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Free Legal Checklist For U.S.-Based Startups

Includes: legal requirements, filings, and compliance tasks that are organized by timeline. This guide is for founders who are DIYing their startup's legal needs. If you would prefer to retain counsel, please visit Find Counsel here to contact a counsel.

Please note: For highly regulated industries (e.g., fintech, healthcare), additional steps may be required. See section below on Find Counsel

Key Timelines

1. **Immediately at formation:** Appoint agent, file with state, obtain EIN from IRS, conduct initial board meeting, BOI report
2. **Within 30 days:** Section 83(b) election (if applicable)
3. **Within 1–3 months:** Open bank account, issue equity, register for taxes, file initial reports
4. **Annually:** File annual reports, renew licenses, hold annual meeting, file tax returns

Pre-Incorporation / Planning

1. Choose your state of incorporation and corporate entity: Corporation (C-corp, S-corp), LLC, Partnership, Sole Proprietorship
    a. If you need help, see Choosing the Right Legal Entity For Your Startup
2. Check trademark availability (USPTO search)
    a. If you need help, see our US Trademarking Guide
3. Check state business registry (Google your state and business registry)
4. Draft and sign a Founders Agreement if you have co-founders
    a. If you need help, see Drafting Founders Agreements

At Incorporation (Day 0–30):

1. **File Formation Documents:**
    - Submit Articles of Incorporation (Corporation) or Articles of Organization (LLC) to the Secretary of State.
2. **Prepare Internal Documents:**
    - Draft and approve Bylaws (Corporation) or Operating Agreement (LLC).
3. **Organize Company:**
    - Appoint officers (Corporation) or managers (LLC).
    - Authorize and issue stock (Corporation).
4. **Obtain Tax IDs:**
    - Apply for an EIN from the IRS (online).
    - Register for state tax ID, sales tax permit, and franchise tax if required.
5. **Corporate Transparency Act:**
    - File beneficial ownership report with FinCEN within 30 days of formation (required as of 2024).
6. **Get Licenses:**
    - Obtain local, state, and industry-specific business licenses.

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Within 1–3 Months:

1. **Use EIN and Formation Docs:**
    - Open business bank accounts and set up company operations.
2. **Stock Agreements:**
    - Prepare and sign stock purchase agreements for founders/investors.
3. **Section 83(b) Election:**
    - File with IRS within 30 days of stock grant if applicable (to avoid unfavorable tax treatment). Do not miss this deadline. Missing the 83(b) deadline, failing to file state reports, or not registering for payroll taxes can lead to penalties or tax issues.
4. **Approvals:**
    - Obtain board and stockholder approval for key actions.
5. **Initial State Report:**
    - File any required initial reports with your state (varies by state).
6. **If Hiring Employees:**
    - Register for state payroll taxes and comply with employment laws.

Ongoing (Monthly/Quarterly/Annually):

1. **Secretary of State Filings:**
    - File required annual or periodic reports.
2. **Corporate Records:**
    - Maintain minutes, resolutions, and an up-to-date stock ledger.
3. **Renew Licenses/Permits:**
    - Keep all business licenses and permits current.
4. **Tax Compliance:**
    - File and pay corporate income, franchise, sales, and payroll taxes.
5. **Employment Compliance:**
    - Follow wage/hour laws, anti-discrimination rules, I-9 verification, and update employee handbook.
6. **Insurance:**
    - Maintain general liability, workers' comp, D&O, cyber, and other necessary coverage.
7. **Data Privacy:**
    - Comply with CCPA, GDPR, or other data laws if handling personal information.
8. **Intellectual Property:**
    - Register and maintain trademarks, patents, and copyrights as needed.
9. **Equity Tracking:**
    - Keep accurate records of equity ownership and option grants.

As Needed / Triggered Events:

1. **Securities Law Compliance:**
    - Make federal and state ("blue sky") filings for stock or option grants.
2. **Approvals:**
    - Obtain board and stockholder approvals for major actions.

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3. **Employment Documents:**
    - Use offer letters, NDAs, and invention assignment agreements for new hires.
4. **Labor Registration:**
    - Register with state labor agencies when hiring employees.
5. **Key Agreements:**
    - Review and negotiate important contracts (customer, vendor, partnership).
6. **Major Corporate Changes:**
    - For amendments, mergers, acquisitions, or dissolutions, secure approvals and file required documents with regulators.

Fundraising:

1. **Prepare Offering Documents:**
    - Draft term sheets, investor presentations, and subscription or purchase agreements.
2. **Securities Law Compliance:**
    - Ensure compliance with federal and state securities laws (file Form D, blue sky filings as needed).
3. **Board and Stockholder Approvals:**
    - Obtain necessary approvals for issuing new shares or convertible securities.
4. **Cap Table Management:**
    - Update capitalization table to reflect new investments.
5. **Investor Due Diligence:**
    - Respond to investor requests for company documents and information.
6. **Close the Round:**
    - Collect funds, countersign agreements, and issue stock certificates or SAFEs/convertibles.

Strategies

If you are an experienced founder or prefer to DIY the above tasks, please ensure you are checking regulations specific to your industry. Do not accrue too much legal debt. Like tech debt, legal debt because very expensive later on.

New Founders: If you are a new founder or are uncomfortable handling the above yourself, engage a startup-focused attorney and accountant early to set up compliance systems and review all filings. If you need a referral to a startup lawyer, you can use Find Counsel.

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