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compliant. Do your clients even know they need to maintain their corporation or LLC ...

Nellie Akalp • Aug. 20, 2018



Owning your own business means staying current on new laws, requirements and filings. That's a lot to tackle, and in many cases your clients rely on you to keep them compliant. Do your clients even know they need to maintain their corporation or LLC every year, or what documents they need to file and with whom? Here's some of what you need to tell your clients so they stay on the right side of the law.

Corporate Compliance

Depending on the legal structure of your clients' businesses, the specific compliance obligations vary from state to state. Although a sole proprietorship needs to comply with licensing requirements in the states in which its doing business, as well as local

regulations and zoning ordinances, the paperwork and formalities for sole

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one entity type to another entity type, such as from a corporation to an LLC.

- If a state requires a business to file an annual report, there is a specific due date by which the form must be filed each year in order to maintain corporate compliance with the state.
- If your client's company is incorporated in a particular state but is conducting business in a state other than the state of formation, the state where the business transactions are taking place may require the business to qualify the corporation or LLC within that state, as well. This can be done by filing a Certificate of Authority (sometimes also referred to as a Statement & Designation by a Foreign Corporation) with that particular Secretary of State's office.

If you have clients who are still in the process of incorporating, you can advise these clients to get an Employer Identification Number (EIN), also known as a Federal Tax Identification Number, and file a name reservation in their state. If you want to add compliance services to your business, you can partner up with [CorpNet](#) to handle the details.

Trademarks

A trademark is a word, phrase, name or symbol that identifies the source of a product or service and distinguishes it from its competitors. Although it is not required, your clients should trademark their company and product names, logos and taglines. Yes, businesses can attach the TM symbol to these marks, which gives the business "common law" rights. This is also called an unregistered trademark. However, common law trademark rights are difficult to protect because there is no public record of ownership.

Your clients can apply for trademarks directly through the [USPTO website](#) or through a third party, like [CorpNet](#). Once the trademark is approved, your client will need to show extensive usage of the trademark in all aspects of their business. To keep the

trademark in force, sometime between the fifth and sixth year following registration,

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percentage of their contracts to women-owned businesses. State and local governments, nonprofit and private sector businesses usually also have quotas to meet in terms of diversity when hiring contractors, so getting certified can help give your business a competitive edge.

There are two types of woman-owned business certifications.

1. If your client wants to do business with the private sector, nonprofits, state governments or local governments, tell them they should pursue a [Women's Business Enterprise](#) (WBE) certification.
2. For doing business with the federal government, your client should seek certification as a [Women-Owned Small Business](#) (WOSB) or [Economically Disadvantaged Women-Owned Small Business](#) (EDWOSB).

To get your client started, have her visit [Certify.SBA.gov](#) and provide all requested documents. In order to be eligible for certification, the business must be a for-profit operation, meet the [SBA size standards](#), be at least 51 percent owned and controlled by a woman or women who are U.S. citizens or Legal Resident Aliens. In addition, the daily operations of the business must be overseen by a woman or women. Certifications must be renewed each year.

By offering advice on areas of compliance your clients may not know about, you'll enhance your service offerings and build a better reputation for your CPA firm.

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Nellie Akalp is a passionate entrepreneur, business expert and mother of four. She is the CEO of [CorpNet.com](#), a trusted resource and service provider for business incorporation, LLC filings, and corporate compliance services in all 50 states. Nellie and her team recently

launched a partner program for accountants, lawyers, and business professionals to help

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