COMMON OPERATIONAL RELATIONSHIPS FOR NEW BUSINESSES

NOTE: Not an Exhaustive List of Requirements - Always Consult a Lawyer!

Corps: Issue	Cartain						
	Certain	(See 17 point	Have to meet IRS	Volunteers only okay	Lease must be in	Must keep income	Must keep income
and Register	contracts must	Employer	test: exercise	with Non-Ps	writing if > 1 year;	records for IRS/CA	records for IRS/CA
Shares, Follow	be in writing	Checklist: all	minimal control		Damage Deposit	Franchise Tax	Franchise Tax Board
Bylaws	(e.g.,	required)	over work, don't		must be returned	Board	
	Mortgages;		use with key		w/in 30 days (can		
	Agreements to		workers (e.g., not		deduct costs		
	pay another's		CEO)		beyond normal		
	debts)				wear & tear);		
					Possible warranty		
					vs. landlord		
					disturbing		
					tenant's use		
LLCs/Pships:				Interns must meet		Need to have	Comply with state
Have an				CA test: similar		WRITTEN	requirements for
Agreement,				training to vocational		agreement if sale	certain consumer
Follow				school, training is for		of goods is > \$500	agreements (e.g., 1
Agreement,				intern's benefit,			year maximum for
Register Shares				intern doesn't			gym membership
				displace employees,			agreements)
				no immediate			
				advantage for			
				employer, intern has			
				no right to job at end			
						Comply with all	Need to have
						labeling	WRITTEN
						requirements	agreement if sale of
						(including warnings	goods is > \$500
						re: use and misuse)	
	Bylaws LLCs/Pships: Have an Agreement, Follow Agreement,	Bylaws (e.g., Mortgages; Agreements to pay another's debts) LLCs/Pships: Have an Agreement, Follow Agreement,	Bylaws (e.g., required) Mortgages; Agreements to pay another's debts) LLCs/Pships: Have an Agreement, Follow Agreement,	Bylaws (e.g., Mortgages; Agreements to pay another's debts) LLCs/Pships: Have an Agreement, Follow Agreement,	Bylaws (e.g., Mortgages; Agreements to pay another's debts) LLLCs/Pships: Have an Agreement, Follow Agreement, Register Shares	Bylaws(e.g., Mortgages; Agreements to pay another's debts)required)over work, don't use with key workers (e.g., not CEO)must be returned w/in 30 days (can deduct costs beyond normal wear & tear); Possible warranty vs. landlord disturbing tenant's useLLCs/Pships: Have an Agreement, Follow Agreement, Follow Agreement, Register SharesInterns must meet CA test: similar training to vocational school, training is for intern's benefit, intern doesn't displace employees, no immediate advantage for employer, intern has	Bylaws(e.g., Mortgages; Agreements to pay another's debts)required)over work, don't use with key workers (e.g., not CEO)must be returned w/in 30 days (can deduct costs beyond normal wear & tear); Possible warranty vs. landlord disturbing tenant's useBoardLLCs/Pships: Have an Agreement, Follow Agreement, Register SharesImage: Source and the source

COMMON OPERATIONAL RELATIONSHIPS FOR NEW BUSINESSES

	<u>Investors</u>	<u>Creditors</u>	Employees	Indep Contractors	Interns/Voluntrs	Landlords	Suppliers of Goods	<u>Consumers</u>
Min. Reqd	Corps: Keep	Have WRITTEN	Require	Have a WRITTEN	Have a WRITTEN	Have a WRITTEN	Have a WRITTEN	Have written
	track of shares	Agreement	Application and	Agreement	agreement that sets	lease	agreement for all	agreements if
	in Log		Interview; Check		forth expectations		transactions	needed
			References; Have					
			hires sign offer					
			letters (<u>not</u>					
			contracts);					
			Provide					
			Supervision					
	LLCs/Pships:	Watch					Clarify warranties	Clarify warranties in
	Have a	Personal					in writing	writing
	WRITTEN	Guarantees!					(merchantability,	(merchantability,
	agreement						fitness for	fitness for
							particular purpose)	particular purpose)

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	Investors	Creditors	Employees	Indep Contractors	Interns/Voluntrs	Landlords	Suppliers of Goods	Consumers	
Optimal or	Create different	Possible	Adopt Personnel	Anticipate	Anticipate common	Anticipate	Anticipate delivery	Provide avenues	
Optional	investment	Conversion of	Policies; Use a	common issues in	issues in the	common issues in	delays/breach of	for/address	
	options &	debt into	Payroll Service to	the agreement:	agreement: liability	the agreement:	the agreements	consumer	
	incentives	equity	keep track of all	liability, ability to	to/for the	liability for	have back up	complaints	
		(convertible	requirements	represent the	intern/volunteer,	repairs,	sources to cover if		
		note)		company, IP	ability to represent	subleasing option,	needed		
				ownership	the company, IP	signage,			
					ownership	alterations to the			
						property,			
						extension options			
		Provide for			Arrange insurance to				
		early pay-out			cover interns &				
		w/o penalty			volunteers				
		Set up auto-							
		pay with bank							
		or credit card							
Source: UC E	Source: UC Berkeley New Business Practicum 8/20/2018								