

STARTUP MECHANICS

BUDGETING & FINANCE

1

BUSINESS ENTITY

Sole Proprietorship

Partnership

S-Corp

LLC

C-Corp

- **Liability**

- **Taxes**

- **Decision Making**

- **Ownership**

2

LIABILITY

Business Entity Type	Liability
Sole Proprietorship	Sole proprietor has unlimited liability
General Partnership (GP)	Partners, personally have unlimited liability for all the accts of the partnership and the other partners
Limited Liability Corporation (LLC)	Owners are not held personally liable for debts or claims against the business.
C Corporation	Shareholders are not typically responsible for the debts and claims of the corporation
S Corporation	Shareholders are not typically responsible for the debts of the corporation

3

INSURANCE

1. General Liability
2. Commercial Property
3. Workers' Compensation
4. Health
5. Professional Liability (E&O)
6. Directors & Officers
7. Cyber
8. Business Interruption
9. Tools & Equipment
10. Product Liability
11. Excess Liability

4

BASIC INSURANCE

- General Liability
- Workers' Compensation
- Professional Liability (E&O)
- Product Liability

5

BANKING & CONTROLS

- Audit & Bookkeeping Separate
 - Control who is able to:
 - Commit the company
 - Spend
 - Formalize controls
- CFO
 - Treasurer
 - Controller
 - Accountant
 - Bookkeeper



6