

10 LEGAL TOOLS YOU NEED TO KNOW



A wholesale business is not a hobby, you are building an empire. Below are the Top 10 Legal Tools you need to know.

1. Business Plan

Even though a business plan is not a “legal” document, it is highly recommended. Before you attempt to secure financing or even pick a business name, create a plan. You know the saying “Fail to plan, and you plan to Fail”. Take the time to assess your goals and resources and create a map for success. In the business plan, outline your target market and your competition. Determine your capital needs for starting out and the next 3-5 years. A well-organized business plan helps you with the other legal documents needed for your new business. Follow this link for more information about creating your business plan. <https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

2. DBA

If you run your business under a trade name or any other name that is different from your legal name, you need to register a DBA. The same goes for any other entity (partnership, LLC, etc.) operating under a different name. For more information about registering your business- click here: <https://www.sba.gov/business-guide/launch-your-business/register-your-business>

3. Partnership Agreement

A partnership is a legal entity where two or more people own and operate a business. Each partner owns a portion of the company's assets and liabilities, and each is responsible for the debts, profits, and legal burdens. The partnership agreement details each partner's share of ownership and responsibilities, including decision-making powers and steps for dispute resolution. For more information about Partnerships- <https://www.shopify.com/encyclopedia/partnership>

4. Incorporation Documents

The main reason business owners decide to incorporate their new businesses is to minimize their personal liabilities. Once the business is legally incorporated, it exists as a separate entity. This puts a barrier between the business and the owner's personal assets. Incorporation also increases the business's credibility and allows for tax advantages. These documents vary from state to state. For more information about incorporation documents- <https://www.sba.gov/business-guide/launch-your-business/register-your-business>

5. LLC Articles of Organization

If you choose to register your business as a Limited Liability Company (LLC), you will need to file an Articles of Organization in your business's home state. An LLC is a separate legal entity from its owners and can be formed as either a single-member LLC or a multi-member LLC. Many business owners choose to register as an LLC because there are fewer filing requirements and looser organization regulations. For more information about incorporation documents- <https://www.sba.gov/business-guide/launch-your-business/choose-business-structure>

8. Business Licenses and Permits

Businesses selling products and services subject to sales taxes need a sales tax license from the state tax authority office in all the states where they conduct sales. Companies that sell on a wholesale basis need a reseller license (resale certificate). For more information about incorporation documents- check your state's small business website.

9. Federal Tax ID

Businesses operating as a sole proprietorship don't need a Federal Tax ID number if they don't have any employees. They simply use the owner's social security number on all legal documents. However, if your business is a Corporation, LLC, or a partnership, you must apply and obtain a Federal Tax ID number or Employer Identification Number (EIN) through the IRS. For more information about incorporation documents- <https://www.sba.gov/business-guide/launch-your-business/get-federal-state-tax-id-numbers>

10. Trademark

It's essential to protect your assets when starting a new business. Your trademark is one of those assets you want to officially own so it can't be stolen from you. What is a trademark? A trademark is any word, name, symbol, or device, or any combination of those used in commerce to identify and distinguish a business's goods. Without the protection of a federally registered trademark, your brand can be stolen. For more information about incorporation documents- <https://www.uspto.gov/trademarks/basics>

This checklist is just a starting place! The US Small Business Administration is a good place to find more information.

