

NEW CONSULTANTS · LLC FORMATION

Set Up Your Own LLC

Before you start: this is general guidance, not legal or tax advice. Requirements vary by state — consult an attorney or CPA for anything complex, and weigh the benefits of incorporating in Delaware.

Moving into consulting or fractional leadership? Standing up your own entity is more straightforward than most people expect. This checklist walks the steps from naming to compliance.

The checklist

- 01 — Choose a business name.** - Brainstorm names that are available and relevant to your business. - Check availability through your state's business filing website. - Consider a 'Doing Business As' (DBA) name if your operating name differs from your LLC name.
- 02 — Designate a registered agent.** - Appoint a registered agent to receive legal documents on behalf of your LLC. - This can be you, a service provider, or another business entity. - Ensure the agent has a physical address in your state and is available during business hours.
- 03 — File Articles of Organization.** - Decide whether to incorporate in your home state or Delaware — see "The Delaware Advantage" (Harvard Business Services) for the benefits. - Obtain the Articles of Organization form from your state's filing website. - Complete it with your business name, registered agent, and required details, then file and pay the fee.
- 04 — Create an operating agreement.** - Recommended even where not legally required: it sets out ownership, profit-sharing, and management structure. - A written agreement helps avoid member disputes and protects your liability shield.
- 05 — Obtain an EIN.** - Apply for an Employer Identification Number from the IRS — available online, by mail, fax, or phone. - You'll need it to open a business bank account, hire employees, and file taxes.
- 06 — Open a business bank account.** - Separate business finances from personal finances. - Use your EIN to open business checking and/or savings accounts.
- 07 — Obtain licenses & permits.** - Depending on your industry and location, you may need additional licenses or permits. - Research your state and local requirements.
- 08 — Get tax advice & file returns.** - Consult a tax professional on your LLC's filing obligations; consider hiring a CPA. - Ask about an S-corp election — once profit is steady, it can reduce self-employment tax. - Plan for quarterly estimated taxes; set aside roughly 25–35% of profit so you're never caught short. - File federal and state returns per your LLC's tax classification.
- 09 — Maintain compliance.** - File annual reports to keep your LLC in good standing. - Renew your registered agent agreement if applicable. - Stay current on legal or regulatory changes that affect your LLC.

Additional tips

- Consider online LLC formation services for document preparation and guidance.
- Research your state's specific requirements and weigh the benefit of a Delaware entity.
- Consult an attorney for complex legal questions.

Going independent as a fractional or consulting leader? Phase 3 Search stays close to the biotech CMC and Quality community. If you're building an independent practice, we're a useful network to be part of. [Talk to Phase 3 → ph3.bio/contact](https://ph3.bio/contact)

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