

# Business Start-Up Checklist

After researching your business idea and writing your business plan, use the checklist below to guide you through the steps of establishing your business. It is good, sound business judgment to seek advice from an accountant and/or attorney before starting a business. You can also refer to the **Start My Business** page with the *Kentucky One Stop Business Portal* for additional information and resources on any of the following topics.



## CHOOSE A NAME AND STRUCTURE.

- Businesses in Kentucky are required to **choose an available name** with the Office of the Secretary of State. A business name is not available if it is already being used by an existing registered business. There is a search tool for available names which you can access by visiting the Office of the Secretary of State's Website at: [www.sos.ky.gov](http://www.sos.ky.gov)
- One of the first decisions to make when starting a business is to **choose a legal structure** for your business. The particular structure you choose may save you money and provide greater protection of your personal assets. Visit the *Start My Business* page with the *Kentucky One Stop Business Portal* for an interactive tool that can provide you with more information on different business structures.

## REGISTER YOUR BUSINESS.

- Most types of business types must register with the Office of the Secretary of State and the Kentucky Department of Revenue to operate in Kentucky. Businesses can now complete their basic registrations with both offices using the **Kentucky One Stop Business Application** (formerly known as *FastTrack*) online. Visit the *Start My Business* page with the *Kentucky One Stop Business Portal* to get started.
- Many cities and counties also require registration for individuals and firms conducting business within their jurisdiction. Consult your local county and city clerks for any **local registration requirements**.

## GET YOUR TAX NUMBERS.

- Obtain a **Federal Employer Identification Number** from the Internal Revenue Service (IRS). (You most likely completed this step while completing your basic registration with the Kentucky Department of Revenue above.)
- After you have completed your basic registration you will receive a **state tax identification number** from the Kentucky Department of Revenue.
- Upon receiving and processing your registration, the Department of Revenue will specify if you and your business will have any additional state tax requirements. Depending on your type of business there may be **additional state tax registrations** you must complete.
- Many cities and counties also impose taxes for individuals and firms conducting business within their jurisdiction. Consult your local county and city clerks for any **local tax requirements**.

## FIND INSURANCE REQUIREMENTS AND COVERAGE OPTIONS.

- If you hire employees, your business is required to register for **unemployment insurance** to operate in Kentucky. Visit <https://kewes.ky.gov/> to register.
- If you hire employees, your business is also required to obtain **workers' compensation insurance** from a private insurance carrier or self-insure. (Kentucky does not sponsor a state-run insurance program.) Visit the Department of Workers' Claims for more information.
- Insurance is a risk management tool that can help you protect your business, your employees and your customers. Visit the *Insurance* page on the *Kentucky One Stop Business Portal* for more information and resources and to make sure you **adequately protect your business** before you open.

## OBTAIN THE APPROPRIATE LICENSES AND PERMITS.

- Most businesses in Kentucky are required to have at least one license or permit to operate. Check with your occupational board or visit the Occupational Licenses/Permits page on the *Kentucky One Stop Business Portal* to search **special licenses or permits** to legally operate your business.
- If your business is involved in activities supervised/regulated by a federal agency you will also need to **obtain federal licenses** to operate. Visit the *Federal Licenses/Permits* page on the *Kentucky One Stop Business Portal* for more information.
- Acquire environmental permits:** Environmental permits are required by federal, state and sometimes local governments to ensure that business and construction minimize potential impacts on human health and the environment. Many environmental programs require that facilities and operators obtain permits or authorizations prior to engaging in certain activities.
- Many cities and counties also impose requirements for individuals and firms conducting business within their jurisdiction. Consult your local county and city clerks to find out if you must obtain a **local business license** and to check for compliance with **building codes and local zoning requirements**.

## LEARN ABOUT YOUR EMPLOYER RESPONSIBILITIES.

- Visit the *Managing Employees* page on the *Kentucky One Stop Business Portal* for more information on the topics in this section.
- Research and understand your **employer tax obligations** with the Internal Revenue Service and the Kentucky Department of Revenue.
- Display mandatory posters** in a conspicuous location in your place of business: Safety and Health on the Job; Wage and Hour; Unemployment Insurance; Equal Opportunity; and Fair Housing.
- Your business is required to **report new hires** to both Federal and Kentucky governments.
- Your employees must fill out an **Employment Eligibility Verification Form (I-9)**.
- Make sure you are in compliance with the **Americans with Disabilities Act (ADA)**.
- Make yourself aware of **occupational safety and health regulations** that may impact your business.
- Employers involved in construction work or mining activities in Kentucky that haven't been doing business in the state for at least five consecutive years are required to **post a performance bond**.

## IDENTIFY REGULATIONS AND STATUTES FOR YOUR BUSINESS.

- Learn about **regulations and ordinances** that affect your industry and can impact your business on the *Start My Business* page with the *Kentucky One Stop Business Portal*.

The Kentucky Cabinet for Economic Development operates the Business Information Clearinghouse, which provides information on the licensing and permitting process to establish a business in Kentucky. For assistance, call 1-800-626-2250 or (502) 564-2064, e-mail [cedsbds@ky.gov](mailto:cedsbds@ky.gov), or visit [www.thinkkentucky.com/kyedc/ebpermits.aspx](http://www.thinkkentucky.com/kyedc/ebpermits.aspx).

The arrangement of the following steps is not a required sequence of events, but suggests a convenient progression. The need to contact any or all of the agencies on the following list is dependent upon the type of business, the structure of the business and whether the business will utilize employees.

1. Typically, the first step in establishing a business in Kentucky is choosing a legal business structure and filing the appropriate registration. Listed below are the general registration procedures for common business structures. The term “Domestic” in the table below refers to businesses organized under the laws of the Commonwealth of Kentucky. The term “Foreign” refers to businesses organized under the laws of any state or country other than the Commonwealth of Kentucky.

<b>Business Structure</b>	<b>Filing Instructions</b>
Domestic Corporation	File Articles of Incorporation with the Kentucky Secretary of State
Foreign Corporation	File Application for Certificate of Authority (Foreign Corporation) with the Kentucky Secretary of State
Domestic Limited Liability Company	File Articles of Organization with the Kentucky Secretary of State
Foreign Limited Liability Company	File Application for Certification of Authority (Foreign LLC) with the Kentucky Secretary of State
Domestic Limited Partnership	File Certificate of Limited Partnership with the Kentucky Secretary of State
Foreign Limited Partnership	File Application for Certificate of Authority as a Foreign Limited Partnership with the Kentucky Secretary of State
Registered Limited Liability Partnership	File a Statement of Qualification with the Kentucky Secretary of State
General Partnership	If operating under a name that doesn't include the real names of each general partner, file a Certificate of Assumed Name with the Kentucky Secretary of State
Sole Proprietorship	If operating under a name that doesn't include the real name of the owner, file a Certificate of Assumed Name with the County Clerk where the owner is deemed a resident

Office of the Secretary of State  
Filings Branch  
700 Capital Avenue, Suite 154  
P.O. Box 718  
Frankfort, Kentucky 40602  
(502) 564-2848 Fax: (502) 564-4075

*Business filing overview:* <http://sos.ky.gov/business/filings/>

*Business filing forms:* <http://sos.ky.gov/business/filings/forms/>

2. Obtain an Employer Identification Number (EIN) from the U.S. Internal Revenue Service (IRS) by calling 1-800-829-4933, completing Form SS-4, or submitting an online application.

*IRS Information on how to apply for an EIN:*

<http://www.irs.gov/businesses/small/article/0,,id=97860,00.html>

3. File a Kentucky Tax Registration Application (Form 10A100) with the Kentucky Department of Revenue.

Commonwealth of Kentucky  
Department of Revenue  
PO Box 299, Station 20  
Frankfort, KY 40602-0299

(502) 564-3306 Fax: (502) 227-0772

*Form 10A100:* <http://revenue.ky.gov/business/register.htm>

4. File state license applications, as required, for businesses or professions with the appropriate state government agency. Information on all state licenses and permits may be obtained from the state Business Information Clearinghouse (BIC).

Business Information Clearinghouse  
500 Mero Street, Capital Plaza Tower 23<sup>rd</sup> floor  
Frankfort, Kentucky 40601

(502) 564-2064

Toll Free 1-800-626-2250 Fax: (502) 546-5932

<http://www.thinkkentucky.com/kyedc/ebpermits.aspx>

5. File federal licensing applications, as required, with the appropriate federal government agency.

*Federal government licensing and permitting information:*

[http://www.business.gov/topic/Licenses\\_and\\_Permits](http://www.business.gov/topic/Licenses_and_Permits)

6. Check with the local city or county planning and zoning commission to assure that the location of the business is in compliance with existing local zoning regulations.
7. Obtain a local business license and register for local occupational taxes (requirements vary among locations). Check with the local city or county clerk or business licensing office in each area where the business intends to operate.

*Local occupational tax contact information:*

<http://www.kyola.org/Forms/2005OccupationalTaxListing.pdf>

8. Obtain certain permits, when applicable, before construction of any facility or occupancy of any existing facility. Assistance with environmental regulations can be obtained from the Kentucky Department for Environmental Protection's Division of Compliance Assistance.

Kentucky Department for Environmental Protection  
Division of Compliance Assistance  
300 Fair Oaks Lane  
Frankfort, KY 40601  
(502) 564-0323  
Toll Free 1-800-926-8111 Fax: (502) 564-9720  
*Division of Compliance Assistance web site:*  
<http://www.dca.ky.gov/complianceassistance/>

- A. Permits to build and operate in compliance with environmental regulations from the Kentucky Department for Environmental Protection:

***Air pollution sources, including large parking areas***  
Division for Air Quality  
803 Schenkel Lane  
Frankfort, Kentucky 40601  
(502) 573-3382 Fax: (502) 573-3787  
*Permit applications:* <http://www.air.ky.gov/permitting/>

Sewage systems discharging into Kentucky waters, withdrawal of water exceeding 10,000 gallons per day from public waters and building sites in a flood plain:

Division of Water  
14 Reilly Road  
Frankfort, Kentucky 40601  
(502) 564-3410 Fax: (502) 564-0111  
*Permit applications:* <http://www.water.ky.gov/permitting/>

**Solid and hazardous wastes**

Division of Waste Management  
14 Reilly Road  
Frankfort, Kentucky 40601  
(502) 564-6716 Fax: (502) 564-4049  
*Division of Waste Management Forms:*  
<http://www.waste.ky.gov/forms/>

- B. Approval of construction plans for compliance with building, electrical, plumbing and boiler codes by the Kentucky Department of Housing, Buildings and Construction:

*Permit applications:* <http://www.ohbc.ky.gov/>

**Building codes**

Division of Building Codes Enforcement  
101 Sea Hero Road, Suite 100  
Frankfort, Kentucky 40601  
(502) 573-0373 Fax: (502) 573-1059  
<http://www.ohbc.ky.gov/bce>

**Boiler codes**

Division of Fire Prevention  
101 Sea Hero Road, Suite 100  
Frankfort, Kentucky 40601  
(502) 573-1708 Fax: (502) 573-1004  
<http://ohbc.ky.gov/fp/boilers/default.htm>

**Electrical inspection**

Division of Fire Prevention  
101 Sea Hero Road, Suite 100  
Frankfort, Kentucky 40601  
(502) 573-1797 Fax: (502) 573-1004  
<http://ohbc.ky.gov/fp/ei/default.htm>

**Plumbing codes**

Division of Plumbing  
101 Sea Hero Road, Suite 100  
Frankfort, Kentucky 40601  
(502) 573-0397 Fax: (502) 573-1058  
<http://ohbc.ky.gov/plb/>

- C. Apply for a building permit and a sewer connection permit (where required) from the city or county government. This is usually accomplished by the construction contractor.

9. Verify that employees are authorized to work in the U.S., as required by the U.S. Citizenship and Immigration Services.

U.S. Citizenship and Immigration Services  
Office of Business Liaison  
111 Massachusetts Avenue, NW  
6<sup>th</sup> Floor  
Washington, DC 20539  
1-800-357-2099 Fax (202) 272-1865  
<http://www.uscis.gov/portal/site/uscis> (click on “For Employers”)

10. Report new hires or anyone that is rehired or returns to work after a separation of employment of 30 days or more to the Kentucky New Hire Reporting Center. This information is used to identify individuals that may owe child support or recipients of unemployment compensation who fail to report earnings.

Kentucky New Hire Reporting Center  
P.O. Box 8278  
Madison, WI 53708-8278  
1-800-817-2262  
[www.newhire-usa.com/ky](http://www.newhire-usa.com/ky)

11. Obtain Workers’ Compensation coverage for employees by either:
- Buying insurance from a private carrier; *or*
  - Buying insurance from Kentucky Employers Mutual Insurance (KEMI); *or*
  - Joining an approved self-insurance group; *or*
- Becoming qualified as a self-insured employer by the Kentucky Department of Workers’ Claims.

Kentucky Department of Labor  
Office of Workers’ Claims  
657 Chamberlin Ave.  
Frankfort, KY 40601  
1-800-554-8601 or (502) 564-9533 Fax: (502) 564-5732  
<http://www.labor.ky.gov/workersclaims/specialists/>  
*Workers Compensation Guidebook:*  
<http://www.labor.ky.gov/workersclaims/publications/>

12. Register with the Kentucky Office of Employment and Training (OET) to establish a state unemployment insurance account if you have employees subject to unemployment insurance requirements. Most employers can register online, while some are required to



complete form UI-1. OET has an Employer Guide that provides more detailed information on registration and coverage requirements.

Tax Status and Accounting Branch  
Unemployment Insurance  
Post Office Box 948  
Frankfort, Kentucky 40602-0948  
(502) 564-2272 Fax: (502) 564-5442  
*OET Unemployment Insurance Employer Guide:*  
[http://www.oet.ky.gov/des/ui/UI\\_EmployerGuide\\_2007.pdf](http://www.oet.ky.gov/des/ui/UI_EmployerGuide_2007.pdf)  
*Unemployment Insurance Registration:*  
<https://kewes.ky.gov/>

13. Post state required posters in a conspicuous location at the place of business:

- A. Posters containing these three notices:
- Kentucky Minimum Wage and Hour Law
  - Kentucky Child Labor Law
  - Wage Discrimination Because of Sex

Kentucky Department of Labor  
Division of Employment Standards, Apprenticeship & Training  
Office of Workplace Standards  
1047 U.S. 127 South, Suite 4  
Frankfort, Kentucky 40601  
(502) 564-3070 Fax: (502) 564-2248  
*Posters may be downloaded from the following web site:*  
<http://www.labor.ky.gov/ows/employmentstandards/posters/>

- B. Safety and Health Protection on the Job  
Kentucky Department of Labor  
Office of Occupational Safety and Health  
1047 U.S. 127 South, Suite 4  
Frankfort, Kentucky 40601  
(502) 564-3070 Fax: (502) 696-1902  
<http://www.labor.ky.gov/osh>
- C. Posters required by Kentucky laws to be posted in specified types of businesses.
- Equal Employment Opportunity and Americans with Disabilities Act
  - Equal Housing Opportunity (business and individuals dealing in the sale, rental, or leasing of housing)
  - Fair Housing
  - Public Accommodations

Kentucky Commission on Human Rights  
332 West Broadway, Suite 700  
Louisville, Kentucky 40202  
(502) 595-4024 or 1-800-292-5566 Fax: (502) 595-4801  
<http://kchr.ky.gov/>

Posters that include all required state and federal mandatory postings can be purchased from the Kentucky Chamber of Commerce.

Kentucky Chamber of Commerce  
464 Chenault Road  
Frankfort, Kentucky 40601  
(502) 695-4700 Fax: (502) 695-6824  
<http://www.kychamber.com>

14. Post federal required posters in a conspicuous location at the place of business:

***Federal Mandatory Postings***

Family and Medical Leave Act (FMLA)  
U.S. Department of Labor  
ESA Wage and Hour Division  
Gene Snyder U.S. Court House and Customs House  
601 West Broadway, Room 31  
Louisville, Kentucky 40202-9570  
1-866-487-9243 or (502) 582-5226

<http://www.dol.gov/esa/whd/fmla/>

*Posters may be downloaded from the following web site:*

<http://www.dol.gov/osbp/sbrefa/poster/main.htm>

Equal Employment Opportunity  
Louisville Area Office  
600 Dr. Martin Luther King Jr. Place, Suite 268  
Louisville, KY 40202  
(502) 582-6082 or 1-800-669-4000  
Fax: (502) 582-5895

<http://www.eeoc.gov>

(Mandatory in addition to State Postings)

***Special Posters***

- Minimum Wage and Overtime Poster
- Employee Polygraph Protection Act WH Pub. 1462
- Your Rights Under the Fair Labor Standards Act WH Pub. 1088
- Working on Federally Financed Construction Projects
- Migrant and Seasonal Agricultural Worker Protection Act





## Steps for Establishing A Business in Kentucky

U.S. Department of Labor  
Wage and Hour Division  
Washington, D.C. 20210  
1-866-487-9243  
Lexington Office: (859) 219-2171  
Louisville Office: (502) 582-5226 Fax: (502) 582-6890  
*Posters can be downloaded from the following web site:*  
<http://www.dol.gov/osbp/sbrefa/poster/main.htm>

For technical assistance with the Americans with Disabilities Act compliance contact:

Kentucky Education Cabinet  
Kentucky's Office for the Americans with Disabilities Act  
State ADA Coordinator's Office  
500 Mero Street, Capital Plaza Tower, 2<sup>nd</sup> floor  
Frankfort, Kentucky 40601  
1-877-423-2933 or (502) 564-3850 Fax: (502) 564-2316  
<http://ada.ky.gov>

Note: Most businesses find it helpful and timesaving to engage the services of a Kentucky licensed attorney or accountant to assist in establishing a business operation.

October 2007



Cabinet for Economic Development

# 10 Steps to Establishing A Business In Kentucky

<b>1.</b> Kentucky Cabinet for Economic Development <a href="http://www.thinkkentucky.com">www.thinkkentucky.com</a> 1-800-626-2930 502-564-7140 <a href="mailto:econdev@ky.gov">econdev@ky.gov</a>	Contact <a href="#">Department for New Business Development</a> or <a href="#">Department for Existing Business Development</a> ; select from <a href="#">shovel-ready sites</a> and <a href="#">available buildings</a> . Get detailed <a href="#">community data</a> on utilities services, business costs, local government services, labor availability, and other local resources.	Immediate
	<b>Financial incentives:</b> apply for financial packages that may include training, tax incentives and other project inducements	Varies
	Get business-specific permit /license referrals from the <a href="#">Business Information Clearinghouse</a>	Immediate

<b>2.</b> Kentucky Secretary of State <a href="http://sos.ky.gov">http://sos.ky.gov</a> 502-564-2848	Determine name availability: <a href="http://apps.sos.ky.gov/business/obdb/nameavail.aspx">http://apps.sos.ky.gov/business/obdb/nameavail.aspx</a>	Immediate
	Register business name and legal structure: <a href="http://sos.ky.gov/forms.htm">http://sos.ky.gov/forms.htm</a>	5-10 Days
	File a <a href="#">Certificate of Assumed Name</a> if operating under a name other than <a href="#">real name</a>	5-10 Days
	File a copy of business registration with county clerk, and file an <a href="#">annual report</a> and fee as required to maintain active status	

<b>3.</b> Federal Government	Determine if the business requires federal licensing: <a href="http://www.business.gov/topic/Licenses_and_Permits">http://www.business.gov/topic/Licenses_and_Permits</a>	Immediate
	Obtain an <a href="#">Employer Identification Number (EIN)</a> from the <a href="#">Internal Revenue Service (IRS)</a> by calling 1-800-829-4933	

<b>4.</b> Kentucky Department of Revenue <a href="http://revenue.ky.gov">http://revenue.ky.gov</a> 502-564-3306	File Kentucky Tax Registration Application (form 10A100) with the Kentucky Department of Revenue: <a href="http://revenue.ky.gov/business/register.htm">http://revenue.ky.gov/business/register.htm</a>	5-10 Days
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<b>5.</b> Local City/County Government	Check with local city/county governments where you intend to operate regarding zoning, building inspection, etc.	
	Obtain local business license and register for local occupational taxes (requirements vary among locations): <a href="http://www.kyola.org/Forms/2005OccupationalTaxListing.pdf">http://www.kyola.org/Forms/2005OccupationalTaxListing.pdf</a>	

<b>6.</b> Kentucky Department for Environmental and Public Protection Division of Compliance Assistance 1-800-926-8111 <a href="http://www.dca.ky.gov/complianceassistance/">http://www.dca.ky.gov/complianceassistance/</a>	Contact the Kentucky Department for Environmental Protection, Division of Compliance Assistance, for assistance regarding environmental regulations.	
	File permit application for air: <a href="http://air.ky.gov">http://air.ky.gov</a>	Up to 180 Days
	File permit application for raw water withdrawal (10,000 gallons + per day): <a href="http://water.ky.gov">http://water.ky.gov</a>	90 Days
	File for permit from the point source if wastewater will be discharged directly into a water body. A wastewater construction permit is also needed for sanitary treatment facilities.	180 Days
	Obtain state and local permitting for storm water discharging at least 2 days prior to construction on a site that will disturb one or more acres.	During Construction Period
	Obtain floodplain construction permit 30 days prior to construction if it will in any way affect natural or improved water body.	
	Obtain authorization if manufacturing facility treats own water and meets the definition of a public water system. Before construction, ensure water source has adequate capacity.	---
Contact Department of Waste Management for disposal of solid/special and hazardous wastes. For container storage or tank storage permit is required. <a href="http://www.waste.ky.gov">www.waste.ky.gov</a>	Up to 1 Year	

<b>7.</b> Planning, Zoning & Building Code Enforcement	For facilities under 20,000 sq. ft, submit development plan process and review. Receive authorization for building, fire and plumbing and all electrical inspections. Permits issued after state authorization.	Up to 180 Days
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<b>8.</b> KY Office of Housing, Buildings and Construction	For facilities over 20,000 sq. ft, provide building plans for review. Receive state authorization for building, fire and plumbing inspections. <a href="http://ohbc.ky.gov/bce">http://ohbc.ky.gov/bce</a>	Up to 180 Days
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<b>9.</b> Federal Government Employer Requirements	Refer to <a href="#">Employer's Tax Guide, IRS Publication 15</a> for federal employer responsibilities	
	Determine whether workers are employees or independent contractors by referring to <a href="#">IRS Publication 15-A, Employer's Supplemental Tax Guide</a>	
	Verify that employees are authorized to work in the U.S., as required by the U.S. Citizenship and Immigration Services: 1-800-357-2099 <a href="http://www.uscis.gov/portal/site/uscis">http://www.uscis.gov/portal/site/uscis</a> (click on "For Employers")	
	Report new hires (and re-hires that return to work after a separation of 30 days or more) to the Kentucky New Hire Reporting Center: 1-800-817-2262 <a href="http://newhire-usa.com/ky/">http://newhire-usa.com/ky/</a>	
	Ensure compliance with the Americans With Disabilities Act as required by the U.S. Department of Justice: 1-800-514-030 <a href="http://ada.gov">http://ada.gov</a>	
	Post mandatory posters as required by the U.S. Department of Labor: 1-888-972-7332 <a href="http://www.dol.gov/compliance/topics/posters.htm">http://www.dol.gov/compliance/topics/posters.htm</a>	

<b>10.</b> State Government Employer Requirements	Purchase workers' compensation insurance coverage for employees through <a href="#">KY Employers Mutual Insurance (KEMI)</a> . 1-800-640-5364, or from a private carrier or approved self-insurance group or become qualified as a self-insured employer by the Kentucky Office of Workers' Claims: 502-564-5550 <a href="http://labor.ky.gov/workersclaims">http://labor.ky.gov/workersclaims</a>	
	Establish a state unemployment insurance account with the Kentucky Office of Employment and Training: 502-564-2272 <a href="http://oet.ky.gov/des/ui/ui.asp">http://oet.ky.gov/des/ui/ui.asp</a>	
	Display mandatory posters: <a href="http://labor.ky.gov/osh">http://labor.ky.gov/osh</a> <a href="http://kchr.ky.gov/reports/posters.htm">http://kchr.ky.gov/reports/posters.htm</a> <a href="http://www.oet.ky.gov/des/pubs/ui/ui_ben5_1_0108.pdf">http://www.oet.ky.gov/des/pubs/ui/ui_ben5_1_0108.pdf</a>	
	Comply with Kentucky occupational and health regulations: <a href="http://labor.ky.gov/osh/oshregulations">http://labor.ky.gov/osh/oshregulations</a>	