



WILLS MASSALON & ALLEN LLC

Small Business Legal Checklist

For each question below circle: “Y” for yes, “N” for no, or “U” for unsure.

General Business Legal/Clear Ownership

- Y/N/U Are all business operations conducted as a corporation or LLC to protect your personal assets?
- Y/N/U If so, are all business entity requirements being complied with? (*i.e., annual shareholder and director minutes; Statements of Information; corporate finances kept completely separate from the shareholder(s), owner; correct office and agent for service of process registered with the SC Secretary of State,*)
- Y/N/U Is your current Commercial General Liability insurance coverage sufficient? (*activities covered, theft, exclusions, limits, deductibles, etc.*)
- Y/N/U When signing contracts for your business, does the magic word “**By:**” always appear before the signature?
- Y/N/U Do you have and use your Business Federal EIN number for all income/payments?
- Y/N/U Does your business prepare regular financial statements, including profit and loss statement, balance sheets, and income statements? Do you review them?
- Y/N/U Are directors and officers protected from liability and indemnified?
- Y/N/U Does your business comply with securities laws when selling stock and other investments in the business?

Licenses and Regulations Compliance

- Y/N/U Does your business require any specific licenses or registrations apart from a general business license?
- Y/N/U If so, are all licenses current?
- Y/N/U City Business Licenses/ County, SC Dept. Revenue (sales tax) licenses and filings, registrations (federal or other)
- Y/N/U Do you know what your business's environmental/DHEC regulations are?
- Y/N/U As you expand into new states, are you properly registering your business?

Contract Review Can Reduce Risk of Litigation

- Y/N/U Have all of your contracts/invoices/agreements been reviewed by an attorney?
- Y/N/U Do they contain attorney fee provisions?
- Y/N/U Do they specify venue and/or forum disputes?
- Y/N/U Do they contain ADR (mediation/arbitration) provisions?
- Y/N/U Do you make use of cost-effective and time-effective small claims court proceedings where possible?
- Y/N/U Can the average person understand what is meant by your contractual obligations?

Good Employee Relations

- Y/N/U Does your business have a written Employment Policies/Handbook?
- Y/N/U If so, was it drafted by a South Carolina attorney who customized it for your business?
- Y/N/U Have you filed the required forms for unemployment, worker's compensation and payroll withholding?
- Y/N/U Do you have policies in place to avoid discriminatory employment practices in hiring, firing and employing people?

- Y/N/U Do you have any regular workers designated as “Independent Contractors?”
- Y/N/U Are all employees who are paid on “salary” clearly within the definition of an “exempt” employee *((1) supervisory, (2) administrative, or (3) licensed professional)*
- Y/N/U Are all required employment laws and regulations posted in a conspicuous place?
- Y/N/U Are you enrolled in/using the SC Dept of LLR E-verify system when making new hires?
- Y/N/U Do you have non-compete agreements with key employees which have been reviewed by a South Carolina attorney?

Trademarks/Trade Secrets

- Y/N/U Are all of your important logos, advertising slogans, and business name trademarked with the United States Patent and Trademark Office?
- Y/N/U Do you have a written trade secrets policy with your employees and vendors?

Smart Commercial Leases

- Y/N/U Was the commercial lease for your business premises reviewed by your attorney?
- Y/N/U Have you provided for ways to get out of long-term leases if circumstances change?
- Y/N/U If you gave any personal guarantees, do you have copies and are you aware of their terms?

Owner Agreements and Succession Planning

- Y/N/U Do you have multiple partners/owners in the business (other than husband-wife)?
- Y/N/U If so, is there a written agreement in place, drafted by an attorney?
- Y/N/U Is there a written buy-sell agreement between the owners?
- Y/N/U If so, does it also cover one owner’s long term disability?

- Y/N/U Do all owners have sufficient cash to buy out the other(s), or is there key person life insurance in place to fund the buyout?
- Y/N/U Do all business owners have an attorney-drafted Estate Plan?
- Y/N/U Does your business prepare regular financial statements, including CPA-reviewed capital account records to reflect owners financial positions?

Assembling the Right Team

- Y/N/U Does your business have an “inside-outside general counsel” (*an attorney who knows your business and is a phone call away for legal help*)?
- Y/N/U Is your tax preparer a true “advisor,” meaning one that engages in tax planning to help you make the right decisions today to save on your business taxes tomorrow?
- Y/N/U Has your insurance broker competitively shopped the marketplace to get you lower rates and/or better coverage in all areas of insurance?
- Y/N/U Does your business banker really understand small business? (*not just a personal banker who handles business accounts*)

To talk with lawyers who have the experience to get the results you want, schedule a free initial consultation with Wills Massalon & Allen. Call our Charleston office at 843-727-1144 or contact us online at www.wmalawfirm.net to discuss your situation.