

Is a Professional Corporation the Right Entity Type for Your Business?

Restrictions:

Shareholders, directors and officers typically must be licensed professionals.
Generally, only one service type may be offered.



Naming Your PC:

PC must adhere to state-specific naming requirements.



General Steps to Form a PC:

1. Prepare Articles of Incorporation with required content.
2. Obtain approval from licensing boards.
3. File incorporation documents and pay filing fees.



Some Key Benefits:

Limited Liability: Typically, owners are protected from personal liability for the acts of other owners.

Credibility: Enhances trust with clients by formalizing the business structure.

Business Continuity: Generally ensures continuity beyond the retirement or death of owners.



State-Specific Rules:

Varying formation, naming and compliance requirements.
Some states mandate PCs for certain professions.

