



### Registering Your Business Name: Doing Business As

It is recommended, but not required, that you protect your business name by registering it with your county clerk. This typically involves a fee of \$25-\$50 and helps prove the existence of your business in addition to preventing other business in the county from using your business name. This may be required to open a business checking account.

### Business Structures – Legal Organization

While most businesses start out as sole proprietorships or general partnerships, they may eventually find that the legal liability and tax consequences are more beneficial if operating under a different structure.

To help understand the legal maze of business structures the Dept. of Applied Economics and Management at Cornell has developed the publication *Doing Business in New York State: Structures and Strategies*, available online at: [www.aem.cornell.edu/outreach/extensionpdf/eb0407.pdf](http://www.aem.cornell.edu/outreach/extensionpdf/eb0407.pdf)

New York State recognizes seven different business structures (excluding organizations such as churches and non-profits). A brief description of those structures is listed below and a chart from *Doing Business in New York State: Structures and Strategies* has been included to give an overview of their characteristics.

- **Sole Proprietorship** – The simplest form of organization wherein an individual simply declares himself or herself a business operator. No paperwork is needed to file with government agencies to establish the existence of the business. The proprietor has unlimited liability for the actions and debts of the business.
- **General Partnership** – A partnership agreement between sole proprietors. No paperwork is needed to form this business and partners have unlimited liability.
- **Limited Partnership** – Also known as a silent partnership wherein an individual joins a partnership but stays out of the management aspects of the business. For remaining silent in the operation, that partner generally obtains the profits of an owner and does not have the legal liability of a full partner.
- **Limited Liability Company (LLC)** – A partnership offering the limited liability of a corporation. Paperwork must be filed with the state to establish this form of ownership and management meetings must be held.
- **Business C Corporation** – Structure used by most companies. The business is operated by a management team that reports to a board of directors. Ownership of the business is in the form of stock and shareholders of that stock have different levels of control over management and the board of directors by the quantity held and class of their stock (ex. Class A, B, C, preferred, etc.). Shareholders have limited liability in the company.
- **Business S Corporation** – A corporation that is operated like a partnership and offers limited liability to shareholders. Paperwork must be filed with the state to establish this form of ownership and management meeting must be held.
- **Cooperative** – An organization owned by members who contribute equity toward the business and share in profits generated. This is formed by filing with the state and has similar governance as a C corporation. Voting is either one vote per member or in proportion to patronage of the cooperative. Members have limited liability.

