



JULIAN GARCIA LAW
Modern Business Counsel

STEP-BY-STEP FORMATION CHECKLIST

THE ROADMAP TO COMPLIANCE

PREPARED FOR THE FOUNDER RESOURCE VAULT

2025 EDITION

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The Entity Formation Checklist

Forming a new entity is a foundational moment for any startup, but it can also be a minefield of missed steps and misaligned decisions if not done correctly. This checklist is designed to simplify that process and help founders launch with clarity, compliance, and confidence. Whether you're bootstrapping solo or raising your first round, this tool will identify the critical tasks required to form a legally sound and investor-ready entity.

Entity Formation Checklist

PHASE 1: Pre-Formation Readiness

1. Clarify business model (services, products, target market)
2. Choose jurisdiction (usually Delaware, or California for locals)
3. Choose entity type (LLC vs. C-Corp vs. LLP vs. Trust)
4. Confirm eligibility (e.g., professional services can't form LLCs in California)
5. Search business name availability
6. Secure domain/email handles

PHASE 2: Legal Formation

1. File Articles of Organization (LLC) or Incorporation (Corp)
2. Appoint Registered Agent (individual or service provider)
3. Pay state filing fees
4. Receive stamped charter & Entity Number

PHASE 3: Federal Tax Setup

1. Apply for EIN from IRS
2. File Beneficial Ownership Report (FinCEN), if applicable
3. Determine tax classification (e.g., default vs. S-Corp election)

PHASE 4: Internal Documentation

1. Draft and execute:
 - Operating Agreement (LLC) / Bylaws (Corp)
 - Initial Board or Member Resolutions



- Ownership Ledger (members or cap table)
- 2. Open business bank account (using EIN, charter, OA/Bylaws)
- 3. Contribute initial capital (document source and amount)
- 4. Set officer or manager roles, voting rights

PHASE 5: Local/Regulatory Setup

1. File Statement of Information (within 90 days in California)
2. Apply for business licenses
3. Comply with zoning or professional licensing rules
4. Secure insurance (general liability, workers comp, etc.)

PHASE 6: Governance Hygiene

1. Set annual meeting/reminder schedule (Corp)
2. Create secure repository for:
 - EIN, BOI, SoS filings
 - OA/Bylaws, ownership records
 - Meeting minutes, resolutions
3. Adopt document retention policy
4. Define banking protocol (dual signatories, expense policy)

PHASE 7: Tax/Finance Planning

1. Consult accountant on estimated taxes and elections
2. Track expenses from day one (QuickBooks, Mercury, etc.)
3. Ensure no commingling of personal and business funds
4. If applicable, register for sales tax or payroll taxes


Bottom Line

Formation isn't just paperwork; it's the foundation for everything that comes next. Each step—charter, tax ID, operating documents, licenses—creates legal duties and records that must stay updated and consistent. Use this checklist as your launchpad, but revisit it often. For anything complex or high-stakes, don't hesitate to consult trusted legal and tax professionals. Getting it right now prevents costly problems later.



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Every business is unique. Before making legal decisions, especially those involving contracts, equity, or disputes, you should consult a qualified attorney.

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