

Business Entity Forms

| <i>Business Form</i> | <i>Ownership</i> | <i>Liability</i> | <i>Governing</i> | <i>Funding</i> | <i>Taxes</i> | <i>Level of Government Requirements</i> |
|----------------------------------|--------------------|--|---|--|--|---|
| Sole Proprietorship | One person | Personal | Personal Choice | Personal/ Financial Institution | Personal and self-employment tax | Low |
| Partnership | Multiple people | Personal or limited liability (for an LLP) | Partnership Agreement | Banks and partners (could be silent partners) | Personal and self-employment tax | Low |
| Limited Liability Company | One or more people | Limited Liability | Articles of Organization and Operating Agreement | Banks and member contributions (private investments) | Personal and self-employment tax -OR- Corporate tax (see an accountant) | Medium |
| Corporation | One or more people | Limited Liability | Articles of Incorporation, Bylaws and Shareholder Agreement | Selling stock | Corporate tax (double taxation) -OR- S-Corp pass through (see an accountant) | Medium/ High |
| Co-op | Multiple people | Limited Liability | By-laws | Membership contributions | Special Co-op rules (see an accountant) | High |
| Benefit Corporation | One or more people | Limited Liability | Benefit-Corp Agreement (B-Corp certification possible) | Selling stock (Impact investing) | Corporate tax (double taxation) -OR- S-Corp pass through | High |
| Non-Profit | One or more people | Limited Liability | Nonprofit Bylaws | Donations and grants | Tax exempt | High |