



Small Business Legal Compliance Checklist

This is a resource to help small business owners assess their understanding and awareness of some important legal compliance issues. This is not intended to be an exhaustive list of all legal requirements that might apply to your business, but it will hopefully serve as a helpful starting point for your compliance efforts.

For each question below, check "Y" for "Yes", "N" for "no", or "U" for "Unsure".

	Y	N	U
<u>Business Entity Maintenance and Formalities</u>			
1. Are all of your business operations conducted through a business entity (e.g., an LLC or corporation)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. When signing contracts for your business, do you carefully set up your signature block so that it is clear that your business entity is the contracting party and you are signing as an authorized representative (e.g., President) of the company?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Do you know if your business entity is in good standing with the State Corporation Commission?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Licensing and Compliance</u>			
1. Does your business require any specific licenses or registrations apart from a local business license?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. If so, do you know if all licenses are current?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Contracts and Agreements</u>			
1. Do you have SIGNED copies (or even better, originals) of all contracts and agreements you consider important to your business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do your contracts contain "alternative dispute resolution" for resolving disputes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are you familiar with all the exit options under your business contracts (e.g., termination and non-renewal provisions)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. If you lease office or retail space for your business, have you recently reviewed your lease agreement to confirm you are in compliance with your ongoing obligations and know when your lease is up for renewal?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Y N U

Employment Issues

- 1. Does your business have a written Employment Policy Handbook?
- 2. Do you have any regular workers designated as "Independent Contractors" and, if so, do you have written agreements with each of them?
- 3. Are all required employment law and regulatory notices posted in a conspicuous place?
- 4. Are you familiar with the difference between "exempt" versus "non-exempt" employees when it comes to wage and hour law compliance?
- 5. Do you have non-compete agreements in place with key employees who play crucial roles with your business?

Trademarks/Trade Secrets

- 1. Are your important logos, advertising slogans, and business name trademarked with the United States Patent and Trademark Office or the Virginia Division of Securities and Retail Franchising?
- 2. Do you have a written trade secrets policy or procedure for protecting your company's trade secrets?

Risk Management

- 1. If you are obligated under any personal guarantees, do you know if they limited in scope, duration or liability exposure?
- 2. Do you have a written Code of Ethics of conduct in place?

Business Succession Planning

- 1. Do you have multiple partners/owners in the business (other than husband-wife)?
- 2. If so, is there a written agreement in place among the business owners?
- 3. If so, does it also cover typical buy-sell trigger events such as death, disability, disagreements and third-party purchase offers?
- 4. Have you prepared or considered at least a tentative plan of when and how you plan to exit your business?

Please contact us for a complimentary review of your checklist and brainstorming session.