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Trade Finance in Ten Podcast: Episode 10 Summary

Business Foundation Checklist Part 1: Legal & Entity

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1. Why Today's Topic is Important

Your business entity is the legal foundation everything else sits on. If it's missing, expired, or set up wrong, you may have personal liability exposure you don't know about. In some states, missed filings can result in your entity being dissolved, and if you're registered agent address is incorrect, you may not find out until you apply for a loan, renew a license, or get sued. Making sure all requirements are met is an ongoing process.

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2. Key Takeaways

- Entity type (sole prop, LLC, S-Corp, C-Corp) affects liability, taxes, and how you get paid — consult your CPA and attorney
- Most LLCs and corporations have ongoing requirements (annual meetings, state filings, registered agent)
- S-Corp is a tax election, not an entity type. Your CPA can run the numbers to see if it makes sense for you
- Operating agreements and bylaws define ownership, decision-making, and what happens when things change. Don't cut and paste from the web. Think through real life situations.
- Contractor licenses, local business licenses, and state registrations must stay current or you risk fines, lost lien rights, and personal exposure

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3. Action Steps to Consider

- ☐ Verify your entity type and confirm you understand why it was chosen, and if it is still a good fit. If unsure, schedule a meeting with your CPA or attorney
- ☐ Ask your CPA and attorney what ongoing state and federal requirements apply to your entity
- ☐ Confirm you have an EIN and a copy of your formation paperwork on file (if applicable)
- ☐ Review your operating agreement or bylaws (if applicable). Ensure you have copies on file
- ☐ Check local and state websites to confirm your registrations are current
- ☐ Confirm your registered agent address is up to date

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