



## **Business Solutions**

### **Membership Documentation Requirements**

#### **Business Types**

##### **\_\_\_\_\_ Sole Proprietorship**

Composed of one individual alone, or sometimes a married couple in business together.

Most common form of business structure.

Simple to form and operate by its owner(s)

Enjoys greater flexibility of management and few legal controls than other types.

##### **Documentation Needs**

\_\_\_\_\_ Business Account Card

\_\_\_\_\_ TIN Backup Withholding Forms (can use SSN)

\_\_\_\_\_ Fictitious Business Name Statement \ DBA Paperwork \ Assumed Name documents

\_\_\_\_\_ Business License (if applicable)

##### **\_\_\_\_\_ Limited Liability Companies (LLC)**

Formed by one or more individuals and/or business entities through a special written operating agreement.

The agreement details the organization of the LLC, including: provisions for management, assignability of interests and distributions of profits or losses.

It has members/member managers rather than shareholders.

Members generally are not personally liable for the debts of the LLC unless they have signed a personal guaranty.

Can be taxed like a partnership or a corporation.

##### **Documentation Needs**

\_\_\_\_\_ Business Account Card

\_\_\_\_\_ TIN Backup Withholding Forms (can use SSN)

\_\_\_\_\_ Operating Agreement

\_\_\_\_\_ Authorization Designation (if not identified within operating agreement)

##### **\_\_\_\_\_ Corporations**

Most complex business structure.

A corporation has certain rights, privileges, and liabilities beyond those of an individual as a chartered legal entity.

Articles of incorporation detail the organization of a corporation, including its purpose and management structure.

Doing business as a corporation may yield tax and financial benefits. These are offset by increased fees and decreased personal control.

Corporations can be formed for profit or nonprofit purposes

- For profit or private corporations. Owners are shareholders who are represented by a Board of Directors.
- Non profit corporations. They are organized around a common non taxable purpose. There are generally no owners and the Board of Directors functions in a trustee capacity.
- Professional corporations. They are organized by individuals with professional practices such as doctors, lawyers, and accountants. Owners are shareholders.
- Cooperative corporations. They are organized around a group of individuals with a common interest or profession such as food and farmer co-ops. Owners are members rather than shareholders.
- Their interests are defined by articles of organization.

#### **Documentation Needs**

- ☐ Business Account Card
- ☐ TIN Backup Withholding Forms
- ☐ Articles of Incorporation
- ☐ Authorization Designation (if not identified within article of incorporation)

#### **General Partnerships**

Composed of two or more persons.

Each general partner shares the profits, losses and management of the business.

Each partner is personally and equally liable for the debts of the partnership.

May or may not have a formal partnership agreement.

#### **Documentation Needs**

- ☐ Business Account Card
- ☐ TIN Backup Withholding Forms (can use SSN)
- ☐ Disclosure Statement, Partnership Banking Agreement, or Partnership Agreement
- ☐ Authorization Designation (if not identified within partnership agreement or equivalent)

#### **Limited Partnerships**

Composed of one or more general partner(s) and one or more limited partner(s).

General partner manages the business and fully share in its profits and losses. Limited partners are usually not involved in the day to day management of the business.

Limited partner shares in the profits of the business but their losses are limited to their share of ownership.

Formal terms of the partnership are contained in a partnership agreement.

#### **Documentation Needs**

- ☐ Business Account Card
- ☐ TIN Backup Withholding Forms (can use SSN)
- ☐ Disclosure Statement, Partnership Banking Agreement, Secretary of State Registration or Partnership Agreement
- ☐ Authorization Designation (if not identified within partnership agreement or equivalent)

#### **Limited Liability Partnerships (LLP)**

Composed of one or more individuals or business entities through a special written agreement.

The agreement details the organization of the LLP, provisions for management, assignability of interests and distributions of profits and/or losses.

Similar to a General Partnership except a partner does not have personal liability for the negligence of another partner.

Most commonly used by professionals such as doctors, lawyers and accountants.

#### **Documentation Needs**

- ☐ Business Account Card
- ☐ TIN Backup Withholding Forms (can use SSN)
- ☐ Disclosure Statement, Limited Liability Partnership Banking Agreement, Secretary of State Registration or Limited Liability Partnership Agreement
- ☐ Authorization Designation (if not identified within partnership agreement or equivalent)