



FRANK ORLANDO
Managing Member
Accumera LLC

COMPLEXITIES REGISTERING AND MAINTAINING A BUSINESS?

While some are familiar with the basic procedures of forming a new business entity, not everyone is ready for the various situations that arise when organizing and maintaining their new business. Quite often they look to their tax professional to guide them in the process. The requirements can become daunting, even for professionals. Following are some key things to consider when starting and maintaining a business.

Determining the address to list with the Department of State seems like an easy choice. Most states require that the company list a registered agent in the state of registration and a mailing address for the company. The agent and mailing address can be one of the owners of the company, but that address will be publicly disclosed. Further, the agent will always need to be available at that address during normal business hours, and if the agent moves the address will need to be changed with the State. Also, get ready for a heap of junk mail and solicitations. Many times I have been approached by clients saying that their company is inactive and they never received various tax and annual report filing notices. After a little research we normally find out that the address on file with the state is no longer valid. Partnering with a commercial registered agent service would alleviate these concerns.

After formation, the company needs to be sure to comply with any Corporation Divisions post formation requirements such as initial report filings as are required in Nevada and Connecticut. Connecticut Corporations are required to file an initial organization and first report within 30 days after formation and pay \$150 filing fee. Nevada companies are required to file an initial report and business license application by the end of the second month after formation and pay a \$325 filing fee. Failure to file these will render the company inactive with the State.

If conducting business in multiple states, the company may be required to file for a foreign registration in that state. This is normally triggered by the opening of a physical office location or hiring of employees, but each individual state has its own requirements. When

ACT AS THE REGISTERED AGENT AND MAINTAIN THE COMPANY REGISTRATIONS ON THEIR BEHALF.

registering in other states there will be a requirement to provide either a certificate of good standing or certified copy of the original filing from the home state. The company will also be required to list the name and address of a registered agent with a physical location within that state.

The IRS has found ways to make the process of registering even more difficult. Over the



last two years they have implemented two changes. In May of 2012 a rule was enacted that only allows one EIN to be issued per responsible person per day. So, if someone needed to organize several companies, let's say for real estate transactions, and there is one owner, it will take 24 hours to obtain each EIN. More recently, as of January of 2014, the IRS will no longer accept requests

record keeping requirements. All Corporations are required to hold annual meetings of the Directors and Shareholders, and keep minutes of these meetings within the company records. It may not be required for LLC's, but it is suggested to hold the same meetings and keep minutes. By doing this the company is taking steps toward preserving the limited liability, or "corporate veil," thus further protecting the company officers and owners from personal liability.

for EIN's via telephone. If you do call they will refer you to the online application, which does act up on occasion. So, be ready to prepare and fax the SS-4 application to the IRS and wait for them to fax and/or mail the results to you, which can take anywhere from 3 days to 3 weeks.

The company also needs to make sure to comply with the annual meeting and minute

The best advice I can give is to suggest that your clients have a plan in place well before they need to register their business, and have a way to manage their business registrations. It can be as simple as adding reminders to an Outlook calendar, creating a spreadsheet of all company information, due dates and requirements, or hiring a professional firm to act as the registered agent and maintain the company registrations on their behalf.