

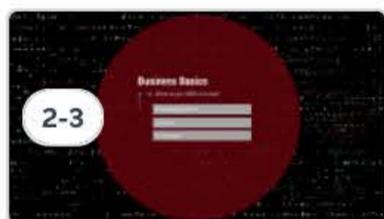
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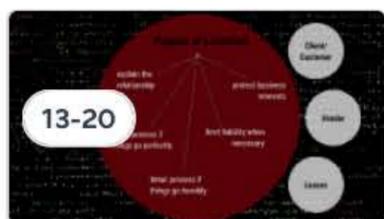
Overview



AGENDA



Organization



Contracts



21-26

Business Law

- AGENDA
- Contracts
- Organization
- Hiring People
- Nichole A. Sadek

Prezi



+ Subtopic

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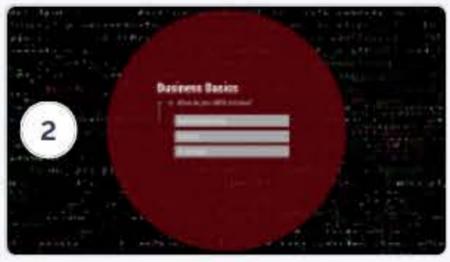
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Layout

Go back



AGENDA



Back to Parent

Business Basics

What do you NEED to know?

- Business Organization
- Contracts
- Hiring People
- Click to edit text





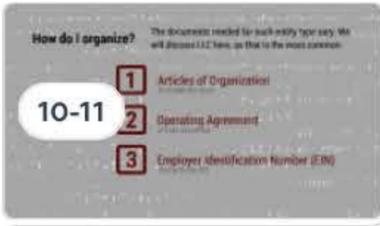
Organization



When?



Which?



How?



BUSINESS ORGANIZATION

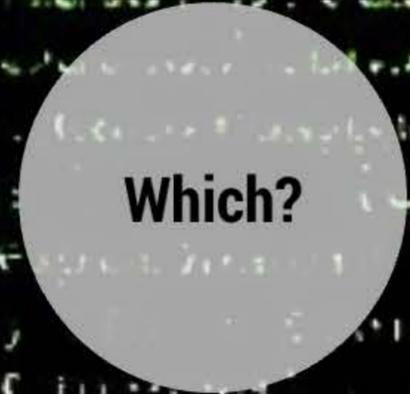
Organizing your business into a legal entity is the first step to protecting yourself and your business.

Gives you a liability shield, which will keep your personal assets safe from any potential liability in a business-related dispute.

Gives you some privacy - you can contract in business name instead of personal.

Allows you to open a business bank account

Personally shielded from entity's creditors or debts.





When?



Back to Parent

When should I organize?

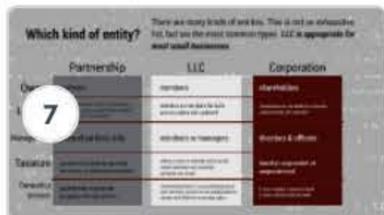
✓ **If you have consistent transactions**
(the more transactions, the greater the likelihood of a dispute with someone)

✓ **If your business has high potential liability**
(driver, selling health products, leasing property, renting large or dangerous equipment, personal trainer, childcare)

✓ **If you need employees**
(employment disputes are the #1 cause for business litigation)

✓ **If you are consistently bringing in revenue**
(more money, more problems)





Which?



Back to Parent

Which kind of entity?

There are many kinds of entities. This is not an exhaustive list, but are the most common types. *LLC is appropriate for most small businesses.*

	Partnership	LLC	Corporation
Owner	partners	members	shareholders
Liability	general partners are liable for each other's actions and actions of partnership; limited partners have limited liability	members are not liable for LLC's actions unless veil is pierced	shareholders are not liable for corporate actions unless veil is pierced
Management	general partners only	members or managers	directors & officers
Taxation	partners are taxed on personal tax return; partnership not taxed	unless s-corp is elected, entity is not taxed; members are taxed on personal tax return	taxed as corporation at corporate level
Ownership Interest	partnership is personal property of each partner	membership interest is personal property of each member; interest can be subdivided into classes with different ownership rights	C-corp: multiple classes of stock S-corp: only one class of stock





Go back



How?



Back to Parent

How do I organize?

The documents needed for each entity type vary. We will discuss LLC here, as that is the most common.

1

Articles of Organization

filed with the state

2

Operating Agreement

private document

3

Employer Identification Number (EIN)

filed with the IRS



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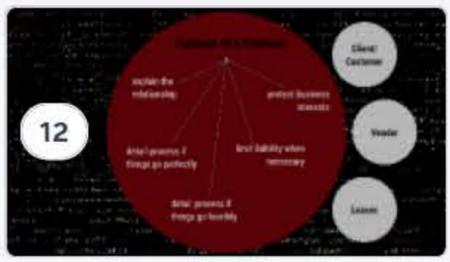
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Contracts

Client / Customer Contract

13-14

- Outline Terms: (we have, protecting the provider)
- Limit your business's liability (in the same contract)
- Make sure you get paid
- Protect your intangible assets (use license of trademark, such as product, trade dress, intellectual property)

Client/ Customer

Vendor Contract

15-16

- Outline Terms: (we have, delivering goods)
- Limit your business's liability (in the same contract)
- Termination (when, how do the terms get set?)
- Protect your intangible assets (use license of trademark, such as product, trade dress, intellectual property)

Vendor

Leases

17-18

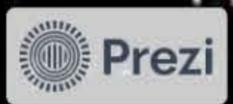
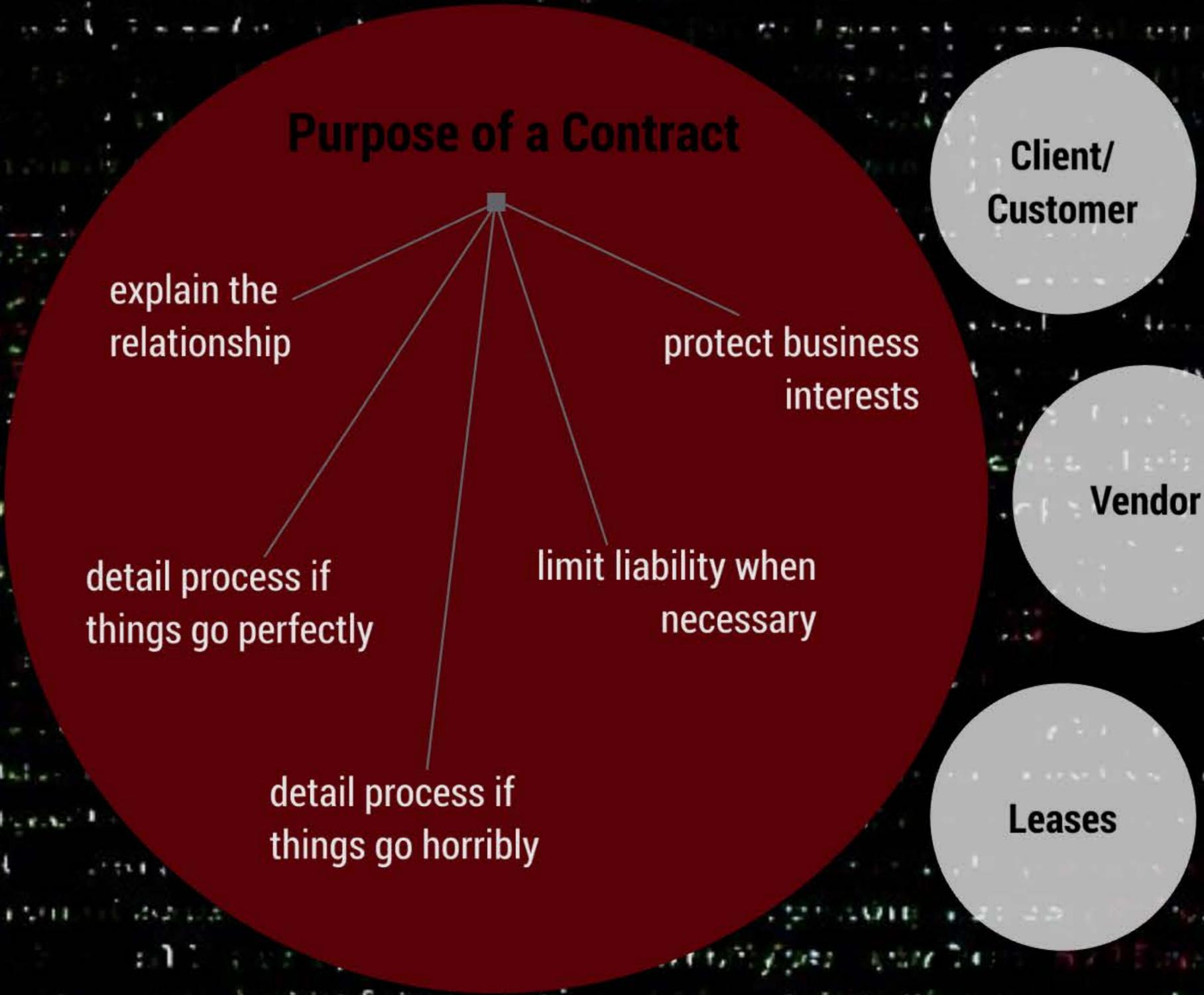
- Outline Terms: (we have, space requirement, rent, how to use)
- Limit your business's liability (in the same contract)
- Make sure you get paid (if you are the tenant)
- Make sure you get the space you need (if you are the tenant)

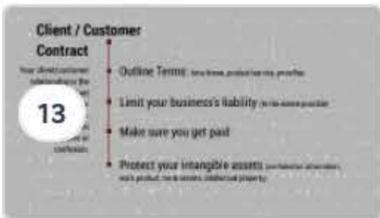
Leases



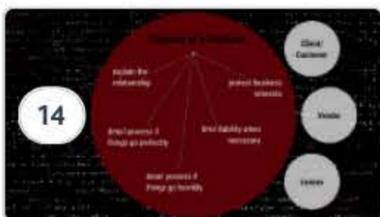
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Business Law





Client/ Customer



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Client / Customer Contract

Your client/customer relationship is the MOST important relationship your business will have. You don't want surprises or confusion.

- Outline Terms: time frame, product/service, price/fee
- Limit your business's liability (to the extent possible)
- Make sure you get paid
- Protect your intangible assets (confidential information, work product, trade secrets, intellectual property)

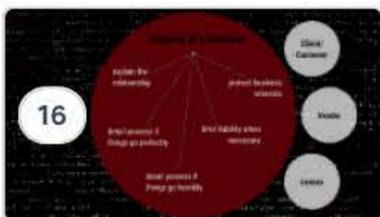




Go back



Vendor



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Vendor Contract

These contracts are the ones that describe the relationship between you and another business you work closely with (supplier, distributor, affiliate, manufacturer, etc.)

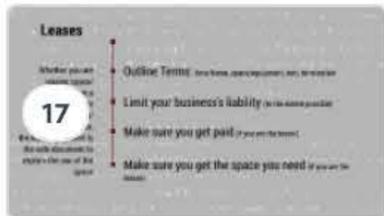
Outline Terms: time frame, relationship, price/fee

Limit your business's liability (to the extent possible)

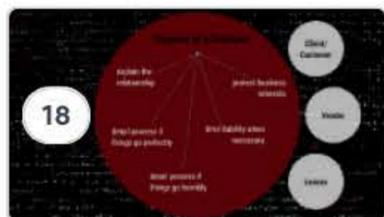
Termination (when/how do the parties get out?)

Protect your intangible assets (confidential information, work product, trade secrets, who owns what?)





Leases



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Leases

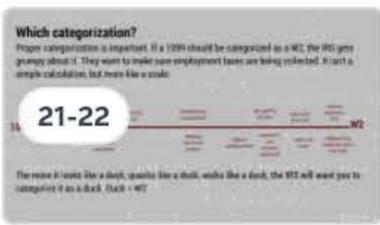
Whether you are leasing space/equipment from a business or you are providing space/equipment for lease, the lease agreement is the sole document to explain the use of the space

- **Outline Terms:** time frame, space/equipment, rent, termination
- **Limit your business's liability** (to the extent possible)
- **Make sure you get paid** (if you are the lessor)
- **Make sure you get the space you need** (if you are the lessee)





Hiring People



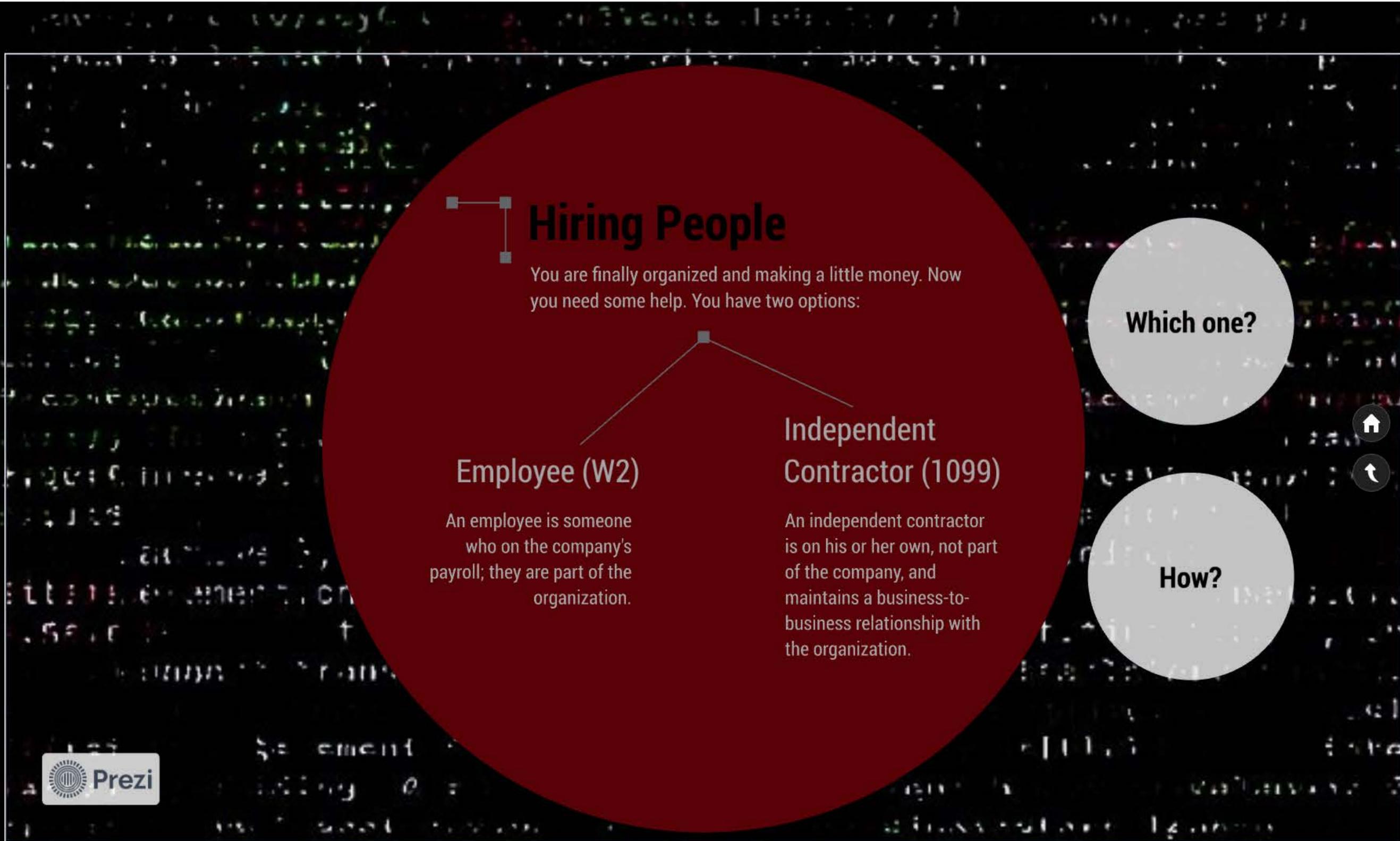
Which one?



How?



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Which categorization?
Proper categorization is important. If a 1099 should be categorized as a W2, the IRS gets grumpy about it. They want to make sure employment taxes are being collected. It isn't a simple calculation, but more like a scale.

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Which one?

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Back to Parent

Which categorization?

Proper categorization is important. If a 1099 should be categorized as a W2, the IRS gets grumpy about it. They want to make sure employment taxes are being collected. It isn't a simple calculation, but more like a scale:



The more it looks like a duck, quacks like a duck, walks like a duck, the IRS will want you to categorize it as a duck. Duck = W2





Go back

How do I hire a worker? Some documents and systems will need to be in place regardless of the categorization.

Invoicing/ payment system	Contract (compensation, job/ services, term, termination, confidentiality, restrictive covenants, proprietary rights, IP)	Payroll System
IRS Forms (W-9, 1099- NEC or MISC)		IRS Forms (I-9, W-4)
Policies and procedures		Employee handbook
1099	BOTH	W2

How?

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Back to Parent

How do I hire a worker?

Some documents and systems will need to be in place regardless of the categorization.

Invoicing/
payment system

Contract
(compensation, job/
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confidentiality,
restrictive covenants,
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Payroll System

IRS Forms (W-9, 1099-
NEC or MISC)

IRS Forms (I-9, W-4)

Policies and procedures

Employee handbook

1099

BOTH

W2





Nichole A. Sadek



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Questions?



Nichole A. Sadek

Attorney | Business & IP Law

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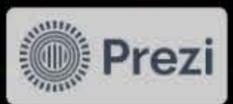
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Thank you!



SADEK LAW PLC