



Basic Costs for being a Fiscally Sponsored Company (FSC) with Innovate United LLC

Inactive Shell Company - \$15 one time fee

A shell LLC would simply be a company that is not active, but still needs a legal form to ensure equitable distribution of profits if or when profits do come in from an other project, or when investors get involved etc... Simply stated it is a company on paper, has owners and has a plan and vision, but is not actively operating, paying people, and doesn't have or need an active bank account, and most importantly has no additional tax liability. To set up a a sponsored LLC shell company, we simply create and sign the paperwork, as a one time fee of \$15, the same as the monthly fee, except you only have to pay it once. Anytime you want to update your documents, change the equity ownership, or other details of the shell company, it will cost an additional \$15 one-time fee. At anytime if you choose to activate operations for the company and establish a bank account with tax liability, you will have to start paying the monthly fee which is currently \$15, as well as the % cash flow admin fee. Vice versa, if you decide to stop operations of your company, but not close it down, you can simply turn it into a shell company and stop paying the monthly fee. The cost of a one time shell company fee will go down at the same rate as the monthly fee as we increase the number of companies involved.

Active Company Fee - Maximum \$15 per month

To function as an active sponsored LLC company you will have to pay \$15/mo. This cost is going directly to the annual \$800 minimum franchise tax for LLC's. This monthly rate will go down as we get more companies involved in the umbrella LLC. Additionally we have a pay rate structure where you can pre-pay to save costs:

- **Monthly - \$15/mo for 12 payments [\$180 total]**
- **Quarterly - \$44/Quarter for 4 payments [\$176 total]**
- **Half Year - \$85/Half year for 2 payments [\$170 total]**
- **Annual - \$160 per year in one payment [\$160 total]**

Being an active company also typically involves having a bank account and there are additional banking fees and costs external to the umbrella LLC, but are directly part of the sponsorship package and are noteworthy here. Typically it costs \$50-\$100 to purchase a Fictitious Business Name (FBN) for your company, as well as an additional \$50-\$100 to open a bank account (although this money is usable by your company. Additionally the bank typically charges \$5-\$10 bank account fee per month depending on the type of bank account you open. So the total basic base cost to set up a sponsored LLC with a bank account would be about \$120-\$225 at the start and an on-going cost of \$20-\$25 per

month on-going, or if you pay annually it would be \$220. If you are truly planning on starting a business, this will be minor compared to your other costs, and if you plan on having profit, there are additional costs you need to consider.

% Cash Flow Admin Fee

In addition to the monthly fee for having an active bank account for your sponsored company, you will also need to plan on paying a % of the total Cash Flow going through your business, that would be paid directly to the Umbrella LLC. This % goes directly to pay for the legal functioning of the Umbrella LLC to support all the sponsored companies and includes finance tracking costs, HR costs, government filings, annual reporting, and other legal procedures. Because the Umbrella LLC does not need to pay taxes, we are not concerned about whether or not you have profit, as you will have to pay the taxes through your own personal income tax. If you need help with this we certainly can help you. Overall what you need to understand is that this % Cash Flow Admin Fee will be taken out of any funds that go through your bank account, as well as any other transactions for your company. A typical company can usually pay as much as 5% just for overseeing its own finances, and from there to cover all legal, government, HR, and other business costs can easily be 10-20% of the overall flow of money / revenue. We as an umbrella LLC do not pre-set this % for each company, instead we allow each company to figure out for themselves what the % should be based on their individual unique needs. The less it is the more we expect the sponsored company to self-organize and make sure all its ducks are in order, including following all our internal policies. This is part of the application process so you should review the info sheet for more information.

Other Business Costs to Consider

- Business License - \$50-\$200+
 - To operate a business within a specific city, typically you must have a business license.
- Other Licenses - \$25-\$100+
 - To sell certain types of products or services you must have a license to legally do so. Even simply re-selling other people's products and purchasing wholesale requires a license. But if you are manufacturing and selling your own products, and they aren't edible, then there isn't an additional license needed.
- Website Domain - \$5-\$20+
 - You are going to want to purchase a website domain, typically a company would want a .com, but any website domain will do. We can certainly help with this just ask.
- Server & Email - \$5-\$20/mo
 - You are going to need a server to put your actual website on, as a domain is simply a URL link that links to your actual website, which exists on a server. We have a shared server that we can offer you for a reduced cost if you are interested.
- Your Actual Website - \$0-\$500+
 - Companies can spend a LOT of money on a website. We can help you create your own using a simple free Wordpress theme, but there are many other options you can use. Also we have connections to web developers who will work for discounts.
- Advertising & Social Media - \$0-\$500/mo+
 - People can spend a LOT of money on advertising. But with the right mix of online ads, and social media marketing, you can get far with minimal resources. We can

help you learn how to do it all yourself, or if you want to work with our digital marketing specialists, we can offer a great deal.

- Payroll Taxes
 - If you decide to hire employees, it is going to cost an additional 10-20% of the cost of your employees to cover payroll taxes, filings, and other legal paperwork. We encourage you to create a detailed budget before paying employees.

This is just the beginning, but Innovate United LLC is willing and ready to help your business thrive in a communal environment where all our startups and existing businesses are supporting each other to be successful.

Feel free to ask any additional questions by contacting Innovate United LLC: <http://InnovateUnited.net> (415) 323-5833 (Jay) info@InnovateUnited.net