

- **Business Entity Formation**

- **Definition:** the form of business a business owner uses to operate his or her company. It's a legal fiction created to assist and facilitate the ownership, management and transfer of businesses. Business entities may operate as legal persons owning assets and incurring liabilities and managing those assets. Business entities are separate and distanced legally from the business owners.

Business entities are formed at the state level throughout the United States. Thus, there is no local or federal impact here.

- **Wisconsin Department of Financial Institutions**

[www.wdfi.org](http://www.wdfi.org)

The Wisconsin Department of Financial Institutions regulates the formation of all business entities in Wisconsin except sole proprietorships and general partnerships. These forms of business do not need to file with the state to begin doing business. However, there may be other regulatory issues such as business license, trademark or trade name issues that sole proprietors or general partnerships should consider, and this site can be a valuable resource. When using this site, click on the Corporate Services link to review the list of frequently asked questions. There's also a section that includes helpful forms.

- **State of Wisconsin**

[www.wisconsin.gov](http://www.wisconsin.gov)

The State of Wisconsin home page is a very helpful resource. When there, click on Business Services, which leads to a link to business forms. This link defines all of the forms in Wisconsin and links back to the Wisconsin Department of Financial Institutions Web site, which includes information on how to complete them.

- **US Small Business Administration (SBA)**

[www.sba.gov](http://www.sba.gov)

The SBA is an important information resource for small business owners, and a source of small business loans.

**UW-Madison Entrepreneur's Center**

[www.correlations.wisc.edu/entrepreneurs.html](http://www.correlations.wisc.edu/entrepreneurs.html)

This site includes a wealth of information and resources for entrepreneurs, including the Entrepreneur's Center's Startup Enterprise, which helps move research from the laboratory into the commercial marketplace; the New Business Start-up Initiative; consulting and mentoring resources for new and established businesses; and information on events and publications geared toward entrepreneurs.

**How should you structure your business?**

Which form of organization (sometimes referred to as "business entity") will be best for your business? Two key features to consider in structuring your business

are liability protection and desired tax treatment. You should discuss the best business entity for your situation with an attorney or accountant.

There are several ways to form a business including: sole proprietorship, partnerships, corporations, limited liability companies, and limited liability partnerships. There is a great deal of information on the internet addressing business legal structures, such as the “small business: section on [www.nolo.com](http://www.nolo.com).

**When choosing a business entity, consider:**

**Liability Protection**—your personal liability should be a major factor in determining what entity you should choose. Sole proprietorships and general partnerships offer no liability limits for their owner/partners (i.e., your personal assets are up for grabs). “High risk” industries often consider limited partnership, LLC, LLP, “S” or “C” Corporations.

**Taxes**—taxes are another major factor in choosing an appropriate business entity. There can be significant cost savings in picking one form over another, especially when it comes to self-employment and income taxes. But don’t forget payroll and estate taxes. You can save a great deal of money by having the right entity.

**Management**—your management structure will determine which entities you can or cannot have. If your business is owned by more than one individual, you cannot be a sole proprietor. In addition, if you wish to offer your key employees minority ownership, you’ll need to plan in advance and choose the entity that best accomplishes that.

**Ownership Transition**—in some cases you may need to change your company’s form of entity to accomplish a transition in ownership (perhaps you have a child coming into the business?) A thoroughly planned strategy can save you money.

**Capitalization**—at some point your business may need to raise capital from external sources to fund expansion and growth. Picking the right entity in this case will help you get the money you require.

- **Area Businesses with This Role**

- **David J Foster Accounting Inc**

Services provided: bookkeeping/accounting, payroll preparation, administer pension plan, tax returns, annuities, life insurance, and business entity formation.

Contact information:

David Foster

1140 Oak Street, PO Box 326

Wisconsin Dells, WI 53965

608-254-8169 (phone)

608-254-2326 (fax)

○ **Fenske & Associates LLC**

Services provided: certified public account, help set up businesses, creating LLCs, federal and state ID setup, sale permit numbers, set up payroll and computerized bookkeeping, tax preparation, tax service and planning, and financial planning.

Contact information:

2425 New Pinery Road Suite 101

Portage WI, 53901

608-742-0980 (phone)

608-742-0982 (fax)

[fenske007@verizon.net](mailto:fenske007@verizon.net)

[www.fenske007.com](http://www.fenske007.com)

○ **Moy Borchert & Associates**

Services provided: payroll preparation, computerized bookkeeping, auditing-tax preparation, acquisitions and mergers, tax service and planning, management advisory services, entity, and financial planning. Accounting software training in Peachtree and QuickBooks.

Contact information: Baraboo

201 8<sup>th</sup> Avenue

Baraboo, WI 53913

608-356-7733 (phone)

608-356-7735 (fax)

Contact information: Reedsburg

1136 East Main Street

Reedsburg, WI 53959

608-524-8998 (phone)

608-524-0059 (fax)

Contact information: Wisconsin Dells

220 South Wisconsin Dells Parkway

Wisconsin Dells, WI 53965

608-253-3773 (phone)

608-253-3774 (fax)

[www.moyborchert.com](http://www.moyborchert.com)

Contact information: Mauston

231 State Street

Mauston, WI 53948

608-847-1040 (phone)

608-847-7907 (fax)

○ **National Tax Service LLC**

Services provided: limited bookkeeping for businesses, payroll, quarterly tax returns, helps with entity formation.

Contact information:

Craig Gaetzke

400 Oak Street

Baraboo, WI 53913

608-356-7073 (phone)

608-356-2549 (fax)

- **Raymond G Norland, CPA**

Services provided: set up, entity formation, accounting, income tax planning and preparation.

Contact information:

Raymond G Norland, CPA  
311 East Wisconsin Street, Suite 207 C&D, PO Box 404  
Portage, WI 53901  
608-742-6177 (phone)

- **Smith CPA LLP**

Services provided: Innovative business, tax, and accounting advice serving a variety of businesses including manufacturing, service and retail companies

Contact information:

Walt Smith  
102 4<sup>th</sup> Avenue, PO Box 15  
Baraboo, WI 53913  
608-356-7474 (phone)  
608-356-7475 (fax)  
[walt@smaithecpallc.com](mailto:walt@smaithecpallc.com)  
[www.smithcpallc.com](http://www.smithcpallc.com)

- **Stoltz Strohschein & Green**

Services provided: legal advice, general law information, tax work, basic accounting, helping with the start up business—entity formation, paper work and forms.

Contact information:

Debbie Clecker  
159 South Ludington Street  
Columbus, WI 53925  
920-623-2710 (phone)  
920-623-2714 (fax)  
[ssglawyers@ssslawyers.com](mailto:ssglawyers@ssslawyers.com)  
[www.ssslawyers.com](http://www.ssslawyers.com)

- **Wegner LLP CPA's and Consultants**

Services provided: will help with choosing the best option of entity for the business. Also see accounting, business plans, and taxes for more services provided.

Contact information:

Pete Oettinger  
123 2<sup>nd</sup> Street  
Baraboo, WI 53913

608-356-3966 (phone)  
608-356-2966 (fax)  
[pete.oettinger@wegnercpas.com](mailto:pete.oettinger@wegnercpas.com)  
[www.wegnercpas.com](http://www.wegnercpas.com)