



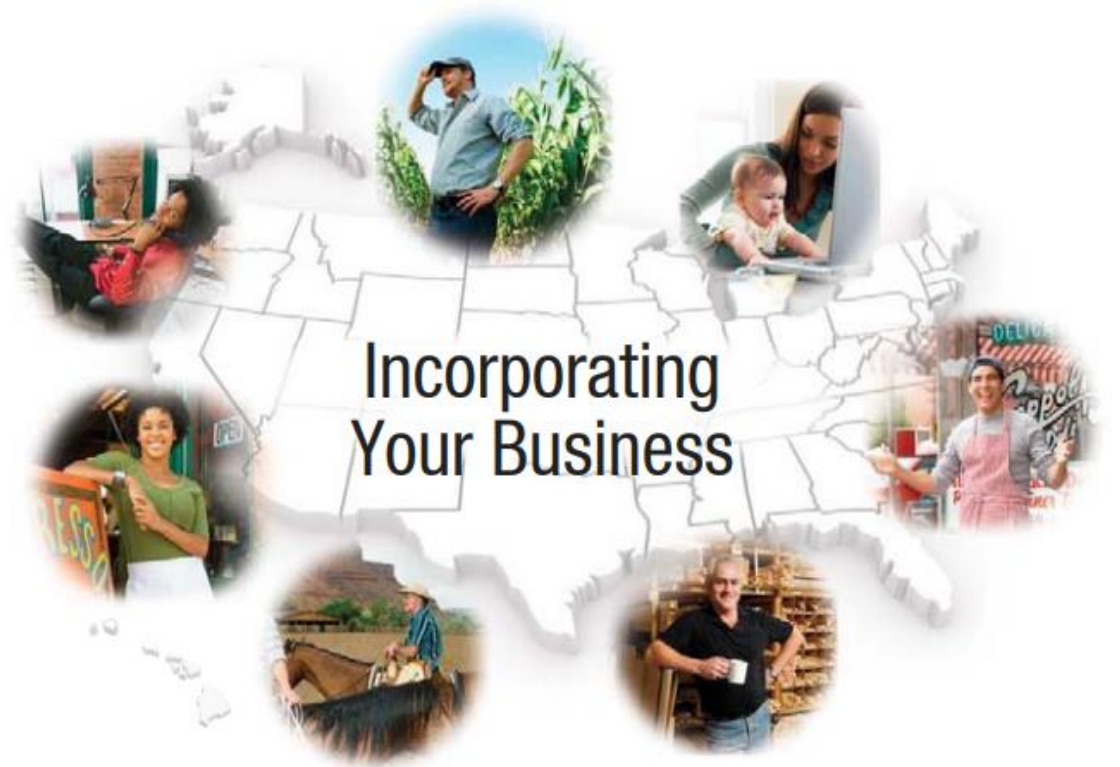
COMMUNITY BUSINESS INCUBATOR

TURN YOUR IDEA INTO A BUSINESS



COMMUNITY BUSINESS INCUBATOR
COME BE INSPIRED

CBI's Guide to:



DON'T GO IT ALONE

Before creating your company, you should familiarize yourself with key types and law in your area. **Contact Us** before you get started. Here you can find helpful information and access free legal documents for your business.



CONGRATULATIONS ON STARTING YOUR BUSINESS



CONGRATULATIONS

That is a courageous step and one that can lead to rewards that no job can offer. When you are working for yourself, you have the opportunity to reap directly the rewards for your efforts while exercising greater control over how you spend your time. In addition, you will make the decisions that impact your future.



GET STARTED TODAY!

Many people avoid taking steps to create a distinct legal entity for their business because they believe it will be costly to do so. Not taking those steps, however, may be the costliest decision of all in the long run. Even in the short run, using an experienced document filing service, such as CBI, can keep initial costs to a minimum. Using an online filing service such as BizAssist is a great way to get started in setting up your entity, you can save both time and money because we are fast, reliable and affordable.

FREE YOUR TIME. FREE YOUR DIME. FREE YOUR MIND.

WE'RE HERE TO HELP



Business Name Check	Preparation & Filing
Articles of Organization	10-SmartTeam Mentoring
Digital Storage & Delivery	S-Election Form {optional}
Tax Planning Consultation	CBI BizAssist Support



Free Your Time

As an entrepreneur, you know every minute counts. You can avoid the risk of losing your valuable time with us here at the Community Business Incubator (CBI).

Free You Dime

By choosing CBI, you will save a lot of money. PERIOD

Free You Mind

While there can be many unknowns when starting a business, you deserve peace of mind that your business is being filed accurately.



[START YOUR BUSINESS GUIDE](#)

COMMON BUSINESS STRUCTURES

Sole Proprietorships and General Partnerships

When you operate your business alone without making a filing with a State to incorporate your business, you are acting as a sole proprietorship. Your business income will be reported on Schedule C to your individual tax return. If you have gone into business with another person without incorporating, then you are likely to be deemed a general partnership. No filings are required for operating as a sole proprietor or a general partnership (unless you are operating the business under a name different from your own, in which case you would need to file a Doing Business As (DBA) or Assumed Name application).

Corporations

When you decide to incorporate your business, you make a filing of a Certificate of Incorporation with the Secretary of State in the state in which you decide to incorporate. Once the corporation is established, it becomes its own separate legal entity and is subject to the laws governing corporations in the state of incorporation. Those laws authorize the corporation to conduct business, including hiring employees, borrowing money, buying and selling products and services, and entering into contracts. These transactions are conducted by the corporation, not on behalf of the individuals working for the corporation.

Limited Liability Companies (LLC's)

LLCs are another form of business structure that is neither a corporation nor a partnership, but is a hybrid that has elements of both. It is similar to a corporation in that it limits personal liability for the owners and is a separate legal entity that is formed upon a filing with the Secretary of State. Like a partnership or a corporation, the LLC can have a perpetual existence, beyond the life of the initial owner(s). LLCs are different from corporations, and similar to partnerships, in that they are a pass-through entity for tax purposes, so there is no entity-level tax. Also, the LLC structure requires fewer corporate formalities than a traditional corporate structure.

SOLE PROPRIETORSHIP 01

Sole Proprietorship - A simple inexpensive way to start your business... But ***You're not so protected from liability***

You'll need:

- A Fictitious Name or DBA (doing business as) to help build you brand newspaper filing
- Business Licenses

As a sole proprietor, by default, the legal name of your business is your own name. But you can choose to operate the business under another name, known as a “fictitious business name” or “doing business as” (DBA). Most states require you to file an application for your DBA.

We can help get you started today.



LLC / CORPORATION 02

Businesses that carry any amount of risk need liability protection.

What is personal liability protection?

Liability protection can create a legal separation between your personal assets and your business.

Formal business

structures like [LLCs](#) and [corporations](#) offer liability protection because the business is legally separated from its owner. But only businesses that need outside investors should form a corporation.

Informal business structures like [sole proprietorships](#) and [partnerships](#) don't offer protection because there isn't any separation between the business and the owner. Therefore, the owner's personal assets are completely exposed to creditors and lawsuits.



BENEFITS OF INCORPORATING

Limited Liability

If you do not want to be personally responsible for the liabilities of the business, then you should create a separate legal entity such as a corporation or an LLC. A properly operated corporation or LLC limits the liability of its shareholders to the amount they invested in the company. If the company incurs debts or liabilities, the creditors are limited to the assets of the company. In the event the assets are insufficient to cover the debts of the business, creditors may not generally collect additional amounts from the shareholders. By contrast, a sole proprietor is personally liable for all the obligations of the business. This means that sole proprietors risk everything they own to satisfy the debts or judgments of their respective businesses, including their homes, cars and personal savings and investments.

Transferability of Ownership

If you plan to sell your business someday, then you should create a separate legal entity. Since a sole proprietorship does not have a life apart from its owner, it may not be transferred to a third party. In the event of a sale, each asset used in the business would have to be specifically identified and transferred. Buying a business is a lot more desirable if everything needed to operate the business exists in a distinct legal entity. In that case, the sale could be accomplished either by simply transferring all of the stock of the entity or all of the assets held by the entity.

Unlimited Duration

If you want your business to continue beyond your lifetime, then you should incorporate or form an LLC. Sole proprietorships end upon the death of the owner. Corporations and LLCs continue indefinitely unless they are dissolved. Their ownership interests can generally be sold, gifted or bequeathed to others.

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BENEFITS OF INCORPORATING CONTINUED

Ability to Raise Capital

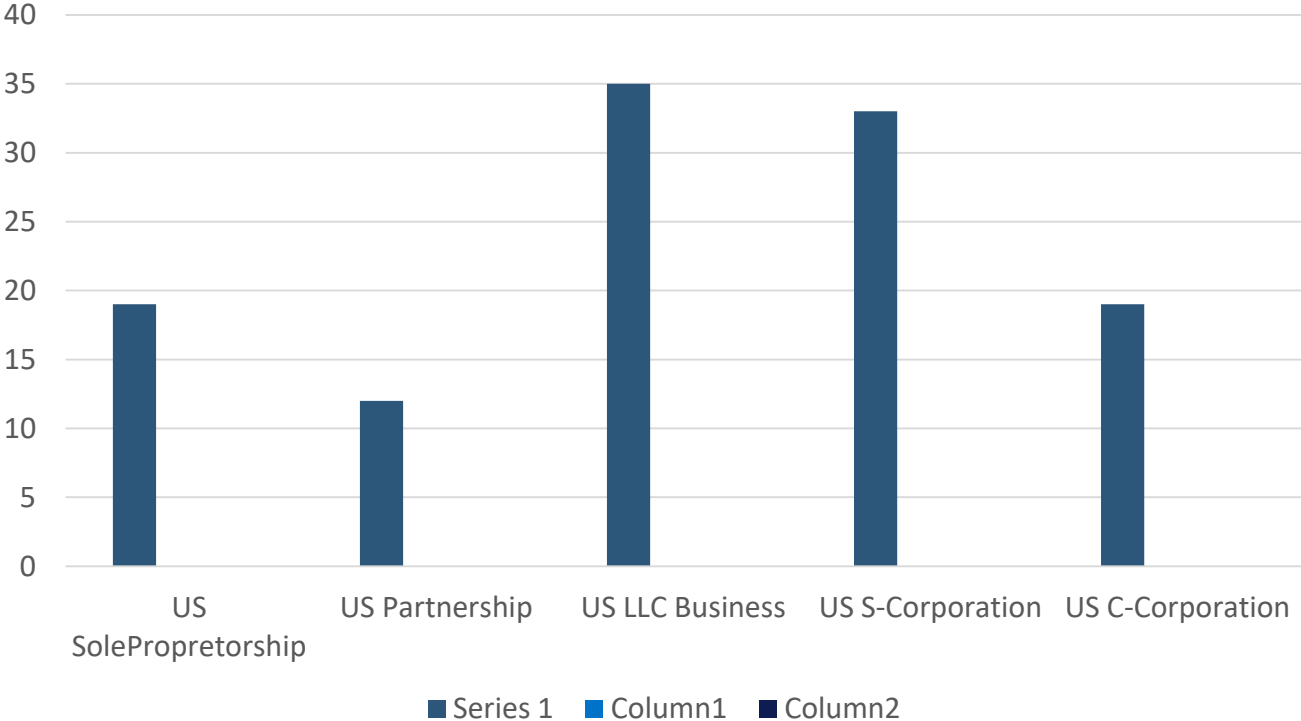
If you want to raise money from third parties, then you should incorporate or form an LLC. A corporation or LLC may borrow money and sell equity to raise capital. Investors prefer to contribute capital to corporations because of the limited liability and the relative liquidity of the investment.

Number of Owners

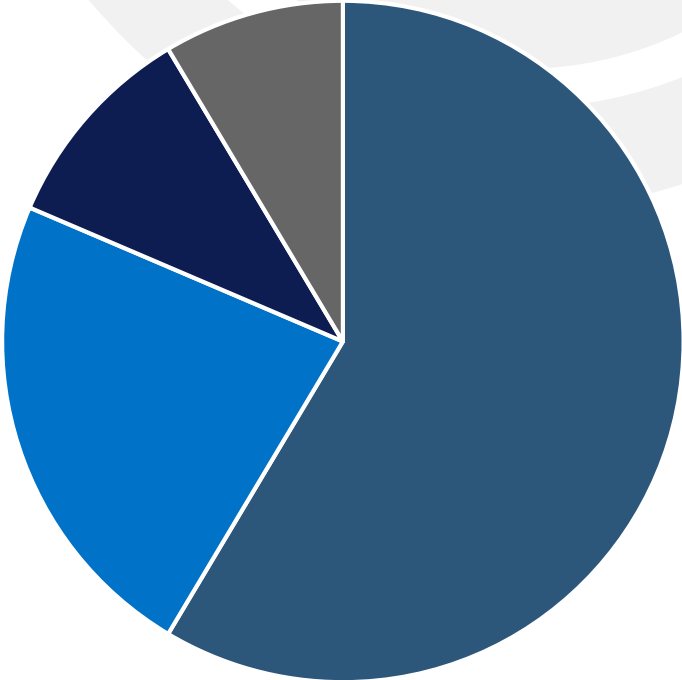
If you want to share ownership with others, then you should incorporate, form an LLC, or at least consider forming a formal partnership. Corporations and LLCs generally allow an unlimited number of shareholders (except S corporations, which have a limit of 100 shareholders). Like a sole proprietorship, a partnership may be formed by default; if two or more people own a business together without selecting another form. While partnerships are beyond the scope of this guide, many of the deficiencies of a sole proprietorship, including unlimited personal liability, may apply to a general partnership so caution in this area is recommended.

U.S. BUSINESS TYPE CHART

Statistics here



69 percent of U.S. entrepreneurs start their businesses as a Home based business



COMPARING BUSINESS STRUCTURES

The following chart provides a high-level comparison of the most popular business forms across important attributes to consider when forming your business:

	Sole Proprietor	General Partnership	C-Corp	S-Corp	LLC
Formation	No Filing Required	No Filing Required	State Filing Required	State Filing Required	State Filing Required
Limited Personal Liability	NO	NO	YES	YES	YES
Transferability of Interest	NO	NO	YES	Generally Limited	YES, Often Limited
Duration	Until withdrawal or death of owner	Unlimited	Unlimited	Unlimited	Unlimited
Pass-Through Taxation	YES	YES	NO	YES	YES, Unless election made otherwise
Ability to Raise Capital	Not as a separate entity	YES	YES	Yes, but shareholder limits	YES
Limits on number of owners	YES	NO	NO	YES	NO

STATE OF FORMATION

Once you decide to form a legal entity, you need to choose a state in which to make your filing. Most people choose either Delaware, Nevada or their home state.

Delaware is often chosen, especially by larger companies, because it has the most developed and flexible corporate statutes in the country and is considered pro-business.

Nevada has also become popular because of its lack of state corporate income tax, franchise tax and personal income tax. It also has relatively low fees.

Nevertheless, if you have a small business and are going to be conducting a substantial amount of your business in your home state, it will likely be beneficial to incorporate in that state. If you incorporate out-of-state, but do much of your business in your home state, you will have to make a filing to “qualify to do business” in the state if there is a substantial ongoing business or physical presence in the state. You will then be subject to the same fees, taxes and regulations as if you had incorporated there in the first place, and you will have paid filing fees (and, perhaps franchise taxes) to more than one state.

A NOTE ABOUT TAXATION

Many small business owners decide not to incorporate because they are concerned about so-called “double taxation.” This refers to the fact that C Corporations are themselves tax-paying entities. If a C Corporation earns a profit, that profit is taxed. If those profits are then distributed to its shareholders, the shareholders pay income taxes on those dividends. There are two ways to avoid this.

First, if your company breaks even each year, there will be no corporate-level tax. Many small business owners break even by paying themselves a bonus at the end of the year equal to what the company’s profits would otherwise have been. That bonus is taxable as ordinary income but is not double-taxed.

Second, if you form an S Corporation, or if you form an LLC and make an election, you can avoid the possibility of double-taxation altogether by having the company’s profits and losses flow directly to your personal income tax return.

In addition, certain tax benefits may only be available to corporations, including the ability to deduct medical expenses not reimbursed by insurance. You may also be able to reduce the amount of self-employment taxes owed by allocating income between salary and profit. All of this is best discussed with your tax accountant who is familiar with the specifics of your business.

NEXT STEPS

If you have decided to establish a legal entity for your business, you may wish to use a document filing service to help you complete the process.

A reliable document filing service can typically save you time and money when compared to doing it yourself. Document filing service providers are generally well-versed in the specific requirements of various states and can help you navigate the process more efficiently.

Using an attorney to make the filing is another option, but that can be significantly more expensive. CBI's BizAssist™ is a document filing service that can attend to these details so that you can focus your time and energy on establishing and growing a successful business. BizAssist™ has a significant and extensive amount of experience in this area and we are known for our speed, reliability, personal service and attention to detail.

Important Disclaimer

Community Business Incubator, Inc. (CBI) BizAssist™ is a document filing service and CANNOT provide you with legal, tax, or financial advice. BizAssist™ is not a law firm. We are not your attorney nor are we your accountant, nor are we a substitute for an attorney or an accountant, or any other professional service provider. We are simply a document filing company that provides assistance to you in representing yourself. No attorney – client relationship is formed between you and . CBI's BizAssist™ or any of CBI affiliates, directors, officers, employees, independent contractors, representatives, or agents, regardless of whether any of those individuals are attorneys. The Information provided on the Web Site is general information only regarding entity formation and related topics and should not be relied upon by you as legal advice. Although we review your documents for completeness, spelling, grammar and internal consistency, we do not review your documents for legal sufficiency nor do we provide any substantive legal review or make legal recommendations. When you use our Services, you are acting as your own attorney. Setting up a business can be complex and failing to obtain advice from licensed professionals can be costly. We strongly recommend that you seek the advice of an attorney, an accountant and any other service provider as needed to review your individual facts and circumstances to make sure you are making the best choices for your business.

TEAM



EDDIE PRICE

Board Chair & Business Owner



FOUAD MALIK MBA

Board Member & Instructor



VIET DO

Business Owner & Instructor



STEPHEN WALTERS

Executive Director & Business
Owner / Instructor



THANK YOU



INFO@CBIINC.ORG



[HTTP://WWW.CBIINC.ORG/](http://WWW.CBIINC.ORG/)



ABOUT CBI' BIZASSIST™

The Community Business Incubator and our BizAssist™ website is new, but our team has more than 100 years of business experience helping people..

Using BizAssist™ can save you both time and money with service that is fast, reliable, and affordable. CBI has successfully handled document filings for several types of organizations in California as well throughout the country. BizAssist™ experienced customer support team is here to give you the personal assistance you need in starting and growing your businesses, through our document filing system. We help you during, and after your entity is formed every step of the way.

Thank you for choosing CBI's BizAssist™ as your document filing service. CBI is committed to your 100% satisfaction! If you are ever less than satisfied with our services, please contact our customer service team and we will make things right...or your money back*!

We make everything easy for you so that you can focus on what you do best – running your business... From all of us at Community Business Incubator's BizAssist™, may you be as passionate about your business as we are about our service!



Our Services

- Corporations
 - C-Corps, S-Corps, PC's & Non-Profits
 - Limited Liability Companies (LLC's)
 - DBA /Fictitious Business Names
 - Document Retrieval Services
 - Initial/Annual Report Filings
 - Amendments & Name Changes
 - Certificates of Good Standing
 - Dissolutions & Withdrawals
 - Corporate Kits & Supplies
 - IRS Forms & Filings
 - Name Checks & Reservations
 - Registered Agent Services (All 50 States)
- ...and much more, visit our site today



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THANK YOU!



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