



**TRELLIS**

**Trellis Legal, LLC**

5149 Butler St., Suite 300, Pittsburgh, PA 15201

www.trellispgh.com

## **End-of-the-Year Business Planning**

***DISCLAIMER: This outline is a general guide. Be sure to contact an attorney if you have questions or specific issues that need to be addressed.***

As this year closes, a new year is upon us, and now's the perfect time to get your small business house in order. Taking some time at the end of the year to review where your business is at, determine next steps, and make a to-do list can help your business grow and succeed (or get off the ground if you're planning a new business!). To help you out we've outlined a few key considerations below for end of year planning.

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- 1. Consider incorporating or forming an entity.** Adopting a formal business structure has its advantages. For instance, limited liability companies (LLCs) can protect their owners from being held personally liable in claims brought against the business. Forming an LLC or incorporating your business can also give you a financial advantage when tax season comes, as businesses are taxed at a different rate than individuals (you'd definitely want to check with a business accountant first to see what tax election is best for you and your business). Having a business effective date of January 1 can make things easy from a tax and planning perspective so preparing and thinking through formation in December for a new entity to start in January is a great end of year strategy.

### **Next Steps:**

- A. Reach out to an attorney to discuss entity options. If you have any questions about forming a business entity or if you need any help doing so, please give us a call, and we'll be happy to help you.
- B. Check out The Trellis Template Library™ which offers some options for individuals who are looking to organize an LLC, including the [Single-Owner LLC Operating Agreement](#), the [Single-Owner LLC Operating Agreement with Opportunity to Add Additional Owners](#), the [Member-Managed LLC Operating Agreement](#), and the [Manager-Managed LLC Operating Agreement](#).

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2. **Review your business records and other documentation.** Take some time to go through your business records from the past year. The end of the year is a good time to get all of your documents together and determine if you want to make any changes in the new year. Check your internal policies and procedures and make sure that they're up to date and still in line with your business's mission and vision. Archive or discard any old paperwork that you no longer need and make a list of any licenses you may need in the new year.
3. **Create and review your website's terms of use and privacy policy.** If you're selling goods or offering services to the public via your website, this is key for you. Your website's terms of use (also known as "terms and conditions" or "terms of service") are binding legal agreements between your business and a user dictating how a website can be used, while a privacy policy dictates how personal information can be transferred, collected, stored, and managed by an online service provider. Also, if your website collects data from people living in the European Union (EU), you'll want to make sure that your privacy policy and data collection procedures comply with the EU's General Data Protection Regulation, which was implemented in 2018.

**Next Steps:**

- A. The attorneys at Trellis Legal can help you edit and draft these two policies, as they can be a bit complex.
  - B. If you don't have terms of use and a privacy policy yet, or want to communicate some key terms in an easy to understand format, our Template Library™ offers some online purchase terms that can help, including [Basic Online Purchase Terms for Online Services](#), [Basic Online Purchase Terms for Products](#), and a bundled package for [Basic Online Purchase Terms for Products \\*and\\* Services](#). These detail shipping, returns, cancellation, and other key policies.
4. **Prepare your financial paperwork.** The end of the year is a good time to meet with your accountant to figure out what your business tax burden might look like. Because of the COVID-19 pandemic, it is possible that your business might be able to benefit from different forms of relief granted to businesses that have managed to keep their operations up and running during this public health crisis, including the [Employee Retention Credit](#) and other [related tax credits](#) for small and midsize businesses. Your accountant will be able to advise you as to the deductions and credits that are available for your business so you can have a good sense of where you are at financially going into the new year.
  5. **Come up with or review a written COVID-19 protocol for your business.** As a business owner, you probably know that it's good practice to expect the best but prepare for the worst. It's difficult to account for any roadblock that might get in the way, and the pandemic has only compounded the stress and anxiety that small business owners experience on a daily basis. With COVID-19 cases on the rise, it's important to come up with a business operations continuity plan

as soon as possible so that you don't have to scramble to get things in order at the last minute if we, for instance, face another shutdown or occupancy rate reduction. Both the [Centers for Disease Control and Prevention](#) (CDC) and the [U.S. Chamber of Commerce](#) have produced coronavirus resource guides for small businesses that you might find helpful as we head into what might end up being a difficult winter. Having clear procedures and planning for potential changes helps reduce liability and aid in your business's ability to adapt.

6. **Set goals for the coming year.** Mid-December is a perfect time to sit back and assess how your business has operated since January. You also have the opportunity to set goals that you hope to reach in the new year, which is a great time for a business to adopt new changes and get a fresh start. For instance, revamping your website or coming up with a social media strategy for your business can help attract new customers and stay in contact with old customers through this pandemic season. We're also always a fan of setting goals for checking off your legal to-dos for your business! The way in which we operate our businesses may have changed recently, but that doesn't mean we can't set goals to grow.

**Next Steps:**

- A. If you do have legal items on your to do list, check out our full [Template Library](#)<sup>™</sup> for lots of affordable small business contracts to help you check things off!
- B. Trellis offers a free initial consultation to new clients so if you would like to talk through your goals, feel free to reach out.

Have a Happy New Year! Here's to your success in 2021!