  - authorization by providing a valid ID
  - funds for a minimum deposit