**«Today»**

«First Name» «Middle Name» «Last Name»«Address» «AptNo»«City» «State» «Zip»

**ENTITY SETUP INFORMATION REQUEST**

Dear«First Name»,

Thank you for hiring us to set up your entity for you. We need some additional information from you to complete this request.

Please do the following:

1. Answer the brief questions on the following page (“the Initial Entity Questionnaire”) to the best of your ability. All questions must be answered for us to process your request. For your convenience, we have enclosed instructions and answers to commonly asked questions on separate pages.
2. Sign the Questionnaire at the bottom of the page
3. Return the Questionnaire ASAP to **processing@taxnetworkusa.com** or mail to our office.

Please do not hesitate to contact our client help line at (877)719-8889 with any questions that are not answered by the instructions and answers in this packet.

Thank you.

Entity Formation Team

**Initial Entity Questionnaire**

Please answer all the following questions to the best of your ability. For your convenience, we have enclosed answers to commonly asked questions on a separate page. If this does not answer your question, please contact our client help line with any questions at (877)719-8889.

1. What is the primary state that this entity will do business in? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Will it do business in any other states? YES \_\_\_\_ NO \_\_\_\_

*If yes*, please provide the state names/abbreviations: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Please provide four possible names for this entity:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (first choice) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (third choice)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (second choice) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (fourth choice)

1. What is the nature of the business? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. What is the company address? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. What is the company mailing address?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Where will the company bank at? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Will this business use another name for business purposes (i.e. a DBA)? YES \_\_\_\_ NO \_\_\_\_

*If yes*, please provide the DBA: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Who will the owners of this business be (must add up to 100%)?

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Percentage Owned: \_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Percentage Owned: \_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Percentage Owned: \_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Percentage Owned: \_\_\_\_\_\_\_

1. Who will hold the following positions (usually can be one person)?

President/CEO: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Vice President/COO: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Treasurer/CFO: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Is there any other information we should know? YES \_\_\_\_ NO \_\_\_\_

*If yes*, please provide here: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I, **«First Name»«Middle Name»«Last Name»**, authorize American Tax Solutions, its employees, and/or affiliates, (collectively “TNUSA”) to set up the entity requested above and grant them all powers and authority necessary to accomplish the same, specifically to file articles/certificate of incorporation, file any statement of information required, and apply for an Employer Identification Number (EIN), consistent with the above provided information and further agree to hold TNUSA harmless for any consequences resulting from TNUSA’s work on my behalf.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

«First Name»«Last Name» DATE

**Initial Entity Questionnaire – INSTRUCTIONS**

Please review the following instructions and the commonly asked questions that follow before contacting our client help line:

QUESTION 1: ***What is the primary state that this entity will do business in?***

***For physical businesses****, please put down the actual state where you plan to do business or where your corporate headquarters will be, or where the majority of your operations are based.*

***For virtual businesses****, please put down the state where your corporate headquarters will be, which usually will be Delaware, Wyoming, or Nevada.*

QUESTION 2: ***Will it do business in any other states?***

*Answer YES, if and only if, you have regular operations in other states, enter contracts in other states, or a substantial part of your sales are to a particular state. If you have questions about whether you are doing business in a state, please contact your Senior Tax Analyst to discuss because we may have to do a nexus study.*

QUESTION 3:***Please provide four possible names for this entity:***

*We will attempt to register the names in order of preference. States usually require a corporate name to be unique so as not to confuse the public. We ask for at least four possible names for the entity to ensure that we can successfully register the entity.*

QUESTION 4: ***What business activity will it engage in?***

*Most states require that you disclose the principal activity of the business. If you are working in a licensed or regulated profession, the answer to this question will usually be “management services”. If you are using the entity to hold real estate, then the answer should be “real estate investment”*

QUESTION 5:***Where will it bank at?***

*Each bank has different requirements to open accounts. We ask this question to allow us (when possible) to do preliminary research on what documents are required to set up an account (likely not possible with smaller or local banks) so we can provide you with a banking packet. This avoids potential issues later.*

QUESTION 6:***Will this business use another name for business purposes (i.e. a DBA)?***

*Answer YES, if and only if, you use another name for business purposes (i.e. entity is Smith Enterprises, Inc, but you do business as Smith’s Auto Body or Anytown Napa). It is very important that we know this because we may have to do additional paperwork required by the state or your bank.*

CONTINUED ON NEXT PAGE.

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QUESTION 7: ***Who will the owners of this business be (must add up to 100%)?***

*We need this information to properly issue your stock certificates and prepare initial documents. If there will be more than four owners, please provide a signed attachment with the requested information.*

QUESTION 8: ***Who will hold the following positions (usually can be one person)?***

*Each state has different requirements for officers, who are responsible for running the businesses. Most states will allow one person to hold all three or four positions. If more than the legally required people are involved in your business, we will usually add them as directors. Please note that in many states, some or all this information will be public record.*

QUESTION 9:***Is there any other information we should know?***

*This section is provided for you to provide any information you believe we should know, for example if there will need to be a bank account signer other than the officer or to provide the name and SSN of a responsible person that is not you or if you will need us to set up QuickBooks and payroll for the entity (in which case, please put down the number of employees).*

**Initial Entity Questionnaire – FREQUENTLY ASKED QUESTIONS**

The following are the most frequently asked questions we receive related to the Questionnaire. We anticipate that this document and the instructions on the prior two pages should answer any questions you have. If they do not, then please contact our client help line at (877)719-8889 for assistance.

***How long will it take for my entity to be formed?***

It may take up to four weeks for your entity to be fully formed. Each state has their own timeframe for processing documents and may or may not allow us to rush filings.

***How much should I pay myself on payroll?***

This is a complicated question because there is an expectation that you pay yourself reasonable compensation, but there is no exact definition of what is reasonable. In general, reasonableness is based on the role you play in the company and the fair value of duties you perform. If you have retained us for business

We recommend you contact your Senior Tax Analyst to discuss whether a reasonable compensation report or tax planning services may be appropriate.

***I need help figuring out a name for my business***

It is up to your discretion what name you want to use for your business, but you will want to keep in mind that it can’t be misleading or similar to another active business in your state. Many of our clients simply use their name or initials and the words Consulting or Enterprises if they do not already have a trade name.

***I need help setting up payroll services or QuickBooks***

We can assist you with this. Please contact your Senior Tax Analyst to discuss the information we need to do this.

***My bank needs additional documentation***

Please have the bank send put together a written list of the documentation and send it to us. In many cases, they are asking for a document that is already prepared, just under a different name.

***What is the difference between a director and an officer?***

A director takes part in overseeing important business affairs while an officer is involved in the daily aspects of a business. The President/CEO, Vice President/COO, Secretary, and Treasurer/CFO are all examples of officers.

CONTINUED ON NEXT PAGE.

***What is the difference between a corporation, a S corporation, and a limited liability company (LLC)?***

Corporations and limited liability companies are both types of entities for legal purposes. The corporation is a formal entity that has formal requirements that must be strictly followed to minimize personal liability. The limited liability company is an entity that has more relaxed compliance requirements but still minimizes personal liability.

Corporations and limited liability companies can usually be an S corporation, which is merely a tax classification that results in the corporate income flowing through to the shareholder’s personal tax returns.

***What role does a PRESIDENT/CEO play in a business?***

The President/CEO is the highest-ranking officer and has overall responsibility for the operations of the business.

***What role does a SECRETARY play in a business?***

The Vice President/COO is the second highest ranking officer and has responsibility for the operations of the business.

***What role does a SECRETARY play in a business?***

The Secretary is responsible for maintaining the corporate records.

***What role does a TREASURER/CFO play in a business?***

The Treasurer/CFO is responsible for custody of corporate assets.

***What will I get when my entity is formed?***

You will get:

-Articles of Incorporation or Organization (depending on entity type)

-Federal EIN Letter

-Initial Resolutions

-Minutes

-Corporate Record Book (electronic and hard copy)

***Where can I open a business bank account?***

All major banks offer some form of business account and usually have standardized requirements for documentation. Many smaller banks will also open business accounts but may have their own requirements for documentation and often do not have particularly favorable hours or branch locations.

***Where do I find my state number for payroll purposes?***

In most states, there is a separate state identification number for payroll taxes that requires a separate application. Some states use the federal Employer Identification Number (EIN) or the state corporate ID number. If your state requires a separate application, we will be more than happy to fill this out for you.

***Where will my business be formed?***

We will review your situation and form your business in the location that we believe is most advantageous to you. In many cases, we will form your business in Delaware, Nevada, or Wyoming and then foreign qualify it in your state of residence. This allows you to take advantage of the favorable legal protections offered by these states while being fully authorized to conduct business in your state of residence.

***Where can I get an answer to a question not covered here?***

Please contact our client help line at (877)719-8889 for assistance.