

HOW TO START A

BUSINESS

IN OKLAHOMA

STARTING A BUSINESS IN OKLAHOMA

1. BUSINESS PLAN

A business plan is key to starting a business. It is required if you will need to secure a loan to finance your business. Even if you are self-financing or getting loans from family members to finance the business, it's a good idea to develop an informal business plan just to be sure you have a thorough understanding of operating the business. Issues to cover in a business plan include:

- Succinct description of your business & product/services

- Description and analysis of your target market(s) and competition

- Description of how your business will operate and reach the target customers

- Listing of your start-up costs and projection of your financials

There are many resources available to assist you with developing a business plan: www.sba.gov. For help with a business plan or any of the other issues in this document, you may also contact business mentors/counselors such as:

- The Women's Business Center (405-319-8190), www.reiok.org

- Small Business Development Centers, www.osbdc.org

- Oklahoma Career Technology Centers, www.okcareertech.org2.

2. BUSINESS STRUCTURE

Most common types of structures are:

- LLC (Limited Liability Company)

- Sole Proprietorship

- Partnership

- Corporation

See Guide at OK Secretary of State website (www.sos.ok.gov) describing each type.
See OK Tax Commission website (www.tax.ok.gov/structures) for tax consequences.

3. BUSINESS NAME

Choose a business name and reserve it with the OK Secretary of State at www.sos.ok.gov. You can search the Secretary of State's database to see if the name has already been taken by another business. A name may be reserved for a period of 60 days prior to the organization of the legal business entity for a cost of \$10; this can be used while you complete other plans for the business including creating and filing one of the legal structures.

4. REGISTER YOUR BUSINESS

Businesses are registered in Oklahoma through the Secretary of State. (See web address above). Businesses must also be registered with the Oklahoma Tax Commission in person or using their web address shown above.

5. GET A FEDERAL TAX ID (EIN)

Federal employer identification numbers (EIN) are obtained through the website of the Internal Revenue Service at <https://sa1.www4.irs.gov/modiein/individual>. If you'd rather call, do so very early in the morning at 800-829-4933.

You need an EIN if you:

- a) Started a new business
- b) Hired or will hire employees
- c) Opened a bank account that requires and EIN for banking purposes.
- d) Changed the legal character or ownership of your organization (for example, you incorporated a sole proprietorship or partnership)
- e) Purchased a going business

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6. LICENSING/PERMITS

Depending on your specific industry and business type, there may be additional licenses and/or permits required. Visit the Business Licensing and Permits System to see a guide for such requirements at <http://okcommerce.gov>

Cities and counties may also have additional permits/licenses and/or zoning requirements so check with the City or County government where your business is located.

7. HIRING EMPLOYEES

If you're going to have employees, there are additional registrations and filings that are required. You'll need to set up a withholding account for income taxes through the Oklahoma Tax Commission (OTC). The OTC can be reached at 405-521-3160 or www.tax.ok.gov.

You'll need to set up an account for employees' unemployment taxes through the Oklahoma Employment Security Commission (OESC). The OESC can be reached at 405-557-7100 or www.oesc.ok.gov

You'll need Workers Compensation Insurance. If you do not have a private policy, you can contact CompSource Mutual at 405-232-7663 or 800-347-3863 or www.compsourceok.com.