

BUSINESS ENTITY STRUCTURE

Checklist



Consideration

Favorable Structure

The nature of your business activities and industry.	
The level of risk is involved in your business operations and how entity type may impact your business.	
The tax implications of each entity structure, considering factors like pass-through taxation, self-employment taxes, and the ability to retain earnings within the business.	
Whether you want a centralized management structure or more flexibility in decision-making.	
The number of owners and their roles in the business.	
How each structure handles business continuity and succession planning.	
The ongoing compliance requirements for each entity type, including annual filings, meeting minutes, and other administrative tasks.	
The estimated initial costs and ongoing fees associated with forming and maintaining each business structure, including state filing fees and annual fees.	
How each structure accommodates the potential growth of your business. Some structures may be more suitable for attracting investors or going public.	
The recordkeeping and formalities required for each entity type, including meeting minutes, resolutions, and documentation of major business decisions.	
Your personal goals with the benefits and limitations of each entity structure, such as personal financial needs, lifestyle preferences, and long-term business objectives.	
The regulatory environment in your industry and location, as certain structures may be more suitable or restricted based on regulations.	
Your funding needs and how each entity type facilitates capital raising, whether through loans, investments, or other means.	
How each entity type may impact your business's branding and how it is perceived by customers, clients, and potential partners.	
How each entity structure facilitates potential exit strategies, such as selling the business, merging, or dissolving.	

This checklist is intended to be a tool. It is advised that you consult a legal and tax professional for specific advice.