

Mini Course on Starting a C Corporation

Lesson 1: What is a C Corporation?

A C corporation, or C corp, is a legal business structure that is separate from its owners. This means that the corporation has its own assets, liabilities, and debts. C corporations are taxed as separate entities from their owners, and their owners are not personally liable for the debts or liabilities of the corporation.

Lesson 2: Why Start a C Corporation?

There are many reasons to start a C corporation, including:

- Limited liability protection: C corporations offer limited liability protection to their owners. This means that the owners of a C corporation are not personally liable for the debts or liabilities of the corporation.
- Access to capital: C corporations can raise capital by selling shares of stock to investors. This can be a good way to finance the growth of a business.
- Perpetual existence: C corporations have a perpetual existence, which means that they can continue to exist even after their owners die or leave the business. This can be important for businesses that plan to be around for the long term.

Lesson 3: How to Start a C Corporation

The steps to start a C corporation vary from state to state. However, there are some general steps that you need to follow:

1. Choose a business name. Your business name must be unique and distinguishable from the names of other businesses in your state. You can search for available business names on your state's business website.
2. File articles of incorporation. The articles of incorporation are the legal documents that create your C corporation. You can file the articles of incorporation online or by mail.
3. Create bylaws. Bylaws are the internal rules and regulations that govern a C corporation. Bylaws are not required by law, but they are a good way to protect the rights of the corporation's shareholders and directors.
4. Get an EIN. An EIN, or employer identification number, is a nine-digit number that is assigned to businesses by the IRS. You can apply for an EIN online or by mail.

Lesson 4: Maintaining a C Corporation

Once you have started your C corporation, there are a few things you need to do to maintain it:

- File annual reports. Most states require C corporations to file annual reports. Annual reports typically include information about the corporation's ownership and management structure, as well as its financial performance.
- Pay taxes. C corporations are taxed as separate entities from their owners. This means that the corporation pays taxes on its profits, and the owners of the corporation pay taxes on their dividends.
- Hold board of directors meetings. C corporations are required to hold regular board of directors meetings. Board of directors meetings are a good way to discuss the corporation's business and make decisions about its future.

Conclusion

Starting a C corporation can be a complex process, but it is the right business structure for many businesses. By following the steps outlined in this mini course, you can start your C corporation and get it up and running quickly and easily.

For more information on starting a C corporation, please visit the website of the U.S. Small Business Administration.