Business Vision Worksheet

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1. Purpose of Visioning
2. The 5W Framework: Who, What, When, Where, Why
3. Core Values and Mission Building
4. Founder's Story & Aspirational Goals
5. Worksheet Prompts
6. Mentor Notes
7. Bonus Tools & Links

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1. PURPOSE

Visioning grounds your company in clarity before you launch. The clearer your "why," the better your team, investors, and customers will align.

2. THE 5W FRAMEWORK

- WHO: Who is your target demographic? Age, income, gender, lifestyle?
- WHAT: What service/product do you offer, and how is it unique?
- WHEN: When will you deliver or launch? Whats the timeline?
- WHERE: Where will you operateonline, storefront, mobile, regional?
- WHY: Why will customers choose you over competitors?

3. CORE VALUES & MISSION

List your business values (e.g. integrity, speed, equity).

Draft a mission statement using: We exist to [verb] [target customer] by [core service] with [core value].

4. FOUNDER'S STORY

Your story is your brand. What life experience inspired this company?

What do you want your legacy to be?

5. WORKSHEET PROMPTS

Fill out the 5Ws

Draft a mission + vision statement

Write 3 short-term goals (36 months)

Write 3 long-term goals (35 years)

Describe your ideal customer in 3 words

Write your elevator pitch in 2 sentences

6. MENTOR NOTES

Without vision, even a good idea loses direction. Make sure your vision excites you AND your customers.

7. BONUS TOOLS

- [Canva Pitch Deck Templates](https://www.canva.com/presentations/startup-pitch/)
- [BPlans Vision Statement Guide](https://www.bplans.com/write-a-business-plan/company-overview/mission-vision-values/)

Helpful Resources & Links:

Canva Pitch Deck Templates: https://www.canva.com/presentations/startup-pitch/

BPlans Vision Statement Guide: https://www.bplans.com/write-a-business-plan/company-overview/mission-vision-values/

Corporate Structure Diagram Guide

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1. Overview of a Strategic Business Structure
2. Entities in the Diagram
   2.1 Holding Company
   2.2 Sector Companies
   2.3 Operating LLCs
   2.4 Trusts and Asset Holding
3. Why the Structure Matters
4. How to Customize Your Diagram
5. Mentor Strategy Notes
6. Tools & Links

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1. OVERVIEW

This diagram illustrates a protective, scalable, and tax-efficient business model. Used by major corporations and family-owned businesses alike.

2. ENTITIES IN THE DIAGRAM

2.1 Holding Company

Controls all cash flow, administrative strategy, and tax deductions.

2.2 Sector Companies

Organized by business function: Retail, Services, Real Estate, Media, etc.

Example: A Real Estate Sector Company could own 3+ property LLCs.

2.3 Operating LLCs

These are the actual businesses engaging with customers and clients. Disposable, flexible, and legally separated.

2.4 Trusts

Trusts hold assets no longer in active business usesuch as paid-off real estate or intellectual property.

3. WHY THIS MATTERS

- Protects assets from lawsuits
- Facilitates legacy building
- Improves investor confidence
- Allows for simplified tax planning and cash management

4. CUSTOMIZATION

Start simple (1 Holding Co + 1 LLC) and scale by adding sector layers as needed. Always ensure each entity has its own:

- Bank account
- EIN
- Operating agreement (if LLC)

5. MENTOR STRATEGY

The structure is the shield. Think ahead, because you cant buy protection after the battle.

6. TOOLS & LINKS

- [Lucidchart (Diagram Builder)](https://www.lucidchart.com)
- [IRS EIN Application](https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online)

Helpful Resources & Links:

Lucidchart (Diagram Builder): https://www.lucidchart.com

IRS EIN Application: https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

EIN Application Guide

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1. Why You Need an EIN
2. Step-by-Step Application Instructions
3. What Youll Need Before You Start
4. Common Errors and How to Avoid Them
5. Post-Application Strategy
6. Mentor Notes
7. Links to IRS & Help Resources

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1. WHY YOU NEED AN EIN

Your EIN is your business's federal ID numberlike a Social Security Number for your company. You need one to:

- Open a bank account
- Hire employees
- File federal taxes
- Build business credit
- Apply for permits

2. STEP-BY-STEP INSTRUCTIONS

Step 1: Go to [IRS EIN Application Portal](https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online)

Step 2: Click "Apply Online Now"

Step 3: Select the Entity Type (LLC, Corporation, etc.)

Step 4: Enter Responsible Party info (Owner/CEO)

Step 5: Enter company details (name, address, date formed)

Step 6: Select reason for applying (Starting a new business)

Step 7: Confirm email delivery or mailing of EIN Letter (SS-4)

3. WHAT YOU NEED BEFORE YOU START

- Your entity must be legally formed in your state
- Your business name must be finalized
- Responsible partys Social Security Number
- Business address and formation date

4. COMMON MISTAKES TO AVOID

- Applying before your LLC/corporation is registered
- Entering the wrong entity type (causes rejection)
- Not saving or printing the confirmation letter (IRS Form SS-4)

5. POST-APPLICATION STRATEGY

Use EIN to open your business bank account
Link EIN to your state tax account
Add EIN to all major documents (contracts, leases, filings)
Use it when applying for DUNS or business credit

6. MENTOR NOTES

Your EIN is your business passport. Treat it like its goldbecause in the eyes of the government, it is.

7. LINKS

- [Apply for EIN (IRS)](https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online)
- [IRS Form SS-4 (Sample)](https://www.irs.gov/pub/irs-pdf/fss4.pdf)

Helpful Resources & Links:

Apply for EIN (IRS): https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

IRS Form SS-4 (Sample): https://www.irs.gov/pub/irs-pdf/fss4.pdf

Holding Company Budget Worksheet

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   2.2 Corporate Housing
   2.3 Company Vehicle Costs
   2.4 Administrative & Legal Expenses
   2.5 Asset Management & Tax Planning
3. Best Practices and Common Mistakes
4. Mentor Notes
5. Resource Links

---

1. INTRODUCTION

The holding company is the administrative brain of your operation. Treat it as such by giving it the appropriate financial attention, even when it earns no direct revenue.

2. BUDGET CATEGORIES

2.1 W-2 Compensation for Owner

Strategically used to pay yourself while maintaining legitimacy with lenders and investors.

2.2 Corporate Housing

Rent, utilities, or mortgage on housing used for business leadership can be expensed here.

2.3 Company Vehicle Costs

Insurance, maintenance, and mileage tracking must follow IRS compliance standards.

Tip: Vehicles over 6,000 lbs may qualify for bonus depreciation.

2.4 Administrative & Legal Expenses

LLC registration, tax filings, accounting software, and legal consultations all live here.

2.5 Asset Management & Tax Planning

Ensure funds are allocated for:

- Trust fees
- Real estate taxes
- CPA reviews
- Depreciation schedules

3. BEST PRACTICES

Keep a dedicated business account

Track budget vs actual monthly

Use forecasting when planning quarterly disbursements

4. MENTOR NOTES

A dollar spent with strategy can save you ten in audits. Run your Holding Co like a firmeven if youre the only employee.

5. RESOURCE LINKS

- [IRS Standard Mileage Rates](https://www.irs.gov/tax-professionals/standard-mileage-rates)
- [Bonus Depreciation Rules](https://www.irs.gov/newsroom/bonus-depreciation)

Helpful Resources & Links:

IRS Standard Mileage Rates: https://www.irs.gov/tax-professionals/standard-mileage-rates

Bonus Depreciation Rules: https://www.irs.gov/newsroom/bonus-depreciation

Intercompany Lease Agreement

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1. Purpose of an Intercompany Lease
2. When to Use One
3. Lease Agreement Structure
4. Sample Terms & Clauses
5. Strategic Benefits
6. Mentor Notes
7. Tools & Templates

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1. PURPOSE

Allows a trust or parent company to lease property to an operating LLCprotecting assets while preserving business function.

2. WHEN TO USE

When a trust owns real estate and an LLC operates a business on that property

When you want to preserve ownership but manage tax-deductible expenses

3. STRUCTURE

Key parties:

- Lessor: Trust or Holding Company
- Lessee: LLC

Typical clauses:

- Lease term (e.g. 35 years)
- Monthly rent
- Who pays for maintenance, utilities, taxes
- Renewal options

4. SAMPLE CLAUSES

The Lessee shall remit $2,000 per month to Lessors account on the 1st of each month...

All repairs under $500 are the responsibility of the Lessee...

5. STRATEGIC BENEFITS

- Keeps income flowing into Trust while keeping operations in LLC
- Avoids capital gains on premature asset transfer
- Provides legal record of asset use

6. MENTOR NOTES

Dont let your operating business touch title. Lease everythingfrom land to name to office furnitureand keep control where it belongs.

7. TOOLS

- [LawDepot Lease Templates](https://www.lawdepot.com/contracts/commercial-lease-agreement)
- [IRS Guidelines on Related Party Leases](https://www.irs.gov/pub/irs-audit/5554.pdf)

Helpful Resources & Links:

LawDepot Lease Templates: https://www.lawdepot.com/contracts/commercial-lease-agreement

IRS Guidelines on Related Party Leases: https://www.irs.gov/pub/irs-audit/5554.pdf

IRS Form Reference Guide

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1. Introduction: Why IRS Forms Matter
2. Form Overviews and Strategic Use
   2.1 Form 1120 C Corporation Tax Return
   2.2 Form 1065 Partnership Tax Return
   2.3 Form 2553 S Corporation Election
   2.4 Form K-1 Owner/Shareholder Income
   2.5 BOI Report Beneficial Ownership Filing
3. Common Filing Mistakes
4. Mentor Notes and Strategy
5. Helpful Resource Links

This guide is designed to make complex IRS forms simple to understand, offering strategic guidance on when and how to use each one based on your corporate structure.

2.1 Form 1120 C Corporation Tax Return

Used by C Corporations to report income, deductions, and profits to the IRS.

Strategy: Use this if your holding company or operating business is taxed as a C-Corp. Filing this form ensures your business is taxed separately from the owners.

2.2 Form 1065 Partnership Tax Return

Used by partnerships (including multi-member LLCs taxed as partnerships).

Strategy: Even though the partnership itself doesnt pay tax, it must file this return to report profits/losses which pass through to partners individual tax returns via K-1s.

2.3 Form 2553 S Corporation Election

Filed to elect S-Corp status for eligible entities.

Tip: Most single-member LLCs and corporations can elect S-Corp status if they meet IRS criteria. Beware of losing corporate protection due to pass-through treatment.

2.4 Form K-1

Issued by partnerships and S-Corps to owners/members.

Strategy: Think of it as the W-2 for business owners. Required when profits are passed to personal returns from an entity.

2.5 BOI Report Beneficial Ownership Information

Mandatory starting 2024 under the Corporate Transparency Act.

Strategy: This new requirement means all owners of >25% of a company must be reported to FinCEN. Avoid this with proper trust and corporate layering when appropriate.

---

3. COMMON FILING MISTAKES

- Misclassifying your entity and filing the wrong form
- Forgetting to file Form 2553 to activate S-Corp election
- Not issuing K-1s to all owners
- Not updating BOI report when ownership changes

---

4. MENTOR NOTES

"Dont be afraid of tax formsfear the mistakes that come from avoiding them. Work with a CPA, but know enough to ask the right questions."

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5. RESOURCE LINKS

- [IRS Form 1120 Instructions](https://www.irs.gov/instructions/i1120)
- [IRS Form 1065 Instructions](https://www.irs.gov/instructions/i1065)
- [Form 2553 S-Corp Election Guide](https://www.irs.gov/forms-pubs/about-form-2553)
- [K-1 Overview (IRS)](https://www.irs.gov/forms-pubs/about-schedule-k-1-form-1065)
- [BOI Reporting (FinCEN)](https://www.fincen.gov/boi)

Helpful Resources & Links:

IRS Form 1120 Instructions: https://www.irs.gov/instructions/i1120

IRS Form 1065 Instructions: https://www.irs.gov/instructions/i1065

Form 2553 S-Corp Election Guide: https://www.irs.gov/forms-pubs/about-form-2553

K-1 Overview (IRS): https://www.irs.gov/forms-pubs/about-schedule-k-1-form-1065

BOI Reporting (FinCEN): https://www.fincen.gov/boi

Sample LLC Operating Agreement

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2. Key Sections Explained
   2.1 Company Formation
   2.2 Member Roles & Responsibilities
   2.3 Capital Contributions
   2.4 Profit & Loss Allocation
   2.5 Voting Rights & Governance
   2.6 Dispute Resolution
   2.7 Dissolution Terms
3. Strategic Uses of Operating Agreements
4. Mentor Notes
5. Downloadable Template + Custom Tips

---

1. INTRODUCTION

The Operating Agreement is the LLC's rulebook. Even if your state doesn't require one, any serious investor, banker, or partner will.

2. KEY SECTIONS

2.1 COMPANY FORMATION

Details the LLCs legal name, registered address, and formation date.

2.2 MEMBER ROLES

Defines who owns what percentage, their responsibilities, and voting authority.

2.3 CAPITAL CONTRIBUTIONS

Outlines how much money or assets each member has invested in the company.

2.4 PROFIT & LOSS ALLOCATION

Describes how income and expenses are distributedby equity, contribution, or other terms.

2.5 VOTING RIGHTS

Specifies decision-making protocols for big changes: dissolving, borrowing money, buying real estate, etc.

2.6 DISPUTE RESOLUTION

Mediation or arbitration clauses prevent costly court battles.

2.7 DISSOLUTION TERMS

Covers how the LLC is dissolvedvoluntarily or involuntarilyand what happens to remaining assets.

3. STRATEGIC USE

- Use as proof of ownership
- Required for most business bank accounts
- Shows lenders and investors your governance plan

4. MENTOR NOTES

Think of your operating agreement as a prenuptial for business. Its easier to negotiate when things are good than when tensions rise.

5. DOWNLOADABLE TEMPLATE

A customizable .docx version is included with this e-book.
[HelloBonsai Agreement Builder](https://www.hellobonsai.com)

Helpful Resources & Links:

HelloBonsai Agreement Builder: https://www.hellobonsai.com

Sector Organization Chart Guide

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1. Purpose of Sector-Based Entity Management
2. Example Sectors and Their Function
3. Why Use Sector Companies?
4. Sample Layout
5. Best Practices
6. Mentor Tips
7. Tools & Templates

---

1. PURPOSE

Sector-based organization simplifies growth, protects against risk, and enables dedicated team management.

2. EXAMPLES

Retail Sector holds LLCs for franchises, e-commerce, vending
Real Estate Sector holds entities for rentals, flips, developments
Service Sector for consultancies, agencies, education, healthcare
Construction Sector used for labor-based or licensed trades

3. WHY THIS WORKS

- Easier tax reporting
- Reduced liability exposure
- Specialized management teams
- Asset and activity separation

4. SAMPLE CHART STRUCTURE

[Holding Company]
Retail Sector, Inc.
LLC: 711 Inglewood

LLC: Coffee Cart Co.

Real Estate Sector, Inc.

LLC: 123 Main Flip Co.

LLC: 456 Rental Trust

Service Sector, Inc.

LLC: Digital Ad Agency

5. BEST PRACTICES

Each sector company should have board meetings or resolutions

Always maintain clean books

Link management contracts to Holding Co

Rotate CPAs or attorneys based on specialty

6. MENTOR NOTES

Dont put every idea into one basket. Sectors allow you to innovate without compromising legacy.

7. TOOLS & LINKS

- [BPlans: Sample Business Sectors](https://www.bplans.com)
- [Operating Agreement Generator](https://www.hellobonsai.com)

Helpful Resources & Links:

BPlans: Sample Business Sectors: https://www.bplans.com

Operating Agreement Generator: https://www.hellobonsai.com

Startup Corporate Structure Checklist

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1. Introduction: Why This Checklist Exists
2. Step-by-Step Structure Setup
3. Strategic Reminders at Each Phase
4. Common Oversights to Watch
5. Mentor Notes for Execution
6. Resource Links

---

1. INTRODUCTION

This master checklist helps you build and manage your entire structure with confidence and precision. Use it as a blueprint and revise it quarterly.

2. STEP-BY-STEP STRUCTURE SETUP

- Register Holding Company
- Form Sector Entities
- Form Operating LLCs
- Apply for EINs (IRS)
- Open Business Bank Accounts
- Draft Operating Agreements
- Create Trust (if applicable)
- Assign Intercompany Agreements
- Submit BOI Report
- Set Up Initial Bookkeeping and Compliance Tools

3. STRATEGIC REMINDERS

- Use separate EINs and bank accounts for each LLC
- Always operate under separate books per entity
- Centralize expenses under Holding Co when appropriate

- Periodically move assets up to Trust

4. COMMON OVERSIGHTS

- Failing to file BOI Report in 2024+
- Not opening separate checking accounts for each LLC
- Mixing personal funds with business operations
- Missing annual Statement of Information (CA-specific)

5. MENTOR NOTES

Treat each entity like its own householdits own keys, account, fridge, rules. Respect that and your structure will respect you back.

6. RESOURCE LINKS

- [IRS EIN Application](https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online)
- [BOI Reporting Portal](https://www.fincen.gov/boi)
- [California Statement of Information](https://bizfileonline.sos.ca.gov/)

Helpful Resources & Links:

IRS EIN Application: https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

BOI Reporting Portal: https://www.fincen.gov/boi

California Statement of Information: https://bizfileonline.sos.ca.gov/

Trust Structure Overview

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1. Introduction: Why Trusts Matter in Business
2. What Is a Trust?
3. Trust in the Corporate Structure
4. When and Why to Use a Trust
5. Asset Flow and Protection Strategy
6. Real-World Applications
7. Mentor Tips and Pitfalls to Avoid
8. Resource Links

---

1. INTRODUCTION

Trusts are often misunderstood, but in a layered corporate structure, they are powerful tools for asset protection, succession planning, and minimizing risk.

2. WHAT IS A TRUST?

A legal entity that holds assets on behalf of beneficiaries. It is not a corporation or LLC but can own corporations, LLCs, real estate, and other property.

3. TRUST IN CORPORATE STRUCTURE

Trusts sit at the top of the structure in most advanced strategies:

- Holding Company > Sector Companies > Operating Entities
- Trust holds assets not currently in use (like paid-off real estate or IP)
- Trust receives income via leasing or investment returns

4. WHEN AND WHY TO USE A TRUST

Protect family wealth from lawsuits or business disputes

Maintain control while legally separating ownership

Facilitate smooth inheritance and avoid probate

Lower personal exposure in high-liability businesses

5. ASSET FLOW AND PROTECTION STRATEGY

Example: Real estate asset paid off by operating entity > moved to trust > leased back to operating LLC

This keeps liability from hitting the core asset and allows the business to continue operation seamlessly.

6. REAL-WORLD APPLICATIONS

- McDonalds and Chick-fil-A place real estate in trusts
- Large churches use trusts to hold title on land
- Franchises separate name licensing from asset ownership via trust layering

7. MENTOR TIPS

Always have an exit plan. A trust is not just for deathits for strategy, succession, and surviving business storms.

8. RESOURCE LINKS

- [IRS Trust Overview](https://www.irs.gov/taxtopics/tc640)
- [Nolo Trust Formation Basics](https://www.nolo.com/legal-encyclopedia/living-trust-faq.html)

Helpful Resources & Links:

IRS Trust Overview: https://www.irs.gov/taxtopics/tc640

Nolo Trust Formation Basics: https://www.nolo.com/legal-encyclopedia/living-trust-faq.html