



United States
Department of
Agriculture

Risk Management Agency



COOPERATIVE EXTENSION
College of Agriculture, Forestry and Life Sciences

BUSINESS STRUCTURE AND LIABILITY INSURANCE

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NAME, STRUCTURE, AND REGISTRATION

1. Name, Structure, and Registration

- Business name
- Web search
- Florida Department of State search
- Domaine name search
- What to do if it is already taken?

Business structure	Ownership	Liability	Taxes
Sole proprietorship	One person	Unlimited personal liability	Personal tax only
Partnerships	Two or more people	Unlimited personal liability unless structured as a limited partnership	Self-employment tax (except for limited partners) and personal tax
Limited liability company (LLC)	One or more people	Owners/Members are not personally liable	Self-employment tax. Can elect personal tax or corporate tax
Corporation - C corp	One or more people	Owners/Stockholders are not personally liable	Corporate tax
Corporation - S corp	One or more people, but no more than 100, and all must be U.S. citizens	Owners/Stockholders are not personally liable	Personal tax
Corporation - Nonprofit	One or more people	Owners are not personally liable	Tax-exempt, but corporate profits can't be distributed

Name, Structure, and Registration

- Federal EIN number (IRS)
 - [Apply for an Employer Identification Number \(EIN\) online | Internal Revenue Service \(irs.gov\)](#)
- Florida Department of State
 - Register your business with the state
 - FL Department of State: <https://dos.fl.gov/sunbiz/start-business/>

Name, Structure, and Registration

- Farm Registration with FSA – get a farm number
 1. Find your local Farm Service Agency (FSA): <http://offices.usda.gov> and call them to see if they offer this service Bring proof of identity (example: driver's license and social security card).
 2. Bring copy of the deed and survey plat (if land is owned) and a copy of the rental agreement (if the land is rented).
 3. Bring a copy of your business entity documents: your EIN number, a list of owners and what percent they own of the business, and a certificate of existence from the SC Secretary of State. If you have a corporation, bring your articles of incorporation.

BANKING AND INSURANCE

Banking and Insurance

- **Business Bank Account**
 - Separate from personal account
 - Under Federal EIN number
 - Handy if at same bank as personal
- **Business Insurance**
 - Really your first line of defense, not business structure
 - See next slide for Insurance products

Insurance Type	Who/What It's For	What it Does
General Liability	Any Business	Protects against financial loss as result of bodily injury, property damage, etc. Defending lawsuits
Product Liability	Products for end users	Protects against financial loss as result of defective product
Professional Liability	Services for end users	Protects against financial loss as result of errors and omissions.
Commercial Property	Business Property	Protects against property loss due to fire, wind, terrorism, etc.
Home Based Business	Small, home based businesses	Home owner's insurance rider
Business Owners Insurance	Many types of businesses	Bundled options of above policies into one policy.

Business Taxes and Recordkeeping

Record Keeping Tips

1. Use a computer
2. Create a good chart of accounts
3. Keep business and personal records separate
4. Get help if you need it
5. Outsourced payroll services are generally worth it
6. Good records help preserve the “corporate veil” of liability protection
7. Again, keep personal and business financial records separate!

FDACS TEAM Card

- Agricultural Sales Tax Exemptions
- Plastic card that will replace paper certificates filed with each vendor
- Must complete an application either online or by mail
- More information at:

[Florida Farm Tax Exempt Agricultural Materials \(TEAM\) Card / Agriculture Industry / Home - Florida Department of Agriculture & Consumer Services \(fdacs.gov\)](#)

Liability for Employees Getting Hurt on the Job

- Jones Act – Does not apply to Aquaculture (New Federal Law)
- W-2 Employees: Workers Compensation (Private Pay – no State Fund)
 - Categorization of new “aquaculture worker” not clear yet
 - A vessel/crew policy may be less expensive
- 1099 Contractors:
 - They should have their own insurance. Not required in FL, except for construction
 - Business owner may consider a vessel/crew policy in lieu of this