

On Your Terms Podcast Episode 17:
6 Legal Must Haves for Online Businesses

Sam Vander Wielen: [00:00:10] Hey there, and welcome to this brand new episode of On Your Terms. I'm Sam Vander Wielen. I'm so excited to be here with you today, and I can't wait because in about two weeks after you listen to this, I've got something new coming for you that is totally free, something that was highly requested when I asked about it a couple of weeks ago. So, I can't wait to share the news with you, but keep your eyes peeled for right after Thanksgiving, I'm going to have something brand new and free for you that will help you to legally protect your online business.

Sam Vander Wielen: [00:00:38] Also, can we just talk about the fact that it is almost Thanksgiving by the time that you will listen to this episode. And in a couple of days here from when I'm recording this, I actually start getting started. I get ready for Thanksgiving. I'm obsessed with cooking. That's all I want to do, or think about, or talk about. It's pretty much all I do in my free time. So, starting around November 1st, I'm hardcore. I'm looking at all the recipes and getting everything together, menu planning. I start testing things out. I just love it. So, I'm just really excited that that time of year is almost here.

Sam Vander Wielen: [00:01:12] You'll also be listening to this episode right before Black Friday, and I just wanted to say something really quickly about Black Friday sales. I feel like I make this disclaimer announcement every year, and I just want to share it again. So, I have been in business now for, like, five years and I've never run a Black Friday sale. And part of that is related to what I just shared with you that the Thanksgiving time - which is my favorite holiday - just because it's about food and spending time together and not anything to do with any of the other significance around Thanksgiving. But because of that, I really like to slow down and be cozy and spend time with my family. Take long walks. Log off of social media. That's so much more important to me.

Sam Vander Wielen: [00:01:56] And could I automate something and set up sales or something like that? Sure. But I don't do that. I don't really do big discounts, and promos, and all these kinds of things, anyway. I like to keep things really simple and evergreen. And I guess I just want to share that as permission, almost, that it's okay if

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you don't want to participate in some of these things that you see in online business. Like, if you see other people doing it and then that makes you feel like you're missing out, I'm just here to tell you that it's totally okay.

Sam Vander Wielen: [00:02:28] And I hope to serve as an example of somebody who's never done that and who has done just fine in my online business. So, I would rather just be offline and keep my cozy sanity around that time of the year. But, yeah, nothing against Black Friday sales. If people want to run them, cool. It's just also okay to not do that. So, I wanted to let you know.

Sam Vander Wielen: [00:02:52] So, I am so excited to share today's episode with you. First of all, I can't believe it's Episode 17. Time flies when you're having fun. I've actually been really enjoying doing this podcast. I hope you've been enjoying it too. It's so helpful to me when you guys reach out and let me know that you've been listening, or what your takeaways were, or that the show has impacted you in some way. Because a lot of times you can just feel like you're putting stuff out there and you're like, "Are people liking this?" But I love it when you guys reach out and you tell me you've been listening and what you've been implementing from the episodes. I'm just so impressed, always.

Sam Vander Wielen: [00:03:25] But in today's episode, we're talking about what you have to do in order to have specifically an online business. Because the point of today's episode is, not only for me to drive home the point that online businesses are not immune from a lot of the rules that people think that they're immune to, but there are also certain things that are really specific to having more of an online presence. Doing more of our marketing through social media, or through our websites, or building email lists, and things that we are doing more often that we want to make sure we have legally protected.

Sam Vander Wielen: [00:03:56] So, in today's episode, I talk with you about things like scope of practice, and legally protecting your website, and getting client contract set up, even what kind of contracts you need to use at checkout if you sell courses and

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programs. We talk business insurance. We talk registering your business. And, finally, I teach you at the end about taking payments from clients, how to get it, how to get it set up properly so that you're taking money directly from the client to your business bank account the right way and into your pocket legally. So, we go over all of that today.

Sam Vander Wielen: [00:04:29] I'm really excited for this episode. I hope you like it too. And as always, once you listen, send me a DM on Instagram @samvanderwielen. Let me know what you thought. And if you haven't already, subscribe, follow, like, share, do all the things. I really appreciate it. All right. With that, let's get into it.

Sam Vander Wielen: [00:04:50] So, for some reason somewhere along the way, people started to think that having an online business was somehow really different than having any other kind of business. And it's always been funny to me on the other side of things, on the legal side of things, we have a whole bunch of people running around being like, "I want to be taken seriously. I have a real business." And there are memes about it and Reels about it and all kinds of things. But then, people don't do the things that real businesses have to do.

Sam Vander Wielen: [00:05:18] So, today, we're going to talk about, not only what any business needs to do, but six things specifically that online businesses need to do to be legitimate businesses, to be safe, to be run the right way, to be protected for you, to be protected as the business owner, and everything in between.

Sam Vander Wielen: [00:05:37] And I want to make it really clear today that online businesses are not immune from having to do things that normal businesses would have to do to get set up, to follow the rules, to be protected, to pay taxes, or anything else. And, of course, in a way, there are parts of starting an online online business that are easier than it would be if we had to start a bakery, for example.

Sam Vander Wielen: [00:06:01] You're going to hear me use bakery as an example a lot today, but probably because it's my dream business. But, otherwise, it's easier because we don't have to buy a physical space and our operating expenses can be

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much lower. And we also don't have to get a whole lot of product. And if you have a bakery, you're probably going to have to start out with employees. You can't really wait until the bakery is further along. You're going to need help. And there are all kinds of things that come along with having a physical business, like having to get approved by the township, and get sealed, and get approvals, and permits, and health inspectors, and all kinds of things. There are so many more layers of things to do.

Sam Vander Wielen: [00:06:45] So, in a way, of course, starting an online business is easier in that sense. Low start-up costs. You can start one today. You know, you can work from home. You don't need to have a physical space for most online businesses. So, there are a lot of things that make it easier. But for some reason, this is veered hard and people act like it means that there's nothing that you have to do. And that's not the case. Like most things in life, it is not so black and white. Yes, you don't have a bakery, and so you don't have to go through all the hoops that they might have to go through. But there are still some hoops that you've got to go through, and that's what we're going to cover today.

Sam Vander Wielen: [00:07:21] I also know that there's not a lot of information online, at least not a lot of good information online, about how to legally start an online business. So, not just a business that operates online because nowadays every single business operates online, but a business that only operates online or primarily operates online and performs virtual services, like coaching and consulting, and digital services, like copywriting and web design and graphic design. So, there are a lot of ways that you need to legally protect, and start, and form that kind of business, and that's what we're going to go over today.

Sam Vander Wielen: [00:07:58] So, some of the things that I hear about so often are like, "I don't have to register my business until I make X amount of dollars." You know, I've heard everything. But for some reason, \$10,000 seems to stick out to people, so they'll say like, "I don't have to register my business until I make \$10,000." And I just laugh about this now. But, of course, we have to register our businesses. And, of course, you probably want to register your business. There are so many reasons why

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you would want to, even if you might not be technically required yet. And we'll go over that.

Sam Vander Wielen: [00:08:30] But let's use the bakery as an example. Could a bakery start a bakery business and not register? No. That would be terrible. That would be a terrible idea.

Sam Vander Wielen: [00:08:40] And people also ask like, "I don't have to get business insurance until like X, Y or Z happens." Or, "I don't have to get business insurance if I have an LLC." So, would a bakery be able to operate without insurance? I just want you to get in the habit of asking yourself these questions. If you want to have a legitimate business and you see this as a legitimate way of creating a business and running a business, then treat it like one. Treat it like the bakery. And the bakery would never be able to get away with any of this stuff.

Sam Vander Wielen: [00:09:06] Of course, there are more, but at the very least, there are six things that you have to do if you want to legally start an online business. And I'm today talking to you, whether you have a business already that maybe the last couple of years has now pushed you to want to take an online. Or if you're just looking for a way to start an online business, an online coaching, consulting, service providing business of some sort. Then, these are the six things that you have to do in order to create a business that operates online.

Sam Vander Wielen: [00:09:38] So, number one, the very first thing that you have to do or know about is your scope of practice and how your scope of practice changes when you're working with clients online.

Sam Vander Wielen: [00:09:48] So, for those of you who already have a business or you've already been working with people in one way, for example, I get contacted a lot by people who are therapists or physicians or physical therapists, people who have licenses in certain states, but then they're like, "Oh, I want to go start a business that

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allows me to work with people anywhere, not under my license." Not necessarily under their license, because they're only licensed in a specific place.

Sam Vander Wielen: [00:10:13] So, your scope of practice changes when you want to work online if you're trying to work with people anywhere and everywhere, no matter where they're located or no matter where you're located. So, if you're licensed, if you have a license in some field, like some of the ones that I've just mentioned, then you can only work with people where you're licensed to work with them, if you're trying to operate under that license.

Sam Vander Wielen: [00:10:36] So, if you're a doctor who's trying to establish doctor-patient relationships with people, you can only work in the states in which you're licensed. If you're a coach, though, or if you're trying to become a coach, then you just have to know what the scope of practice laws are in the different states or for your profession in general.

Sam Vander Wielen: [00:10:55] I actually have an entire episode dedicated to this topic, so you can click below to listen to Episode 2 of my podcast, On Your Terms, where I go over scope of practice and how to figure out what yours is.

Sam Vander Wielen: [00:11:06] But what is really important about creating an online business is understanding the fact that just because you're online doesn't mean you can do whatever you want, in general. And just because you're online doesn't mean you can teach about whatever you want or talk about certain topics, offer certain services. You have to be qualified to do so. And that's not up to us. That's up to what states say, what courts have said, what licensing boards have said, all kinds of things.

Sam Vander Wielen: [00:11:33] So, we need to know what our scope of practice is, first and foremost, in deciding what the breadth of our online business is going to be. Because that's going to define what kind of products can I offer, what kind of services can I offer, what can I do, what topics can I teach about, how can I work with people,

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where can I work with people. So, there are so many important layers to this, and that's why that's one of the places that I like to start.

Sam Vander Wielen: [00:11:55] And it's also even one of the places that I started when I was creating my legal business back in 2016. I was like, "Okay. So, I'm a lawyer and I'm licensed to practice law, but I'm not going to be practicing law. I'm not going to practice law anymore. I'm not going to practice law in this business." So, what exactly can I do? How can I offer things that aren't services?

Sam Vander Wielen: [00:12:18] And once I decided that I wanted to sell templates, and guides, and trainings, and PDFs, and things, I was like, "Okay. How am I allowed to sell those? What's available to me?" Because then that kind of defined what kind of business I could build. So, that's a really important part of taking your business online is, obviously, figuring out what you're even allowed to do here. So, definitely listen to Episode 2 if you want to learn more about scope of practice.

Sam Vander Wielen: [00:12:44] The second thing that you have to do, the second legal must have, is to legally protect your website. Because if you're switching to more of an online model or you're now kind of leaning more heavily into an online coaching or consulting business, then you might be selling products now on your website, or you might be selling your services through your website, or selling your own digital downloads or courses, group programs, all kinds of things through your website. So, it's really important that we look at legally protecting your website now.

Sam Vander Wielen: [00:13:18] But you're also going to be doing other things than just selling. I hope so, on your own website. You're probably, now, if you're focusing more on online work, you're going to be building an email list through your website. And then, you will also be posting more content there, I hope. Because I hope you're not just treating your website just like an online business card with information. It really is like a library, and a resource, and a storefront for you, first of all, to magnetically attract traffic, ideal customers to your website, nurture them, and then take them to the next step. So,

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it's why I'm so serious about SEO driven content, evergreen content that's pulling people back to your website.

Sam Vander Wielen: [00:13:59] And so, if you're moving into the online space, you're going to be focusing a lot more on your website. So, we need to make sure that your website is legally protected. So, we legally protect our websites with three major website policies. So, it's a privacy policy, the website disclaimer, and the terms and conditions. Those are the three policies that I recommend that you have on your website.

Sam Vander Wielen: [00:14:22] Actually, I have an entire podcast episode, Episode 10, of On Your Terms is completely dedicated to talking about how to legally protect your website. So, I'm going to point you to that down below if you want to learn more about legally protecting your website. Because we could spend this whole episode just talking about websites.

Sam Vander Wielen: [00:14:39] But what is really important to know is that it's not just about having those three policies. And as you'll hear me talk about in that episode and just in my business in general, it's just as much about how you actually walk the walk. So, we don't just say on our websites like, "Hey, I don't offer medical advice, financial advice, legal advice, whatever, investing advice." We then make sure that we don't actually offer that type of advice. We don't offer advice, period.

Sam Vander Wielen: [00:15:07] If you're a coach, you give information and you teach people. You're not there to give them advice, because advice is personalized and can typically only come from their doctor, their lawyer, their accountant, their financial advisor, whatever, their therapist. So, it's really important that we kind of walk the walk with what we have on our website as well.

Sam Vander Wielen: [00:15:28] So, when we're going online and we're making an online business, we want to be just as careful and just as conscious of our language, otherwise known as our copy in the business. So, anything that's written on your website, anything that's written in your emails, anything that you write on social media,

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how you talk about yourself and what you do, how you refer to yourself, a lot of times it's really important to give that a fresh look if you haven't already.

Sam Vander Wielen: [00:15:54] If you've never done this, now's a good time after this episode. Go back and look at your stuff and make sure that it actually matches up. And that you're not just relying on having some sort of policy there that says, "Hey, I won't offer you medical advice," but then you give medical advice on your site. So, it's super, super important.

Sam Vander Wielen: [00:16:13] It's also really important to understand if you are someone who's listening, who is one of the people I was talking about earlier, that has a license in some area, like you are a doctor, you are a lawyer, an accountant, or whatever. And, now, you're trying to not be that. So, you're trying to be a coach, or consultant, or sell products, or something else. It's really important that you don't try to have your cake and eat it, too. So, you can't heavily rely on the fact, like, sometimes, what I will see online is people being like, "I'm a doctor. I'm a doctor. I'm a doctor. Buy all this stuff from me. And when you do, I'm your coach."

Sam Vander Wielen: [00:16:48] So, I always say, or at least the way that I teach it - take it for what it's worth, but this is just the way that I do it - is that you can't have your cake and eat it too, so we can't go around advertising and marketing so heavily that you're this thing. And then, only at the last second, try to trick a customer, almost. Or let them know at the last second when they're about to hit the buy button like, "Hey. I'm not your doctor." That feels a little too icky for me.

Sam Vander Wielen: [00:17:19] So, from my perspective, we make sure that we're not actually advertising it too much. You can talk about it in the sense that it's part of your experience. I mean, you hear me talk a lot about how I was an attorney. I mean, I am an attorney, but I was a practicing attorney. But I typically am talking about it in the sense that like, "Hey, I was a practicing attorney, I hated it. This is why I hated it. This is what I also saw wrong with the legal industry."

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Sam Vander Wielen: [00:17:45] And when I left and started my own health coaching business at first, I also realized how much information you all were missing out on and how much you didn't have access to, and I wanted to make that available to you. So, I kind of use it as part of the story. It is part of the story, but it's part of the story of understanding why I'm qualified to talk about this stuff. But I never make it fuzzy about whether or not I'm somebody's attorney. I'm hyper, hyper clear.

Sam Vander Wielen: [00:18:12] So, with that, let's get into number three. The third legal must have when you're creating an online or virtual business is that now you have to start thinking about things like contracts, and that's not just for your client relationships. If you're an online coach or consultant, of course, you have to have contracts for any coaching, or any sessions that you offer, anything like that. But you also have to get used to having contracts at checkout if you're going to sell digital products, courses, group programs, things like that.

Sam Vander Wielen: [00:18:43] So, you need a contract for every way that you work with someone or for every product or program that you sell. It's kind of as easy as that. So, there's not any question about it. Anything that you sell, anything I can pay you money for, you need a contract for that. So, it's really important that you make sure you know exactly which contracts you need for every kind of service.

Sam Vander Wielen: [00:19:05] What I typically recommend is that, if you're just starting out, you just write down the various ways that somebody can work with you or how somebody can pay you. And then, you just say, "Okay. Where's my contract for that? Where's my contract for that?" And you just make sure you have a contract for each one of those.

Sam Vander Wielen: [00:19:21] Obviously, I offer DIY legal templates for all the different contracts and policies that you need. You can buy them individually. You can get them inside my Ultimate Bundle. But you want to get a legit contract that's actually lawyer drafted that you can make more specific to you. Not something that's super generic and that's not going to cover you anyway.

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Sam Vander Wielen: [00:19:39] I want to make sure, too, that you understand that there is a difference between contracts that people sign for you and then contracts that you put a check out. So, the preference is always to have somebody sign a contract, whether they E-Sign it or sign it in- person doesn't really matter. E-Signing is generally acceptable, but if you do E-Sign, you have to make sure it's ESIGN Act compliant. There's this whole thing about E-Signing, I actually have a YouTube video all about how to properly sign and send contracts, so I'll make sure that I link to that below.

Sam Vander Wielen: [00:20:10] But you want to make sure that you're actually sending and signing them properly, and that's always the preference is to have somebody sign. But it's not really practical when you're selling digital products and courses, because the idea is that you shouldn't be selling these all the time. People should be able to easily sign up for this. Theoretically, when you're sleeping or on vacation and, hopefully, in a volume in which you're not going to be able to keep up with it. So, I don't want you in a situation where you have to send out a contract every time before somebody pays.

Sam Vander Wielen: [00:20:40] The other thing - and you would know this if you listen to Episode 8 and also if you watched that YouTube episode I have about sending and signing contracts properly - people need to know the terms of what they're agreeing to when they pay you. So, you couldn't have it set up so that someone pays and then you send them a contract later. Even that wouldn't work.

Sam Vander Wielen: [00:20:58] So, when it comes to things like courses and digital products, downloadable things, things that people can buy when you're sleeping, theoretically or in reality, then we need to make sure that we have a contract at checkout. And with those, people are agreeing to it instead of signing it. So, those are the kinds of things that people are checking off a box or having to pick from a dropdown menu, it depends what tools you use.

Sam Vander Wielen: [00:21:22] But, in general, we have to capture some sort of contract because people are still purchasing from us. It's just that we're not involved in

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the purchase process in the same way that we would be if somebody was signing up for one-to-one coaching and you could send them an email with a link to their payment and a link to their contract. It's not the same. So, I just wanted to make sure I mention that.

Sam Vander Wielen: [00:21:44] And, again, I'll link to Episode 8 of On Your Terms where I do go over contracts in depth, what kind of contracts you need, how to get client contracts, and contracts for your courses. And then, that YouTube episode I have as well where I talk about how to send and sign contracts properly. So, I'll make sure both of those are below.

Sam Vander Wielen: [00:22:07] Have you ever felt lost about where to begin with the legal side of protecting your online business? Some people say you can just wing it at the beginning and get officially set up later. Not a good idea, by the way. Whether you're afraid to even start working with clients because you don't want to do something wrong legally and then get in trouble or your business is growing and you sort of forgot to take care of the legal pieces, I've got you.

Sam Vander Wielen: [00:22:29] I don't want you to live in fear of the internet police coming after you and your business, but you do have to do certain things and get certain things in place in order to legally and safely run your business online. As much as it just feels like an unregulated Wild Wild West online, that is very much not the case.

Sam Vander Wielen: [00:22:46] As an attorney turned entrepreneur and former corporate litigator, I can assure you that there are rules. There are real steps that everybody who runs or starts an online business needs to take. And you're not behind at all. We can get you set up and following the rules right away. In fact, we can even do it today.

Sam Vander Wielen: [00:23:03] I want to teach you the five very simple steps to take to legally protect and grow your online business. You don't need an MBA to be a successful entrepreneur and stay out of legal hot water, but you do need to dot your legal I's and cross your T's in a few key areas that can't be skipped. That's exactly what

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I'll teach you in my free one hour legal workshop called Five Steps to Legally Protect and Grow your Online Business. Just head to mylegalworkshop.com, drop in your email address, pick the time, and I'll send you a link to watch the workshop video whenever you have time.

Sam Vander Wielen: [00:23:33] This is the best place to begin if you're just getting started legally legitimizing your business, so head on over to mylegalworkshop.com and sign up to watch Five Steps to Legally Protect and Grow your Online Business now.

Sam Vander Wielen: [00:23:47] Number four is business insurance for virtual services. So, yes, there is business insurance for online businesses. So, I get this question a lot. For some reason, people think business insurance only applies to those bakery type businesses, but there is definitely business insurance for online businesses.

Sam Vander Wielen: [00:24:06] If you're offering any sort of services, like coaching and consulting, any sort of service provider, you typically get professional liability insurance. So, that's just a type of business insurance. And what business insurance does is that they provide you with a business defense attorney if your business gets sued. And then, they pay that attorney's fees their hourly rate, which is huge, by the way. So, that's really helpful. And then, they also would pay for any judgment or settlement found as a result of that case, if you got sued for something that was covered by your business insurance policy.

Sam Vander Wielen: [00:24:41] So, just like any other insurance, you have to actually be covered for the thing that you get in trouble for or that you get accused of. But you want to make sure that you look into getting business insurance. Just don't make the mistake of thinking that you don't need it because you have an online business.

Sam Vander Wielen: [00:24:56] And, also, just because you're online doesn't mean you might not want to explore other forms of business insurance. There's commercial general liability insurance, you can always look into that. Some people get that kind of business insurance if they have a dedicated home office, or they have clients come

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over, or they teach a lot of workshops in person, or something like that, or teach classes. So, you might want to look into commercial general liability insurance as well.

Sam Vander Wielen: [00:25:20] There are, like, umbrella policies. Some people in my community have also gotten social media insurance because a lot of times social media activity is excluded from your general business liability insurance. So, it's something you want to look into and it's best left to a conversation between you and a business insurance agent. So, just because your friend has a certain kind of business insurance, or you saw something online, or you heard me talk about something, it doesn't mean anything you want. Get connected with a business insurance agent and then you want to be able to tell them everything that you do and how you do it. That's also just as important.

Sam Vander Wielen: [00:25:59] So, I'm a coach who teaches people how to workout, but I do so through Zoom classes. I do so through a group program. I do so through downloadable PDFs that they can grab. And videos and all these things, and I have a YouTube channel, and I have a podcast. You would want to tell this person all the different ways that you work with people, how that stuff is actually delivered, like, in-person versus online versus classes versus whatever.

Sam Vander Wielen: [00:26:26] And then, also, tell them a little bit about your marketing. So, if you do have social media channels, YouTube channel, whatever, I would tell them that kind of stuff so that they can tell you, like, "Okay. Well, that part is actually not covered. But we have this other policy." Or you might want to look into getting another policy that would be especially important.

Sam Vander Wielen: [00:26:43] If I were you, if you had a YouTube channel, for example, and you did like workouts on there, or guided meditations, or - I don't know - something that was a bit more interactive, or if you were giving tips and advice and information and education, I would definitely look into having that kind of insurance. So, business insurance is a legal must have for any online business, any business in general, but any online business as well.

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Sam Vander Wielen: [00:27:08] Number five is all about registering your business. So, yes, you have to register an online business, just like any other business. Well, I should say you have to register your business if, for one, you want any sort of personal liability protection in that business. But that's only if you register in a certain way, which we'll talk about. But, also, if you want to start capturing business expenses.

Sam Vander Wielen: [00:27:28] So, I'm always surprised when people say that they want to hold off on registering their business until they make X amount of dollars or because it's not profitable yet. Like, people will say, "Oh, my business isn't profitable yet, so I want to hold off." And I'm like, "But you could capture those business expenses." Even if it's a loss, it's helpful on your taxes, especially if you have another job, if you have another source of income, or you file married jointly and your spouse or partner has income, then you could reduce the taxable income if your business was currently operating at a loss.

Sam Vander Wielen: [00:27:58] So, there are benefits to registering. Of course, you can check with your own accountant about this, and you would definitely double check with them. Of course, you could go speak with a local, to use small business attorney as well, to talk about whether registration is right for you. But I just don't want you buying into some of the myths that you might hear or see online saying that you're supposed to wait until these arbitrary benchmarks or something. I don't know. So, you definitely register an online business.

Sam Vander Wielen: [00:28:24] But the point is that you want to register it in a way that actually protects you. So, a lot of times we're choosing between a sole proprietorship and an LLC. But an LLC is, out of those two, only business entity type that provides you with any sort of personal liability protection. Which means that in many states, in some states, it can provide you protection as an individual LLC owner, so that you are personally separated and protected in your business.

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Sam Vander Wielen: [00:28:54] So, basically, if there were any sort of debts, or obligations, or any liabilities of the business that they're not yours as a person, they're on the business and they would stay there. And, theoretically, you as a person should kind of stay walled off and protected.

Sam Vander Wielen: [00:29:10] Some states are a little finicky about single-member LLCs. There are, of course, things that you can try to do. You can try to draft an operating agreement that better protects you. You can try to register your business in a different state. There might be different options for you, but that's something you really only want to do under the guidance of your own attorney and an accountant because you want to understand what the tax implications are for those decisions as well. But that might be something that you want to look into.

Sam Vander Wielen: [00:29:35] So, online businesses have to be registered, should be registered. It's good idea. I think basically the point is, there's nothing that says that they don't need to just because they're online. I think that's probably what I hear most often.

Sam Vander Wielen: [00:29:50] Our sixth and final legal must have is to get online payments the right way. Because if you're switching to an online business or even for those of you who are just creating a new online business, I get a lot of questions from people who are like, "I just don't understand how to get the money from point A to point B. I don't understand how to get the money from my client's hands into my bank account the right way. I want to make sure I do it legally."

Sam Vander Wielen: [00:30:16] So, we first form our businesses, generally speaking, in the state where we live and work. We form it as a certain business entity type. We walk through all the steps that our state requires to get our businesses registered. And then, we set up a business bank account in our business's name. So, typically, when you register your business, you'll get some sort of certificate of formation or articles of incorporation, every state calls it something different. You'll get that either in the mail or by email.

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Sam Vander Wielen: [00:30:44] You'll also have your EIN letter from the IRS. You'll take those two pieces of paper or two documents, at least, and you go to your local bank with a tiny bit of cash, maybe like \$50 to \$100 or something. And you take those documents and that cash to a bank and you ask them to open a business checking account. You can also open a business savings if you want. But for right now, the whole point is just to get this started, so you would get a business checking account. There's nothing particularly fancy or special about these accounts. It's literally just that they're called business checking accounts. If, in case you're wondering. A lot of people ask that.

Sam Vander Wielen: [00:31:17] So, after we get this business bank account set up, this checking account, now, you'll have the business account number and the routing number. You'll have the information that you need to set up your own online portal through the bank's website and all that kind of stuff. Then, you want to register for a PayPal business account. It's important that it's business account, not a personal. And, also maybe some other portal that can accept credit cards.

Sam Vander Wielen: [00:31:41] So, for me in my business, I like to have PayPal and then Stripe. And then, you can try to use those separately. This also can depend on like what kind of website you're using. I have a WordPress website and I use WooCommerce for my digital product, so I'm able to use Stripe and PayPal at checkout. That's really helpful because not everybody has a PayPal account and everybody wants to. Some people really like it. Some people just want to input their credit card information, like make it really easy. I also like the fact that it makes things like Apple Pay available. So, I have PayPal and Stripe.

Sam Vander Wielen: [00:32:13] So, you just want to go on both of their websites or however you decide to use and you want to set up these accounts as business accounts and then you want to connect them to your business checking account that you just set up. So, it'll ask you when you set them up for the account information that you want to connect it to, and that's the only account that you want to connect it to. So, you connect your business bank account to that PayPal and Stripe account.

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Sam Vander Wielen: [00:32:36] And then, from there you can start sending out invoices through PayPal, or you can integrate little checkout forms or whatever on your website or wherever else you're going to take payment. I use SamCart from my checkout pages. But you can send those invoices out through PayPal. And then, that way, when you send out your PayPal invoice to a client, they pay it. The money gets transferred to your PayPal business account. You then take the money from your PayPal business account and you transfer it into your business checking account. And that's it. It's as simple as that.

Sam Vander Wielen: [00:33:06] It might sound more complicated right now because you're doing all of the startup steps. But once you get up and running, all the money should just be flowing to one place, like to your PayPal and to your Stripe. And then, that should just automatically get transferred into your business checking account. And remember, it's super important that we keep all of this stuff separate and we keep it clean. We keep personal money personal and business money business, and we keep all of that separate.

Sam Vander Wielen: [00:33:31] So, I hope that this was helpful. I'm going to drop all the links to the resources that I mentioned, all of the On Your Terms podcast episodes on all of these different topics. But these are really the six major legal must-have startup steps to starting an online business in 2021 and 2022. But beyond, these are the things that we've got to do. And, yes, even if you have an online business, these things are all required.

Sam Vander Wielen: [00:33:58] So, I hope that today's episode was helpful. I would love for you to subscribe and follow. Leave a comment below if you're watching this on YouTube. And thank you so much for watching and listening to today's On Your Terms episode.

Sam Vander Wielen: [00:34:17] Thanks so much for listening to the On Your Terms podcast. Make sure to follow on Apple Podcasts, Spotify, or wherever you like to listen

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Sam Vander Wielen: [00:34:56] Just remember that although I am a attorney, I am not your attorney and I am not offering you legal advice in today's episode. This episode and all of my episodes are informational and educational only. It is not a substitute for seeking out your own advice from your own lawyer. And please keep in mind that I can't offer you legal advice. I don't ever offer any legal services. But I think I offer some pretty good information.

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