NEW BUSINESS READINESS

The New Business Risk & Tax Readiness Checklist

A practical, no-fluff checklist for new and growing business owners — insurance, tax readiness, and financial organization before a lease, contract, employee, or tax deadline forces the issue.

Work through each section below and mark Yes, No, or N/A for yourself — use N/A when something genuinely doesn't apply to your business yet. A "No" on something that does apply is worth a closer look; it isn't a failing grade, and most new business owners have a few open items here.

1. Entity & Structure Basics

- [ ] I have my formation or registration documents on hand and know where records and renewal dates are kept.
- [ ] I use the correct tax ID for my business (EIN or SSN, as applicable) and keep a dedicated business bank account.
- [ ] I've actually checked which state and local licenses, permits, or registrations apply to my location and industry — not just assumed.

2. Certificate of Insurance (COI) Readiness

- [ ] If a landlord, client, general contractor, or vendor requires proof of insurance, I have their written requirements on hand. (N/A if no one has required this yet.)
- [ ] I know my process and current producer contact for requesting a COI quickly when needed.
- [ ] I've confirmed that any additional-insured status or waiver a contract requires is actually supported by my policy or an endorsement — not just written on the certificate.

3. General Liability Insurance

- [ ] I carry general liability coverage, and I've actually thought through whether it matches my operations, locations, and contract requirements — not just assumed it does.
- [ ] I've reviewed my policy in the last 12 months, not just when I first signed up.

4. Professional Liability / Errors & Omissions

- [ ] My business provides advice, services, or expertise a client could later dispute. (N/A if this doesn't apply to what I do.)
- [ ] If it applies, I carry — or have looked into — professional liability (E&O) coverage matched to that exposure.

5. Workers' Compensation & First-Hire Readiness

- [ ] If I have employees or plan to hire, I've confirmed workers' comp and employer requirements for each relevant state before the start date. (N/A if no hire is planned.)
- [ ] Worker classification (employee vs. independent contractor) is reviewed under the federal and state rules that actually apply — not just a contract label or preference. (IRS, wage-and-hour, and state tests aren't identical.)

6. Commercial Auto & Other Business Exposures

- [ ] I've confirmed how business driving is actually covered — owned, employee-owned, rented, and borrowed vehicles — since personal auto policies commonly exclude or limit business use.
- [ ] I've considered other exposures that may apply to my business: property/equipment, cyber and data, business interruption, umbrella/excess, or employment practices.

7. Tax Readiness & Recordkeeping

- [ ] I track business income and expenses separately from personal accounts.
- [ ] I know whether estimated tax payments apply to me, and if so, I'm setting money aside on a schedule. (It depends on expected tax after withholding and credits, prior-year tax, and a few other factors — not everyone is required to.)
- [ ] I have a system for tracking deductions and know which other registrations — payroll, sales, or excise tax — might apply to my business.
- [ ] I've had a real tax planning conversation this year — not just a filing appointment.

8. IRS Compliance Basics

- [ ] I maintain a filing and payment calendar for my specific entity type.
- [ ] I'm aware of recordkeeping requirements specific to my industry.
- [ ] I know who I'd contact if a return were ever questioned — and understand that representation requires its own separate engagement, not something automatic.

9. Annual Review

- [ ] My insurance coverage and limits have been reviewed in the last 12 months.
- [ ] My tax strategy gets reviewed before year-end, not only at filing time.
- [ ] I've thought about whether my business structure and tax elections still fit my current revenue and risk — entity and election choices carry both tax and legal weight.
- [ ] Any new contracts, leases, or hires since my last review have been accounted for.

Review soon if you marked “No” on anything legally required.

Coverage a signed contract demands, workers' comp where you already have employees, or a missed tax deadline — those are worth a call now. A few other “No” answers are normal for a growing business and worth a conversation, just not urgent on their own.

BOOK A 20-MINUTE BUSINESS READINESS REVIEW

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