



Steps to Starting a Business in Montrose

Following are several steps, which may assist you as you investigate and/or start your new business. This is intended to provide general guidance and is not intended to provide detailed information on all required forms or steps. It is recommended you work with an accountant and attorney to ensure all requirements are met.

Business Plan: The first step to starting a new business or expanding an existing business is the development of an effective and inclusive business plan. The plan typically includes the following: Business name, location, the business products or services, market and competition, expertise of the management team, summary of financial projections, amount of financial assistance needed (if applicable), form of an purpose of financial assistance (if applicable), and business goals. This is typically required in order for a new business to qualify for funding assistance. A business plan should be updated as the business grows or changes. Sample templates and guides may be found at:

Type of Business Entity (e.g. Sole Proprietor, Partnership, Limited Liability, C-Corp, or S-Corp.): It is recommended that you meet with an accountant and/or attorney to discuss which type of business entity is best suited for your particular type of business and situation (e.g. one owner versus multiple owners), tax benefits and reporting requirements of each.

Company Name Registration: Company name registration may be completed through the Secretary of State's Office. Please see: <http://www.sos.state.mn.us/business-liens/start-a-business/how-to-check-business-name-availability/>

Insurance: A company should investigate the types and amounts of insurance needed. This may include property insurance, business interruption insurance, liability insurance (including business automobiles), bonds (fidelity and/or surety bonds), workers compensation insurance, group life insurance, group health insurance and product liability insurance.

Business Licenses: Certain types of businesses require a license, while others do not. For local licensing requirements contact the City offices. For state licenses you may contact the Bureau of Business Licenses at: <https://mn.gov/elicense/>

State Tax ID Number: To apply for a Minnesota Tax Identification Number, please call: (651) 282-5225 or 1-800-657-3605 or you may visit the Minnesota Department of Revenue's website by logging on to: <http://www.revenue.state.mn.us/businesses/Pages/Business-Registration.aspx>

Federal Tax ID Number: In order to apply for a Federal Tax Identification number, you will need to submit Form SS-4, Application for Employer Identification Number (EIN) to the Internal Revenue Service. The IRS may be reached at: 1-800-829-1040 or at: Department of the Treasury, Internal Revenue Service, Kansas City, MO 64999. On-line submittal may be completed at: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

State Unemployment Tax (SUTA): All business entities, except sole proprietors or single-member liability companies are required to pay MN Unemployment Tax. Additional information may be found at: <http://www.uimn.org/employers/employer-account/new-account/> and <http://www.uimn.org/employers/index.jsp>

Federal Unemployment Tax (FUTA): Form 940 or 940-EZ is required to be filed on an annual basis, typically the first month after year-end. The Internal Revenue Service administers this fund. Forms may be obtained by calling: 1-800-829-3676 or access their web site at: www.irs.gov.

Financial Records and Reporting: It is recommended you work with your accountant to determine the type of accounting system you will maintain. Various software programs are available for record maintenance. Payroll taxes and may quarterly reports (e.g. Forms 941, 1120 and 940) can now be filed on-line through the IRS and MN Department of Revenue web sites.

Sources of Additional Assistance: There are a number of websites and state and local offices available to assist you with the establishment of your business. Examples include:

- https://www.sba.gov/sites/default/files/files/resourceguide_3122.pdf
- <https://mn.gov/deed/business/starting-business/>
- “A Guide to Starting a Business in Minnesota” as well as numerous other free business publications are available at:
<https://mn.gov/deed/newscenter/publications/guidebooks/biz-guidebooks.jsp>
- MN Trade Office: <https://mn.gov/deed/business/exporting/> Phone: 651-259-7498
TTY: 651-296-3900 Email: Mto.TradeAssistance@state.mn.us
- MN Workforce Center- St. Cloud office: 3333 Division Street West, Midtown Square, St. Cloud, MN 56302: Phone: 320-654-5320, Fax: 320-654-5173, TTY: 320-654-5147, Toll Free: 1-888-GET-JOBS (438-5627), web: www.mnworkforcecenter.org or <http://mn.gov/deed/job-seekers/workforce-centers/workforce-center-locations/st-cloud-wfc/>
- SCORE Office: St. Cloud SCORE Chapter #468, Anderson Entrepreneurial Center, #100, 616 Roosevelt Road, St. Cloud MN 56301: Phone: 320-240-1332, Email: stcloud@scoreminn.org, web: <https://www.score.org/>
- Wright County Economic Development Partnership: PO Box 525, 6800 Electric Drive, Rockford, MN 55373, Phone: 763-477-3086, Fax: 763-477-3054, email: info@wrightpartnership.org. Web: www.wrightpartnership.org
- City of Montrose: 311 Buffalo Avenue South, PO Box 25, Montrose MN 55363. web: <http://www.montrose-mn.com>. Phone: 763-575-7422 or EDA consultant: Jo Foust at: 952-758-7399 or foustmdg@gmail.com.