



# Checklist for New Breweries

## START UP

- Choose management advisors, providers: accountant, attorney, banker, insurance broker, and payroll service provider
- Develop a business plan, including cash flow projections
  - Think about a plan for distribution: in-state only or out-of-state; distributor, self-distribute, or direct-to-consumer
- Using the business plan, establish a relationship with banker.
- Possible bank services include:
  - Credit-card merchant account
  - Business checking account
  - Working capital loan
- Select the legal entity
- Find a location for the business and negotiate a lease
- Register business name with local and state authorities
  - Think about trademark of brewery and beer names
- Register with State and Federal agencies for alcohol licensing and excise tax reporting
- Register for NYS \$0.05 beer bottle and can deposit, if applicable
- Prepare all the necessary legal documents, as applicable:
  - Partnership agreements
  - Articles of incorporation & first organizational minutes
  - Bylaws
  - Federal identification number
  - State and local license applications
  - Sales tax identification number
  - State unemployment number
- Establish prices for your beer
- Select and implement a financial record keeping system, including:
  - Accounts payable
  - Accounts receivable
  - Inventory tracking
  - Order entry
- Secure website address
- Develop website content and layout
- Order office telephone number
- Establish after-hours answering mechanism
- Purchase adequate insurance, as applicable:
  - Health
  - Life
  - Malpractice
  - Fidelity bond
  - Liability
  - Umbrella
  - Workers' compensation/disability
  - Computer and equipment
  - Employee dishonesty
- Order furnishings and equipment
- Order office supplies
- Seek, interview, make offers to job candidates
- Check references
- Obtain payroll and withholding information (form W-4 and I-9)
- Promote the business's opening through:
  - Press releases, local and regional media
  - Social media
  - Advertising
  - Direct-mail announcements
  - Coupons, discounts, invitations, etc.

## PITFALLS TO AVOID

Dun & Bradstreet business information analysts asked small business owners to list what they had found to be the biggest pitfalls on the road to success.

### 1. Lack of Experience

Make sure you hire people with the right expertise as your brewery develops.

### 2. Lack of Money

Both start-up and back-up capital. If they haven't been properly figured and allowed for, there's no way even the most dedicated workaholic can overcome ongoing capital deficiencies.

### 3. Wrong Location

Examples include: Tap room with low rent but low traffic; brew house without expansion capabilities; lack of attention to changing characteristics of neighborhood.

### 4. Inventory Mismanagement

Not too much inventory – too much of the wrong kind of inventory is the problem.

### 5. Too Much Capital Invested in Equipment

Failure to anticipate the costs of equipment you will need as your business grows, even in its earliest stage.

### 6. Poor Credit-granting Practices

Unless you exercise sound judgment in granting credit and eternal vigilance in monitoring accounts, you are headed for trouble.

### 7. Taking Too Much Out For Yourself

It takes a great deal of self-discipline, particularly in the early days, to pay yourself less than you think you deserve.

### 8. Unplanned Expansion

Can be a down fall. Slow and steady growth is a smarter strategy.


### 9. Having the Wrong Attitude


You're programming yourself for failure if: you're not ready to work harder than ever before in your life; you devote too much time to outside interests; you avoid responsibilities that lead to a sound and stable business.

## ONGOING OPERATIONS

- Develop personnel policies and procedures
- Prepare quarterly payroll returns and verify timely tax deposit
- Prepare quarterly sales tax returns and verify timely tax payment
- Prepare State and Federal excise tax returns and verify timely tax payments
- Prepare quarterly or monthly financial statements
- Perform year-end tax planning, at least one month before the year end
- Prepare annual federal, state tax returns
- Develop employee job descriptions
- Review existing insurance coverage at least once a year
- Prepare and maintain personnel files
- Join industry associations and groups
- Verify listing in the yellow pages or area phone directories
- Register trademarks (word, name, symbol or device) that indicate a unique identity on which your brewery is building

To learn more about considerations for new breweries, contact David Oksenhorn, CPA:

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