



HOW TO INCORPORATE

Hard work, a good business acumen to spot opportunities and a little bit of luck are the key ingredients for success in business. Equally, there are many factors for failure that are out of one's control. Business structure determines the level of risk one is exposed to and is the ultimate factor for the failure of the business. One can choose to be a sole proprietor, partner with others, form a limited liability company or a corporation. The first two need not be registered with the state. The procedure to incorporate a business requires certain steps. One has to decide the type of corporation, name of the corporation, state of incorporation and the filing of the papers.

As the corporation is a separate legal entity, the identification has to be unique. It is essential to check with the authorities as to whether the name for the business already exists. If it exists, some other name has to be chosen. Some names can be appended with the name of the business like XYZ bank. The type of corporation is decided by determining whether or not one has to raise capital through the public, the duration of the corporation, the management structure and control and the type of corporation like LLC or corporation. There is a S form of corporation that has a special tax structure so that double taxation of the income is avoided.

The procedure for filing papers for all types of corporation remains the same. By law, it is required to register the corporation in the state the business is operating. It is also possible to incorporate in one state where the tax structure and other conditions are favorable and operate in another state. For this, the corporation should designate a registered agent with a physical address in the state. This is done to facilitate communication between authorities and the corporation.

Finally, the incorporation is done by filing papers that contains details about the business along with the registration fees. Usually registration is about \$400. It takes some time to complete the process. and if one needs to expedite, an additional fee is required.

<https://blog.granted.com/>