

Checklist for Establishing a Small Business in VA

This checklist provides a guideline for preparing to operate a business. Some steps may not apply to your business.

- Determine your creditworthiness and address your credit problems.** Get your free credit report (www.annualcreditreport.com) and take steps now to position yourself for financing.
- Write a business plan.** A business plan helps you evaluate the potential success of your business and helps you calculate how much financing you need.
- Research your financing options.** Determine your likelihood of qualifying for financing and get pre-qualified and/or secure start-up financing.
- Determine the legal structure of your business (business entity).** Attend a class on business entities and consult a business attorney and CPA for advice.
- Choose a name for your business and check for availability.** Your business name must be unique – no other business in Virginia can have the same name. Check with the SCC if you are a partnership, LLC or corporation. Check with your local Clerk of the Circuit Court if you are a sole proprietorship.
- Register your business with the State Corporation Commission.** All partnerships, LLCs and corporations must file articles with the SCC. www.scc.virginia.gov/division/clk/index.htm
- If you are a sole proprietorship, or a partnership, LLC or corporation doing business under an assumed name, file a certificate of assumed name.** Sometimes called a fictitious name certificate or a DBA (doing business as) certificate, this certificate is typically filed with your local Circuit Court.
- Obtain an Employee Identification Number (EIN) from the IRS.** Also called a Federal Tax Identification Number (TIN), your EIN can be obtained online at www.irs.gov.
- Determine a location for your business.** DO NOT sign a lease until you have secured financing and checked your zoning designation. Also, have an attorney review the lease contract.
- Check your zoning designation.** Make sure your type of business is allowed by law at your business location and if so, obtain a Certificate of Zoning Compliance or Home Occupation Permit. If not, search for another location or apply for a Special Use Permit. Each locality has an office responsible for zoning and building permits.
- Obtain a Certificate of Occupancy.** A “CO” allows you to move-in and legally occupy a new retail space and ensures that you are in compliance with all permit requirements.
- Obtain a business license.** The business license is issued by the locality where the business is physically located. If you are a home-based business, you must still be in compliance with zoning requirements and have a business license.
- Obtain other licenses and permits as required.** Depending on your type of business you may be subject to other licensing requirements, such as health permits or contractor’s licenses. Also, if your industry is regulated by the Department of Professional and Occupational Regulation, you must be in compliance with all licensing requirements.
- Register with the Virginia Department of Taxation.** Obtain a State Tax ID number and determine your obligations regarding income and sales tax. Start online at www.tax.virginia.gov.
- Identify federal and local tax obligations.** Identify requirements for federal taxes such as self-employment taxes, Social Security, and other withholdings for employees. In addition to state and federal tax obligations, each locality charges its own sales tax and meals tax.
- Open a business checking account.** Some banks now offer free business checking. It’s important to have a business checking account and always keep your personal and business money separate.