
First-Year Business Launch Checklist

From Holdings — The AI-native business bank for new business owners.

Use this checklist to track your progress from Day 0 to Year 1. Print it, bookmark it, or check it off digitally — just don't skip steps.

Phase 1: Pre-Launch (Before You Earn a Dollar)

Choose Your Entity Structure

- Research LLC vs Sole Proprietorship vs S-Corp vs C-Corp
- Decide on entity type (when in doubt: single-member LLC)
- Check business name availability in your state
- File formation documents with Secretary of State (\$50–\$500 depending on state)
- Receive confirmation/approval (1–7 business days)
- Download and save your Articles of Organization/Incorporation

Get Your EIN

- Apply online at IRS.gov (free, takes 5 minutes)
- Save your EIN confirmation letter (you'll need this for your bank account)

Licenses & Permits

- Apply for city/county business license (\$50–\$400)
- Check state-level license requirements for your industry
- Apply for industry-specific permits (health, professional, etc.)
- Register for state sales tax permit (if selling taxable goods/services)

- Register with state department of revenue for income tax

Legal Foundations

- Draft operating agreement (if LLC — especially with partners)
 - Create a basic service contract or terms of service template
 - Set up a business address (home address, PO Box, or virtual office)
 - Consider business insurance (general liability: \$400–\$800/year for most service businesses)
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Phase 2: Week 1 (Your Financial Foundation)

Banking

- Open a dedicated business checking account (bring: EIN letter, formation docs, personal ID)
- Open a separate business savings account for taxes
- Set up online banking and mobile deposit
- Get a business debit card
- Set up auto-transfer: 25–30% of every deposit goes to tax savings account
- Confirm there are no monthly fees or minimum balance requirements

Accounting Setup

- Choose accounting software or sign up for a bank with built-in bookkeeping
- Connect bank account to accounting software
- Set up chart of accounts (standard categories: revenue, COGS, operating expenses, owner's equity)
- Record initial owner's contribution correctly (equity, not revenue)
- Set up expense categories: advertising, software, office supplies, meals, travel, professional services, insurance

Insurance

- Get general liability insurance quote

- Consider professional liability / E&O insurance (for service businesses)
 - If working from home, check if homeowner's insurance covers business equipment
 - If hiring contractors, understand your workers' comp obligations
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Phase 3: Month 1 (Systems Running)

Bookkeeping System

- Record all transactions from Day 1 (no "I'll catch up later")
- Categorize every expense as it happens
- Set up a receipt capture system (app, email folder, or cloud drive)
- Save all receipts over \$75 (IRS requirement for deduction documentation)
- Review and reconcile bank statement at month end

Invoicing & Payments

- Create professional invoice template with: business name, EIN, payment terms, bank details
- Set standard payment terms (Net 15 or Net 30)
- Send first invoices
- Set up a system to track accounts receivable (who owes you, how much, how long)
- Establish a follow-up cadence for overdue invoices (Day 1, Day 7, Day 14 past due)

Expense Tracking

- Confirm bank-connected expense tracking is working
- Set up recurring expense tracking (software subscriptions, rent, insurance)
- Track mileage if you drive for business (IRS rate: \$0.70/mile in 2026)
- Document home office square footage if claiming home office deduction

Pricing Validation

- Calculate your true cost of doing business (taxes + insurance + expenses + non-billable time)
 - Confirm your pricing covers costs AND provides the income you need
 - If hourly: estimate realistic billable hours (typically 60–70% of total work hours)
 - Adjust pricing if the math doesn't work — better to fix now than in Month 6
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Phase 4: Quarter 1 (First Tax Payment & Review)

Quarterly Taxes

- Calculate estimated quarterly tax payment (federal)
- Pay Q1 estimated tax by April 15 (use IRS Direct Pay or EFTPS)
- Calculate and pay state estimated tax (if applicable)
- Record tax payments in your books
- Confirm tax savings account has enough for next quarter

Financial Review

- Generate your first Profit & Loss statement
- Review: Total revenue, total expenses, net profit
- Calculate profit margin (net profit ÷ revenue × 100)
- Identify top 3 expense categories — any surprises?
- Review accounts receivable — anyone overdue?
- Compare actual results to your initial projections

Adjust & Optimize

- Adjust tax withholding percentage if 25–30% is too high or too low
- Cut expenses that aren't generating returns
- Evaluate pricing — are you charging enough?
- Assess client/customer mix — who's most profitable?

- Update bookkeeping categories if your initial setup doesn't match reality
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Phase 5: Year 1 Milestones

By Month 6

- Have at least 6 months of clean financial data
- Know your average monthly revenue and expenses
- Know your cash flow cycle (when money comes in vs. goes out)
- Decide if you need to hire help (employee, contractor, accountant)
- Build a 30-day cash reserve in your business account

By Month 9

- Evaluate entity structure — is it still right? (Talk to CPA about S-Corp election if profit exceeds \$50K)
- Review insurance coverage — still adequate?
- Assess tool stack — are you paying for things you don't use?
- Start thinking about Year 2 goals and budget

By Month 12

- Have a full year of clean, reconciled books
 - Generate annual Profit & Loss and Balance Sheet
 - Calculate total owner's contributions vs. owner's draws for the year
 - Prepare for annual tax filing (or deliver clean books to your CPA)
 - Review all quarterly tax payments — did you pay enough?
 - Decide on Year 2 entity/tax structure (keep LLC? Elect S-Corp?)
 - Set revenue and profit targets for Year 2
 - Celebrate — you survived your first year 🎉
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Quick Reference: Important Deadlines

| Deadline | What | Where |

|-----|-----|-----|

| April 15 | Q1 estimated tax + prior year return | IRS.gov / state |

| June 15 | Q2 estimated tax | IRS.gov / state |

| September 15 | Q3 estimated tax | IRS.gov / state |

| January 15 | Q4 estimated tax | IRS.gov / state |

| January 31 | Send 1099s to contractors paid \$600+ | IRS.gov |

| March 15 | S-Corp/Partnership returns due (Form 1120-S / 1065) | IRS.gov |

| April 15 | Individual returns due (Schedule C for sole props/LLCs) | IRS.gov |

Quick Reference: What Things Cost

| Item | Cost Range |

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| LLC formation | \$40–\$500 (varies by state) |

| EIN | Free |

| Business license | \$50–\$400 |

| Registered agent service | \$50–\$150/year |

| General liability insurance | \$400–\$800/year |

| Business checking account | \$0 (choose free) |

| Accounting software | \$0–\$30/month |

| Operating agreement (template) | \$50–\$200 |

| Operating agreement (attorney) | \$500–\$1,500 |

| CPA for annual taxes | \$500–\$2,000 |

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