# New Venture Guide (Mississippi)

This quick-start guide is designed to help you through the first steps of forming a new company in the State of Mississippi. Please ask for assistance with any stage of the process as needed.

Please note — the content below is for informational purposes only and not for the purpose of providing legal advice. You should contact your attorney to obtain advice with respect to any particular issue or problem.

## 1. Choosing a Company Name

Naming a company is both an art and a science. Below are some tips:

✓ **Factors to Consider When Naming Your Business**

Many businesses start out as freelancers, solo operations, or partnerships. In these cases, it's easy to fall back on your own name as your business name. While there's nothing wrong with this, it does make it tougher to present a professional image and build brand awareness.

- How will your name look? – On the web, as part of a logo, on social media.
- What connotations does it evoke? – Is your name too corporate or not corporate enough? Does it reflect your business culture? Does it appeal to your market?
- Is it unique? – Pick a name that hasn't been claimed by others, online or offline. A quick web search and domain name search (more below) will alert you to any existing use.
- Is your proposed name 'Web-Ready'? – In order to claim a website address or URL, your business name needs to be unique and available. It should also be rich in key words that reflect what your business does. To find out if your business name has been claimed online, do a simple web search to see if anyone is already using that name.

✓ **Search for Trademark Conflicts**

It's a good idea to check if your desired company name, or variations of it, is trademarked. Remember that trademarks are applicable to specific scope of use, but you do not want consumer confusion or expensive changes later:

- http://www.uspto.gov/trademarks/

✓ **Search Business Name on Mississippi Secretary of State Website**

Next you'll want to search the Mississippi Secretary of State website for your desired business name (and similar names) to ensure it has not been registered and is available in Mississippi:

- https://corp.sos.ms.gov/corp/portal/c/page/corpBusinessIdSearch/portal.aspx?#clear=1

## 2. Form a Limited Liability Corporation (LLC)

For most new businesses, a limited liability company ("LLC") is the right structure for your business that combines the pass-through taxation of a partnership or sole proprietorship with the limited liability of a corporation. Like owners of partnerships or sole proprietorships, LLC owners report business profits or losses on their personal income tax returns; the LLC itself is not a separate taxable entity. Like owners of a corporation, however, all LLC owners are protected from personal liability for business debts and claims -- a feature known as "limited liability." This means that if the business owes money or faces a lawsuit, only the assets of the business itself are at risk. Creditors usually can't reach the personal assets of the LLC owners, such as a house or car. (Both LLC owners and corporate shareholders can lose this protection by acting illegally, unethically, or irresponsibly.) For these reasons, many people say the LLC combines the best features of the partnership and corporate business structures.

There are two documents you need to form a LLC. The first is the Articles of Organization, which legally creates the entity and is registered with the State of Mississippi. The second is the Operating Agreement, which you will simply keep on file for the business.

You can think of these documents like the US Declaration of Independence and the US Constitution – the Articles of Organization says you exist, and the Operating Agreement says how you will operate.

- ✓ **Complete LLC Articles of Organization online with Mississippi Secretary of State**
  The entire Articles of Organization filing process is now online in the state of Mississippi. You will follow the link, create an account, and during the filing process, you will be asked to provide the personal information of the "registered agent". The registered agent is the person with whom the state will correspond regarding your company. Choose one member (usually the filing member), to have listed as your registered agent. This will be the person typically handling financial aspects of the company:
  - ➢ https://corp.sos.ms.gov/corp/portal/c/page/login/portal.aspx

- ✓ **Pay Registration Fee and File ($50)**
  Once you have completed the filing form, you will be required to pay $50 to submit. This payment can be made by any major credit card online, or by mailing a check.

- ✓ **Draft LLC Operating Agreement**
  An operating agreement is a document that defines how your company will be run. It dictates the ownership of the company, and defines important procedures like handling money and the decision making process. The E-Center has resources that can be used as a basic template, but it is ultimately up to you how your company will be structured. Our team is happy to explain points that may confuse you, but ultimately this is a complex legally binding document, and you should consult an attorney for assistance.
  - ➢ Check out reference documents located in the E-Center's document library:
    1. https://app.box.com/s/ddp86bof8hnw3r6wy3osy2s8dh7osi70
    2. https://app.box.com/s/tlbs4tf4hxkvp5wmixtq8iygo463myyf

3. **Register Federal Tax ID (also known as Employer Identification Number or EIN) (Free)**

   Your business EIN number works like a social security number and is used by IRS to track your company for tax and other purposes. The same primary individual who registered the LLC will typically register for your EIN number, and is typically the person tasked with handling financial issues.

   - ✓ http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online

4. **Register for Mississippi Tax ID Number**

   The Department of Revenue is the primary agency for collecting tax revenues that support state and local governments in Mississippi. TAP stands for the Taxpayer Access Point. It provides you access to your online tax account at any time of the day.

   - ✓ https://tap.dor.ms.gov

5. **Open a Business Checking Account**

   In order to conduct financial transactions with your business, you will need to open a business checking account. Most banks and some credit unions offer small business banking products. You are welcome to choose any bank you are comfortable with so shop around. Make sure you look into the minimum account balance requirements, fees if any, and online banking options.

   - ✓ The E-Center has relationships with both **Cadence Bank** and **Renasant Bank** and we encourage you to reach out to their commercial bankers

     - **Brad Jones, Renasant Bank**
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