

Cooperative Start-up Checklist

- ❑ **Decide legal structure and file necessary paperwork** Identify and apply for the type of legal entity you want for your new business. Common forms of legal entity are the sole proprietorship, partnership, LLC, and corporation. Cooperatives in New York State may choose to form as a cooperative corporation, worker cooperative corporation, LLC, or business corporation. Consult an attorney.
- ❑ **Federal Employer Identification Number (EIN)** If you are forming a corporation or partnership, or if you plan to hire employees, you must file for an EIN (IRS Form SS-4). If you are a sole proprietorship with no employees you may use your own social security number on federal tax forms. Stop at a local IRS office, call (866) 816-2065, or visit <https://www.irs.gov/> to file.
- ❑ **Federal Taxes** Review IRS resources to understand your obligations to pay income tax and other taxes to the federal government: <https://www.irs.gov/filing/self-employed-small-businesses>.
- ❑ **New York State Taxes** Contact the New York State Department of Taxation and Finance for general information at (800) 225-5829 or <https://www.tax.ny.gov/bus/>.
- ❑ **New York State Sales Tax Vendor Registration** If you will sell tangible products, contact the New York State Department of Taxation and Finance at (518) 485-2889 and ask for a Sales Tax Kit or visit <https://www.tax.ny.gov/bus/st/register.htm>.
- ❑ **New York State licenses and permits** Check the New York State Business Express website to search for any necessary state licenses, permits, or other regulations: <https://www.businessexpress.ny.gov/>.
- ❑ **Local licenses and permits** Contact the city or town hall in the area you will be doing business for any local requirements. For example, the City of Buffalo's license requirements can be found here: https://www.ci.buffalo.ny.us/Home/City_Departments/EDPIS/Licenses/LicenseApplicationsCodeRequirements. If you plan to operate a business out of your home, you must also check to be sure you are not in violation of local zoning ordinances. The county may also have certain requirements, such as Erie County's Health Department: <http://www2.erie.gov/health/index.php?q=node/57>.
- ❑ **If you plan to hire employees** Obtain a Federal Employer Identification Number (EIN) from (866) 816-2065, or <https://www.irs.gov/>. Once you file, you will begin to receive on a regular basis all the forms and requirements for federal tax obligations.

COOPERATION BUFFALO

- ❑ **Build your team of advisors** In addition to the support you receive from Cooperation Buffalo and other small business development resources such as the Buffalo SBDC, you will want to form relationships with (1) a tax advisor, tax preparer, or CPA; (2) an attorney; and (3) a business insurance broker.
- ❑ **Open a business bank account** Using proof of your legal business entity, open a bank account strictly for business purposes. Some businesses open a second bank account to keep NYS Sales Tax funds separate.

Choice of Legal Entity for Start-up Businesses		
No liability protection	Liability protection	Cooperatives and social mission
<p>Sole Proprietorship ("DBA") Filed with the Erie County Clerk's Office. Form and information available at http://www2.erie.gov/clerk/index.php?q=business or from 92 Franklin St, Buffalo, NY 14202. Form must be notarized.</p> <p>General Partnership ("DBA") Filed with the Erie County Clerk's Office. Form and information available at http://www2.erie.gov/clerk/index.php?q=business or from 92 Franklin St, Buffalo, NY 14202. Form must be notarized. It is advisable to consult a lawyer for a partnership agreement.</p>	<p>Limited Liability Partnership (LLP) Filed with NYS Department of State, Division of Corporations. Forms available at http://www.dos.ny.gov/corps/dom_llpfile.html.</p> <p>Limited Liability Company (LLC) Filed with NYS Department of State, Division of Corporations. Forms available at http://www.dos.ny.gov/corps/llcfaq.asp#inc . Must publish the LLC formation in 2 newspapers. Publication requirements for Erie County can be found here.</p> <p>Business Corporation Filed with NYS Department of State, Division of Corporations: http://www.dos.ny.gov/corps/bcfaq.asp#inc.</p> <p>Professional Service Corporation Filed with NYS Department of State, Division of Corporations: http://www.dos.ny.gov/corps/bcfaq.asp#proservcorp.</p>	<p>Cooperative Corporation Filed with NYS Department of State, Division of Corporations. Cooperatives may have reasons to form as LLC or Business Corp.</p> <p>Worker Cooperative Corporation Filed with NYS Department of State, Division of Corporations. Cooperatives may have reasons to form as LLC or Business Corp.</p> <p>Benefit Corporation Filed with NYS Department of State, Division of Corporations: http://www.dos.ny.gov/corps/benefit_corporation_formation.html.</p> <p>Not-for-profit Corporation Filed with NYS Department of State, Division of Corporations: http://www.dos.ny.gov/corps/nfpcorp.html#certinc. Must also apply for IRS tax-exempt status: https://www.irs.gov/charities-non-profits</p>
<p>Limited Partnership (LP) Filed with NYS Department of State, Division of Corporations. Forms available at http://www.dos.ny.gov/corps/lpcorp.html.</p>		