

Burning Questions Transcript

Hello, and welcome to the Small Business Development Trainings for Family and Home-Based Daycare Centers.

In this session we will answer some of our most frequently-asked questions, as well as provide practical strategies that will help you in getting your daycare started. We'll start with the business basics and, and if some of it is a review, go for it with us and of course pay attention to the details that will be provided.

What is the first thing to do to get started? We suggest that you do preliminary research to make sure that this is an industry that you want to get involved in. You can do that by contacting the department of social services and asking for a copy of their regulations or their licensing manual. Take the time to familiarize yourself with what will be required to be approved. If you're leasing a home, this would be a good time to talk to the owner and get permission to operate a business from the home.

When you're sure that you want to proceed, begin by establishing your company. How do I get my business legally set up? Well, there are many steps and different agencies involved with legally setting up a business. It begins with the secretary of state, if you choose to formalize your legal structure; the IRS, to obtain a federal tax ID number; and your bank, to open a commercial bank account.

First, choose your legal structure. Contact the secretary of state, request information and an application for completing your articles of incorporation. There will be a fee to file this application. It ranges from \$60 to \$350, based on the state that you live in.

Next, contact the IRS to apply for your federal employer's identification number, also called an EIN. You can apply online by going to www.irs.gov, and use the search option to find the SS4 application. This application can be completed online and submitted. You will receive an instant number. It can be faxed in, mailed in, or also called in.

Your next step is to contact the state department of revenue. In your state it may be called the comptroller's office. This state will issue a tax ID number for state tax purposes. There are no fees for obtaining this number.