

TRANSCRIPT

On Your Terms



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Episode #: 159

Is Your Business Legally Protected? [free checklist!]

Sam Vander Wielen:

Hey there, and welcome back to On Your Terms. I'm your host, Sam Vander Wielen. I'm so grateful that you're here. Today, we're going to talk all about whether or not your business is actually legally protected, because I have a feeling that you might be worried about something that you don't need to be worried about. And on the other hand, there might be something that you've missed. So, I just wanted to give you kind of a comprehensive checklist that you can go through.

The best thing that you can do in today's episode is actually to go into the show notes and quickly download my free legal checklist called Is My Business Legally Protected? Because that's going to be an actual checklist that you can go through and check off, and you're going to get more of my notes and all the little tidbits and things to follow up on. It's a completely free checklist, so I'll drop that link in the show notes, and that's going to be a great companion guide to get alongside of today's episode.

So, I'm really excited for October. I can't believe that it's October already, for one. But two, I feel like I've been saying that now for years because, you know, as my dad was sick and then my dad died, and then my mom died, and on top of COVID, too, I just feel like time is some weird alternate universe. It doesn't feel real.

But I'm particularly excited for this month because if you listened to Episode 157, my little personal update, I shared. I have a couple of travel things coming up this month. So, we're going to Vermont here soon. And then, I'm going to Mexico later in the month for my little business retreat, so that's where me and my team, we do the planning and stuff for next year and kind of reflect on this year. So, I'm really, really excited for that too.

And I shared in Episode 157 how Vermont is my happy, happy place. I just love it there so much. And this is the perfect time of year to go. We also went in May and we went last October. I feel like there's no bad time to go to Vermont. I just love it there so much. So, I'm really excited to get going there.

So, I wanted to talk with you about this topic today because I feel like, on the one hand, I see a lot of people who spend a lot of time worrying about whether or not their business is legally protected. And then, I'm like you've done everything or you've done everything you could right now, or, of course, there's more you can do, there's more I could do, there's always more that we can do in our businesses in general. But you're good. You've got the foundation. And then, it's just that you're spending a lot of time, wasting a lot of time worrying about whether or not your business is legally protected when it is, and it's pretty good.

It's kind of funny from my perspective. I always feel like it's the people who are the most confident about it who tend not to have the most legally protected businesses. But people will tell me like, "Yeah. I did this" or "Yeah. I did these two things," and it's like that's only part of the puzzle or it's actually not the right thing to do or the right thing to do in that order.

And so, totally, it's okay. No matter where you're at with things, whether you have checked every single thing off the list already, awesome. Or you've only checked one thing off or this is your first time, it's your first crack at it, this is a welcome space and I just want you to have the information to know what the steps really are to legally protect your business.

And I always like to talk to you about this from a more holistic perspective that a lot of what I'm talking about today are more or less requirements of legally protecting your business, of setting up a legitimate business. But a lot of it is also just this is what's really smart to do, or this is how to be well-rounded protected from all sides kind of thing.

And if you know me, if you've been around here for a bit, you know I'm not crazy like "You have to have a million things." And I'm not trying to help you build an iron fortress, until your business is Amazon-sized. I think it's overkill. I think this can go too far too. So, what I really try to do is just be here are the basics, here's what you need. Of course, here's where you can add on, you can layer. And layers are great. You can always take layers on and off. But in general, I just want you to be armed with the information and then it's up to you to decide kind of from there.

The other thing I just want to say before I start going down my list of the things that I want to see if you have in place yet or if you've been thinking about them is, if you feel overwhelmed at any point today, I want you to remember that I believe very much in a brick by brick approach. So, I believe in taking your time and doing things right.

And I know we all want to skip to the good part, but it's really important about the foundation. Even if you've already started up your business, you're already working with clients, you're selling stuff online, you're doing something, it's always okay, in fact, it's encouraged to step back and come back to your foundation and see if everything's okay. Like, maybe this thing got ahead of you a little bit, maybe you didn't expect it to take off, maybe you wanted to see if it would work, but now's the time to pause and get the foundation back in place.

So, something I'm actually finding myself writing a lot about from the legal but mostly the business and marketing perspective in my book a lot is this idea of pausing no matter where you're at in business, no matter whether your business makes \$5 a month or \$5 million a month, I think it's always good to come back and say, "How's my foundation doing? What am I doing? What's the purpose of this? What am I really focused on?"

So, with that, let's hop in to our list here. Okay. So, the first thing I would ask yourself to see if your business is actually legally protected is whether you've registered your business and if you've registered it as the right kind of business entity.

So, if you've listened to my podcast episodes before, you know that we've talked about how a sole proprietorship, for example, doesn't provide you with any personal liability protection. LLCs do to an extent, it depends kind of where we live, but also it's not absolute. But I'm always also concerned as to whether people actually register their businesses correctly, whether you follow the follow up steps correctly. And, also, if you've registered it, like, a while ago, if it's been more than a year, have you kept up with it? Have you done what you needed to do to keep your business active, your license active?

Like I said, that free checklist that I have down in the links in the show notes, you're going to want to grab that because in there I have kind of the checklist of walking through what are the different entity types, which ones are we looking at here, what are the follow up steps after you've registered, have I accomplished those. So, it's going to be super easy for you just to go through and be like, boop, boop, boop, did that. So, I would take a look at that. Okay.

The second thing I would look at is, Do you have an EIN number? An EIN number is an Employer Identification Number that comes from the IRS. It's easy. It's free to get. It is something, yes, that I recommend - and I shouldn't say I recommend. I got it before I ever hired anyone. I mean, I got my EIN number on day one. So, I didn't even have an inkling that my business would be successful, let alone that I'd ever hire a contractor, let alone that I'd ever hire a fulltime employee. So, I had an EIN from the start. It's kind of like your business's Social Security number.

Again, another thing I'm going to walk you through on that checklist, and if you're in the Ultimate Bundle, if you're thinking about getting the Ultimate Bundle, I even have a training inside of my Ultimate Bundle program that actually walks you through how to fill out the EIN application yourself. It's super easy. It's free, like I said.

Number three, Did you take the follow up steps after registration that I recommend? So, have we made sure there were any tax documents? Some states like New Jersey, for example, after you register your LLC, then there's this tax form that you have to submit. Different states have different

things. New York had the same thing when I moved here, or very similar thing when I moved here, so you want to find out about that. The annual registration, if you've registered it more than a year or two years ago, you would want to find out about that. Any other follow up documentation that they might require, so I want to know that everything is signed, sealed, delivered, and official.

The fourth thing I would look at is, Did you get a business bank account with a good bank setup? So, I don't just want any business bank account. First of all, it has to actually be a business bank account, preferably a checking and a savings or something, so that you can have somewhere to stash some capital for paying taxes or saving up for something in your business.

But I also teach you both in my free guide and in the Ultimate Bundle, I want you to get the best business account possible. I don't want you paying fees. I don't want you having crazy minimums or anything like this. So, I give you my nice, neat little checklist, my handy dandy checklist for any of my Blue's Clues friends. The handy dandy checklist for what I think makes a good business bank account and what you really should go in there and ask for when you get a business bank account.

Now, the other thing about getting a business bank account is that when you go to get a business bank account, it's usually a good sign as to whether you had the requisite things, the requisite documentation and items in order to actually open that bank account. Because when you go to a bank and you ask for a business bank account, they are going to say to you like, "Where's your certificate of formation? Do you have an EIN letter? If you did register a DBA, where's that?" You need all this paperwork, so I give you the little list of documentation that you need to bring in that free checklist in the link. So, that's going to make it super easy for you.

The fifth thing I would look at is, Have you started a online payment system that is connected to your business bank account? So, you've registered a business bank account in your business's name, then you go online, you start a PayPal account, for example. Obviously, you can use

whatever tool you like, but for ease sake, but also that's what I use is PayPal.

So, you start a business PayPal account, and then you hook up that PayPal account to your business bank account, and then the money that flows into your PayPal then just gets transferred over to your business bank account. Same thing goes for a Stripe account, anything like that. So, starting all those things. Again, another good place where you'll find out pretty quickly if you don't have the right stuff set up because they're going to ask for documentation.

Number six, Have you gotten business insurance or have you at least found out what kind of business insurance you need? Better yet, have you found out what business insurance is? If not, I will link to my episode down below. But in my free guide down below, I give you my best tips about how to find a business insurance agent, what questions to look for, what things to look for in a policy. So, you want to check that out.

But in general, I would tell you, you want to first find out what kinds of business insurance you need. You then want to find a good business insurance agent, have the conversation about what kinds of policies are out there, what the premiums are, the coverage limits. I give you all the things to look for. And, obviously, inside the Ultimate Bundle, I go seriously in depth of teaching you the different kinds of policies, and what you need and what's good, and all that. But I would look at what policies are available to you, what's actually covered, what's not covered, and start to plan to get that in place.

I always say about business insurance that it's one of the things that can wait a little longer than others. Not into your business. Definitely don't wait once you've started working. I mean, if you're in the setup phase of your business.

Like, I set up my LLC super early and got the bank account stuff set up, because I needed to set up all the back end systems. But I waited to go to get business insurance until I was actually posting content online and trying to make sales. Notice that I didn't say I waited to get business

insurance until I made sales. I got it in place before I ever made a sale. That's what you need because you need to have it in place beforehand since it's not retroactive.

Number seven, Do you know what your scope of practice is? So, your scope of practice is what you're legally allowed to do or not do based on how you're qualified, educated, certified, licensed, based on what your state's laws are around who can do what in what field.

And what's really important before you start your business or move forward in your business is finding out what your scope of practice is because that's going to dictate what kind of offers you can have, what kind of services and products you can sell, what kind of content you should be creating, and how you should be speaking and writing in your content. It's super, super important.

So, you have to find out what your scope of practice is in order for your business to be legally protected, because if you're going out there saying all kinds of stuff, then your business is not legally protected. Even if you have an LLC, even if you have business insurance, if you're going out there and making wild claims, saying things that are illegal, offering services or working with people that you're not supposed to, you are still legally exposed. So, that's really, really important.

Number eight is, Do you have the contracts that you need for your business? So, what I always say is just to start out with pure basics, I always like to look at what things are you selling right now. So, let's just handle the number one concern, which is if you're offering a service, selling a product, you have some sort of online course or something like that, I want to make sure you have a legit contract for that right away. And then, those are the kind of things that we can layer on as you go.

Like, you don't need an independent contractor contract today if you're not hiring someone or if you're not acting as a contractor, of course. We can get that in place later. But if you are seeing clients right now, you need a client contract right now. If you have a website and you're posting content on your site or building your email list on your site, you need all

three website policies right away. We'll talk about that in a second. So, that's kind of where I like to start was like, Do you have the contracts that you need?

Number nine, Is your website legally protected? So, I would again look at whether if you have a website, if you are driving traffic to it, or you wish that there was traffic coming to it, or you're using it as a place to just park your stuff and sell your services and build your email list - which I hope you're doing. Hopefully, for my sake, I hope you're doing that - if you're doing that, then you need all three website policies on your site. So, that means a Privacy Policy, a Website Disclaimer, and Terms and Conditions. Those are the three policies you need, Privacy Policy, Website Disclaimer, and Terms and Conditions.

So, those three are great to have on your site. The Privacy Policy is legally required if you're collecting personal information from people on your website. So, that means if you have an email list and there's a place for somebody to put in their name and their email address, you are legally required to have that. If you have signup forms or contact me forms or anything like that, if you're tracking cookies behind the scenes, or any of that, probably stuff you don't even know that you're doing because if you're using some sort of website software, they're probably doing it for you, you're required to have a Privacy Policy.

When in doubt, have a Privacy Policy. There's really no harm other than the 15 minutes it takes to fill out my legal template for the Privacy Policy just to get it up there. So, that's what I would do.

The Website Disclaimer is super legally important, I would say, because that's the one that's going to tell people who you are, what you do, and what you don't do. And that's the one that you need to have there to kind of CYA to be able to talk about your content, give recipes, talk about money, talk about business, talk about law. That's the kind of thing that you need to have on your site.

Terms and Conditions is more of a catch all policy. It's the one that is actually, you know, ironically, out of all the three, it's the least

required, but it's the one that you would probably lean on the most because that's where you're going to have things like return or refund policies and use of your site, and certain - I don't know - disclosures if you're using affiliate links and things like that. So, it's the one you're going to lean on the most.

Luckily, I sell them for you in a package. Also, all three of them are included inside the Ultimate Bundle so you can get all three there. But you definitely want to make sure that your website is legally protected. Again, if you want more of a breakdown of these three and what the names are and where to find them, they're all listed in that free checklist I was telling you about that's linked in the show notes.

All right. Number ten is cheesy, but I had to do it. If your business is legally protected, then have you downloaded my free legal checklist? So, it's really a great thing to have on hand, whether it's for this business, or to come back and revisit it in six months to see where you're at, or if you start another business, you really want to have this free legal checklist down below. People really love this checklist because I made it as both simple as humanly possible, but also comprehensive so that you have it.

I'll also link to any other episodes I might have on some of these topics we've talked about today in case there's any one of them in which you want to dive deeper. I know I have episodes on what business insurance is and on scope of practice. Episode 2, for example, is a great place to start with talking about scope of practice. And I have an episode about which contracts you need, so that's all there for you.

So, I hope that you'll go and click the link down in the show notes for this free checklist. Send me a DM on Instagram, @samvanderwielen, or reply to my email if you have any questions after you've downloaded the checklist. If you're not sure about something or you think you might be missing something, let me know, I'm happy to help.

With that, I hope that you enjoyed this episode. And wherever you listen to this episode, if there's an opportunity to review the show, subscribe to

the show or leave a quick rating or review, I would really, really appreciate it. Thanks so much. I'll see you in a few days.

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