

New Business Check List What is Needed

Since 1991, Steinhauer & Company provides services to people into business and can help you start your business, purchase, reorganize current operations.

- Develop Business Plan for Financial and Operational Expectations
- Search business name, make sure it is not being used or registered. Check your home State Department Financial Institutions. You should be able to register your business as well at this site.
- File submit SS-4 form IRS for Employer Identification Number EIN
- State Department of Revenue for Sellers, Withholding Tax and other required numbers.
- Register with State Unemployment, obtain State reporting number.
- If employees, workman's compensation insurance and business insurance if applicable. Check your local insurance company
- State/Local permits, licenses for business your industry.
- Sub-S and C-Corporations Registration of initial Stock Holdings.
- Non-Profit register with IRS for Non-Profit status.

Sole-Proprietor and LLC's, forms SS-4 not needed if only one owner exists. Either way is good idea to get one for when providing work for others. EIN can be used on Forms 1099-Misc instead if your Social Security Number. Sole-Proprietors, LLC Members and Partnerships can exempt themselves from State Unemployment.

Above is not all exclusive list but general guide, certain industries will require other requirements



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Knowing Your Business

Steinhauer & Company



Since 1991

Helping People with Accounting,
Business Management and Taxation

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Taking your Business to the Next Level Business Intelligence



*Helping others through complex
financial services since 1991*

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Knowing your Business

Whether you are looking to start-up, purchase, improve current operations, reorganize your business, the following is guide to help you understand the type of entities and requirements, a guide for information in helping you succeed.

Most Common Types of Organization:

Entities listed are mostly used and are not exclusive

- **Sole-Proprietor;** Profit Taxed Individual Rate, Social Security 12.4% up to \$127,200 profit Medicare 2.9% unlimited, no protection as a corporation, reported on individual 1040 Schedule C.
- **Partnership;** Same as above, except reported on form 1065 with K-1 for each partner.
- **LLC (Limited Liability);** same as above, protected corporate liability exists and considered to be it's own entity for liability and equity reasons, One member can elect to report on form 1040 Schedule C. Members takes draws and reported in equity of the Balance Sheet as Member Draws.
- **Sub S-Corp;** Profit Taxed Individual Rate, Reported Profit on 1120-S with K-1 to each participating stockholder, Social Security and Medicare paid through wages on W-2's are considered employees. Wages are expensed for the S-Corp. Limited to number of stockholders. Considered to be it's own entity for liability and equity reasons.
- **C-Corporation;** Highest form of corporate structure, Taxed at corporate rate, higher than individual rates, participating stockholders are paid as employee wages, participating and non-participating stockholders paid by dividends. Considered to be it's own entity for liability and equity reasons. Reported on form 1120.
- **Non-Profit;** Profit not taxed, reported on form 990, employee wages taxed as W-2, profit distributed through Non-Profit mission and registration. Considered to be it's own entity for liability reasons. Non-Profit is taxed for any unrelated business activity that is not part of the Non-Profit, reported on form 990-T.

Accounting for your Business

Reporting and Managing your Business

Financial Reporting, Income Statement, Balance Sheet and Statement of Cash Flows are your most widely used and evaluated by management, investors, bankers, taxing authorities. Statements are reported usually, monthly, quarterly and annually.

Accounting for businesses: Starts with your Chart of Accounts which is assigned to one of the groupings below. Following is a simplified statements and dictates all entities except the equity section. Equity section will differ between entities as Member Draws/Contributions LLC. Example:

Income Statement: Sales - Cost of Sales - Expense

Sales	265,900
Less COS	106,360
Gross Profit	159,540
Less Expenses	98,560
Net Profit (Loss) (1)	60,980

Balance Sheet: Assets = Liabilities + Equity

Assets:	Prior	Current
Cash (2)	21,380	80,550
Machinery	110,000	110,000
Less Accum Depreciation	-19,310	-20,000
Total Assets	112,070	170,550
Liabilities:		
Mortgage Notes	83,500	81,000
Equity:		
Contributed Capital	15,000	15,000
(1) Retained Earnings	13,570	74,550
Total Liabilities/Equity	112,070	170,550

Statement of Cash Flows; Takes both the income statement and balance sheet accounts and organizes as increasing and decreasing during a reporting period . Explains how ending cash is derived on the balance sheet each period.

Statement of Cash Flow

(2) Beginning Cash Prior Period Cash	21,380
Add Net Profit - Income Statement	60,980
Add Depreciation Expense - Income Stmt	690
Less Mortgage Payment Balance Sheet	2,500
(2) Ending Cash	80,550

Business Management and Taxation

Business Management is the core of business, you want to be able to analyze your operations, financial and taxation efforts and be able to react when markets, product, services and other forces change. Even a small business has many variables that management needs to react instantly to be competitive and survive the ever changing business atmosphere.

Business Intelligence (BI) or others call Dash Boards. Every business should incorporate these efforts in analyzing the whole business not just a portion. With BI efforts one is able to develop, implement and plan process improvement decisions, know breakeven, business resources as employee's, equipment, return on investment and much more. BI efforts are interactive, informative analysis and reporting "What IF" scenarios to actual providing hundreds of calculations instantaneously.

Below is a interactive BI effort and you can actually work it yourself, this page is invite only, just go to:

<http://www.steinhauerco.com/Interactive/MFG-TAB.html>
Steinhauer & Company is here to help you with all your



business needs. From accounting, management and taxation reporting and analysis to helping you set-up, organize your Chart of Accounts, financial and management reporting and most importantly helping you develop a path to success.

As a Certified Master Excel Developer, B.S. Degree in Accounting, your BI Efforts will be real asset to your organization.

Call or E-mail today!

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