Guidant



Your Future Success with Guidant

4-Step Guide to Planning Your Future Success with Guidant

You've completed your rollover process and your business is funded — congratulations! Here are a few things to keep in mind as you open and operate your new business:

1 The Stock Ledger & Future Stock Purchases

What's on the Stock Ledger?

- **The stock ledger is a legal document that solidifies the stock purchase and ownership of your business** by recording the exchange of capital for stock.
- **It's important that you update it each time stocks are issued** (including the first time, when you funded your business) with the following information:
  - **Date of ownership**
  - **Name of certificate holder** (the person who purchased the stock)
  - **Place of residence**
  - **Number on the stock certificate you've obtained**
    - *For the initial stock, note "initial issue" on the ledger*
  - **Dollar amount paid for the shares**

When new shares are issued to each shareholder, a stock certificate document (titled 5b in your zip file) must also be completed to match the amount of capital each shareholder has contributed to the business. Page 6 of your QES Resolutions document (6c in the zip file) shows the specific number of shares that were authorized and the value that was assigned to each share.

- ***See Important Deadlines to Know***

Future Stock Purchase

In the future, you may want to invest more money into your business through another stock purchase, or perhaps have your business buy shares back from you. If that's the case, follow these three steps:

1. Contact Guidant

Guidant provides one hour of Outside Counsel (OC) time to you per plan year, free of charge to facilitate an additional stock purchase. Any time beyond that hour, will be billed to you directly. Reach out to Guidant to get this process started.

2. Speak with Your Outside Counsel (OC)

Your Outside Counsel will guide you through the stock purchase process and may determine that you need a business valuation before moving forward (to determine fair market value of the stock). Guidant offers a business valuation service, or we can refer you to a different company.

You may also need a board resolution — which your OC will complete for you — as well as an updated stock ledger. Your OC will clarify what is need when, and why, on your call.

3. Send Documents to Guidant

Once you have gone through the stock purchase process with your Outside Counsel, be sure to send any new or updated documents to Guidant. These may include:

- **Stock ledger**
- **Corporate bank statements**
- **401(k) bank statements**
- **Copy of Board Resolution**
- **Business valuation**

2 Exploring Your Guidant Business ZIP File

- **Your ZIP file can be found in the Client Portal and contains all of the documents your Account Rep has created for you throughout the business setup process.** It also includes documents that cover a variety of future scenarios.
- **Don't worry — not all of these documents require your attention right now!** We include everything you'll need to be successful throughout your business journey. ***See how to unzip your file here.***

The ZIP file is divided into two folders: Corporate and 401(k). Here's a quick rundown of what you can expect from each:

Corporate Folder

This folder contains the documents Guidant used to set up your corporation, as well as the docs you need to maintain your corporation with your state. Keep in mind that Guidant does not do this for you— this is something you'll need to take care of.

Maintaining your corporation with your state

These will help you understand how to maintain your corporation with your state. As each state has individual requirements, reach out to the office of your Secretary of State with any questions.

401(k) Folder

The 401(k) folder contains documents around the adoption of the new 401(k) plan. Much like in the Corporate folder, this folder includes documents that cover future scenarios, so that you have them in case you need them later.

Mandatory Employee Documents

These two documents will help you understand your obligations to your employees as a trustee of the 401(k) plan.

3 Small Business Do's & Don'ts

Now that your business is funded, take a look at this quick overview of the things you should and shouldn't do with the rollover money. (We tried to keep the legal jargon minimal here, but bear with us — *sometimes it just has to be included*!)

A Disqualified Person

First of all, let's define the term "disqualified person," as it's going to come up a lot.
A disqualified person includes:

- **A fiduciary of the plan**
- **A person providing services to the plan**
- **The employer sponsoring the plan (you)**
- **The direct or indirect owner of 50%+ of the company sponsoring the plan**
- **A family member of a 50%+ owner (spouse, ancestor, lineal descendent, or spouse's lineal descendent)**
- **An officer or director of the company sponsoring the plan**
- **A 10%+ shareholder**
- **A highly compensated employee**



What Not to Do

Below are a few things you should avoid doing with the rollover funds. And remember, if you're not sure if you can or can't do something, just give us a call! We're happy to answer your questions and talk you through specific scenarios.

- **No sales, exchanges or leases between the plan and a disqualified person**
- **No self-benefiting from corporate assets:**
  - ***Don't run personal expenses through the corporation***
  - ***Don't buy things for yourself using the corporate account***
  - ***No transfers of plan assets for the benefit of a disqualified person***
- **No furnishing of goods, services, or facilities between the 401(k) plan and a disqualified person**
- **No corporate loans to a disqualified person**
- **Don't pay for expenses with the 401(k) plan — *wait until the 401(k) funds are transferred into the corporate bank account.***
  - **This applies continuously moving forward, for as long as the 401(k) plan owns shares in the corporation (even if the original QES funds have been used).**
- **No interactions or business dealings with other businesses that you or your family members own**

What to Do

Now that you've rolled money over with ROBS, it's now time to fund your business! Use that money for normal business operating expenses, but make sure that these expenses are legitimate and standard for your industry. For example, if your business model is selling items online, and all of your work is done online, you shouldn't use corporate funds to buy yourself a new car that your business doesn't actually need.

4 Your Next Steps

You've now completed the setup process with Guidant, which means you're moving into the excellent care of our Plan Administration team. The Plan Admin team is here to help keep your plan in compliance, create your Form 5500 (which you must file with the IRS each year), and answer any questions you may have.

- ***See how Guidant's Plan Admin team supports your plan and protects your business here.***

Congratulations, you're officially a business owner!

Guidant

Your one-stop shop for all your small business needs.

Affordable Services Tailored to Small Business Needs

At Guidant, our team of financial experts can support you throughout the lifetime of your business — whether you need fast financing, business valuations, payroll support, or book-keeping help.

Call us at 425-289-3200 to learn more now!
Explore Guidant's Small Business Services:

- Payroll Services
- Bookkeeping & Tax
- Human Resources
- Business Valuations

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