

HOW TO REGISTER A COMPANY IN THE USA: COMPREHENSIVE GUIDE FOR FOUNDERS

By Aynur Nuriev / In "How to" Guides / March 22, 2019 / 26 Min read

I am sure that anyone who ended up here had spent much time already trying to figure out how to incorporate a company in the USA for their startups. At least it was my case as we were initially located in Russia. I personally read tens of articles, instructions on Quora, IRS, blogs, and forums and still, there was a gap in my understanding even though I was a lawyer myself. Why? Because usually such articles and instructions just advise you «You have to send a form 83(b) to IRS» but do not tell you how to fill it in correctly, where to send, how to send, or overcome any other obstacles. The very details that separate smooth procedure from a fail or sometimes epic fail.

That being said I will try to explain all the details you might need to successfully set up a company in the USA if you an aspiring founder (-s) whether the local one (reside in the USA) or international. As you finish this article you will have a thorough understanding of the process and need no lawyers to assist.

Key factors as to why the USA is a good place to incorporate a startup

- Federal corporate income tax is 21%, plus state taxes where applicable (for example, Florida does not have state corporate tax). It is a big leap forward from the earlier tax rate of 35%.
- The USA, and particularly, its state of Delaware is a standard jurisdiction for technological companies. Thus, if you consider seeking venture or angel investments from US companies or individuals, you would better have C-Corp in place.
- Very developed IT-ecosystem with hundreds of products on the market you might want to use in the future to optimize and automate some of your operational activities and/or product development. For example, products for bookkeeping, payment gateway, or integrations thereof with the company bank account, etc. I can assure you will never find any other jurisdiction with the same level of ecosystem development. Yet, it is surely not a decisive factor to choose the USA as a place for registration.
- Easy access to bright and highly skilled talents in terms of hires and company development.
- One of the biggest economies in the world.

STEP 1. Decide how to split equity among the founders

Before getting to the registration phase one needs to decide in advance how to split equity among the founders. So as later you just need to fill in necessary fields in the documents regarding the equity. As a standard, it is recommended to have 10 million shares authorized in total with a par value of 0,00001 a share (i.e. the total value of 100 USD), and between 6 to 8 million shares issued to the founders. The rest part of the shares might go to the potential investors or ESOP (stock plan for future employees), – we will talk about these elements later.

So, let's say, you have 2 founders. You are to authorize 10 million shares and issue 7 million shares to founders, leaving 3 million unissued shares to

future investors and employees.

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Thus, you have to split 7 million shares between two co-founders. Maybe you have decided already how to divide shares if it is the case – it is great.

However, if it is not, please, see below some directions (a model I came up with on the basis of some other models, specifically, [this one](#)).

Importance of the factors (out of 10):

Factors (<i>to take into account while deciding on the equity split</i>)	Weight (<i>how much weight you, founders, attribute to the factors on the right</i>)
Idea	4
Domain Expertise	5
Risk	8
Responsibilities	7
Time spent on the project	7
Time to be spent on the project	8
Financial contribution	8
Salary Replacement	6

Note: both founders should together agree on the weight of each factor they assess.

Then, as you defined the weight of factors, you proceed to evaluate each founder's input into the factor itself on the scale from 0 to 10 (see Tab 2.

below). Again, founders should agree on the assessment results, thus it should be fair and reasonable. *Example:* Peter came up with the idea, he receives 7 points, Simon helped to horn the idea – he receives 3 points.

Factor	Peter	Simon
Idea	7	3
Domain Expertise	8	5
Risk	9	5.5
Responsibilities	8	8
Time spent on the project	8	3
Time to be spent on the project	9	9
Financial contribution	9	4
Salary Replacement	9	9

Now, as you defined the weight of each factor and founders' value attributed thereto, you can calculate the final points to be considered for equity split.

Tab 3. Multiply the weight of the factor on the founder's values –

Factor's weight	Factor	Peter	Simon
4	Idea	<i>(i.e.value from Tab 2 = 7) 28</i>	<i>(value from Tab 2 = 3) 12</i>
5	Domain Expertise	40	25

8	Risk	72	44
7	Responsibilities	56	56
7	Time spent on the project	56	24
8	Time to be spent on the project	72	72
8	Financial contribution	72	32
6	Salary Replacement	54	54
	TOTAL	449	319
	449+319=768 (100%), 7.68 = 1%		
	EQUITY	449/7.68 = 58.46 = 58%	319/7.68 = 41,53=42%

As you might see, the split of the equity is to be a way easier if founders start from scratch together with equal time and money contribution, etc. It is not an ideal model, but it helped us a lot to take off, and I just modified the table a bit and made it more flexible and relevant to realities. I might be mistaken, I can accept that. But as of now, I have discussed such model with a bunch of seasoned tech entrepreneurs and they ascertained its applicability. Hope this approach will help early founders to make a sound decision. Yet, if you see it non-reliable you can try to use <http://foundrs.com/> But it is more complicated as one needs to modify it to their needs as well.

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Final remark here, I totally believe that having 50%-50% is a bad idea, it is basically a deadlock which will inevitably lead to the relationships crisis amongst the founders due to the impossibility to make quick decisions on the matters concerned.

Aynur Nuriev

Vesting periods and 1 year cliff

Second preliminary issue founders should decide upon before registration of the company is whether they adopt the legal mechanism of ‘vesting of stock’ within the future incorporation or not and if yes – how will it look like. Vesting periods is of no doubt one of the most important issues to consider. Why? Because it protects the company, the founder’s interests, and maintain a level playing field within the company.

Recommended terms for vesting schedule are

- 4-year vesting schedule, Founders equity (shares) is to vest in 1/48 chunks every month for 48 months period.
- 1-year cliff hanger. It means that if you leave the company within the first year, you do not get any equity whatsoever. Basically, $\frac{1}{4}$ of your equity vests upon the end of the 1st year at the company.
- Sell-trigger acceleration. If you, founders, receive an offer to sell a company and accept it, all unvested equity (remained chunks) vests the moment you sell the company. Even though all four years have not passed in terms of the vesting schedule.

As a matter of fact, vesting inclusion into the incorporation documents is standard practice in the USA. It is some kind of insurance that even if

founders (usually good friends or colleagues at the start) decide to leave after the incorporation, they will get nothing. It is also a protection for investors and employees interests (if they subject to the stock option plan).

Additionally, if you would like to dig into more founder's basic info – see [Cooley Go's Founder Basics](#) section.

Note: if you choose to use vesting then you should remember that you must submit Section 83 (b) election form to the IRS within 30 days after the incorporation to avoid big tax obligations later down the road. You will find more info about its filing below.

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STEP 2. How to register a company in the USA

In order to set up a company for a startup, you need to incorporate a C-Corp in the state of Delaware (USA). C-Corp is a company with a type of Corporation (Inc./Corp./etc.). As it is widely accepted that C-Corp is likely the best organizational type of the company, I will not cover its difference from LLC, though in certain cases LLC is better than C-Corp. In particular, when you do not want to seek venture money.

Your approach to register C-Corp depends on your budget, skills, and time constraints. Basically, there are several options you might want to choose from: a) to register a company completely on your own; b) to hire lawyers located in the USA; c) to set up a company by using services like Clerky, Stripe Atlas, or Gust Launch.

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If you go with lawyers, then it will cost you around 2500-5000 USD per a package depending on the law firm you wish to stick to. Should you decide to go with a law firm I would recommend Cooley, Atrium, or any other specialized in startups and technology sector (there are many tbh). It is the most convenient way to register a company, yet the most expensive.

Taken into account the founder's budget is tight and we need to save as much money as possible, we thus dive into two remaining options.

2.1 DIY or how to incorporate a company on your own

One caveat before we go: it is surely possible to register a C-Corp on your own, but be very careful to details, because there are tens ways to screw up along the way, some of which might not be noticed at first but will make a fool of you later (e.g. at a due diligence stage by your investors).

1/ Check availability of the name of your company on [the official site](#) of the Delaware state. If it is taken, come up with another one.

2/ Approach and seize the services of the “registered agent” located in Delaware (it is mandatory). Proven ones are Harvard [Business Services](#) for 50 USD. I believe you do not need to spend on registered agent more than 100 USD, it just does not make much sense.

3/ To make all the necessary documents (for incorporation and post-incorporation purposes) you are recommended to use [Cooley Go's Delaware Incorporation Generator](#). Cooley has a great reputation and their templates at least, in my opinion, will be of better quality than from other sources on the internet.

The list of documents includes:

- Action by the Sole Incorporator
- Certificate of Incorporation

- Bylaws: Certificate of Secretary confirming adoption of Bylaws and Indemnification Agreements for each named Director
- Employee Confidential Information and Inventions Assignment Agreement
- Initial Action by Directors
- Restricted Stock Purchase Agreement, including:
 - Technology Assignment Agreement
 - Stockholder Consent to Receive Electronic Communications
 - A form of Section 83(b) election
 - Joint Escrow Instructions
 - Stock Assignment Separate from Certificate

Side note 1: Many international founders may ask whether it is OK to use their home address (like in India, Russia, etc.) for the purpose of incorporation. The short answer is YES. We, for example, used our Russian ones. Later you can easily change the incorporator address if you move to the USA or open an office there.

Delaware generally permits a company to be registered by anyone with a valid mailing address anywhere in the world, and hundreds and thousands of founders did it. When you incorporate, you will be appointing your registered agent that will receive tax and other government notices on your behalf.

Side Note 2: International founders might also ask whether it is better to use the physical address in the USA for the purpose of incorporation or subsequent operational activity? The answer is – it depends, and entirely not mandatory. As I mentioned earlier many non-US based startups have used mailing addresses outside the US for their incorporation, and if necessary later changed their addresses. But some still opt for virtual mailboxes (services which provide you with the physical mail address in USA, also can receive/scan/send a post on your behalf) from the start. I don't think one

could say whether a virtual mailbox would be a better option or not, but these is proven to be very helpful and good: [Travelling Mailbox](#)

Switching to the virtual mailbox is a good idea when you actively start “working” over the project, meaning, you are beyond incorporation threshold and need to set up some kind of operational workflow (for receiving post from the bank, partners, etc.) while you are outside the USA. Remember, registered agents are not entitled or obliged to work with your commercial post, only with a post from the government. Thus, it is better to have a physical mail address for other correspondence.

4/ Submit filled Certificate of Incorporation and [Filing Memo](#) and fax it to the Delaware Division of Corporations at the number included in the memo. It will cost you \$89.

5/ File Section 83 (b) election form to the IRS within 30 days after the incorporation. You should count 30 days from the day you will have received your issued stock (presumed you set up vesting in your post-incorporation documents). You are supposed to have filled and signed Section 83 (b) form already if completed the previous steps (i.e. generation of documents through CooleyGo web app). Just in case, here you can find [another template](#) and a cover letter if needed.

In total, you must print four copies: two copies are off to the IRS (one for the IRS to keep on file, and one for them to stamp and send back to you for record keeping); one copy for your employer; one copy for your personal taxpayer records. You should also prepare an accompanying letter along with the forms, plus a pre-paid envelope for the IRS to send you a stamped copy back.

Again, let’s repeat, your documents package for the IRS contains:

- 2 copies of the 83 (b) election form, filled and signed;
- A letter

- A pre-paid **self-addressed** envelope. If you live in the USA, then prepaid USPS envelope, for example. **ATTENTION** for International founders: if you live abroad, then, please, use your local stamps or pre-paid envelopes BUT be ascertained that the stamps cover the transfer/weight of the envelope to travel back from the USA. For example, when we were in Russia and sent the docs, we took a Russian Post envelope, covered it with two international stamps which were enough to cover the transfer. When you approach the post officer, ask them specifically, like: “I need the receiving party to send me this envelope back to Russia/France/etc from the USA. Give me, please, the stamps which will cover such a transfer and be recognized in the USA”. Then, one of us got his letter back from the IRS, the other founder did not. Why? Because he covered the pre-paid envelope **with not enough** stamps.

So the last thing you need to do is to send a document package to the IRS. Do it with a certified mail always. For local founders, residents of the USA, you can find info as to where to send the package here [Where to File Paper Tax Returns With or Without a Payment](#)

International founders, you should send the docs to this address:

Department of the Treasury

Internal Revenue Service

73301-0215, Austin, TX, Internal Revenue Service,

USA

Finally, keep 1 copy of the 83 (b) election form for yourself (taxpayer records), give another copy to your employer, i.e. to your company (for your company records).

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Please, be advised, if you do not fulfill this obligation within 30 days time frame, you will get a huge tax receipt from the IRS when you decide to clear the shares.

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6/ Apply for EIN

File for your Federal Employer Identification Number (EIN). You can do it by fax, phone or registered mail. EIN template form you can find using the link provided.

Below I attached a scan of our form for your consideration, so as you make no mistake when filling it in.

Application for Employer Identification Number
 Form SS-4 (Rev. December 2017)
 Department of the Treasury
 Internal Revenue Service

OMB No. 1545-0003

For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.
 ▶ Go to www.irs.gov/FormSS4 for instructions and the latest information.
 ▶ See separate instructions for each line. ▶ Keep a copy for your records.

Type or print clearly.

1 Legal name of entity (or individual) for whom the EIN is being requested
 [Redacted] Inc.

2 Trade name of business (if different from name on line 1)

3 Executor, administrator, trustee, "care of" name

4a Mailing address (room, apt., suite no. and street, or P.O. box)
 [Redacted]

5a Street address (if different) (Do not enter a P.O. box.)

4b City, state, and ZIP code (if foreign, see instructions)
 [Redacted] Russia, [Redacted]

5b City, state, and ZIP code (if foreign, see instructions)

6 County and state where principal business is located
 [Redacted] Russia

7a Name of responsible party
 [Redacted]

7b SSN, ITIN, or EIN
 foreign

8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? ☐ Yes ☒ No

8b If 8a is "Yes," enter the number of LLC members ☐ Yes ☒ No

8c If 8a is "Yes," was the LLC organized in the United States? ☐ Yes ☒ No

9a Type of entity (check only one box). Caution: If 8a is "Yes," see the instructions for the correct box to check.

☐ Sole proprietor (SSN) ☐ Estate (SSN of decedent)
☐ Partnership ☐ Plan administrator (TIN)
☒ Corporation (enter form number to be filed) ▶ 1120S ☐ Trust (TIN of grantor)
☐ Personal service corporation ☐ Military/National Guard ☐ State/local government
☐ Church or church-controlled organization ☐ Farmers' cooperative ☐ Federal government
☐ Other nonprofit organization (specify) ▶ ☐ REMIC ☐ Indian tribal governments/enterprises
☐ Other (specify) ▶ Group Exemption Number (GEN) if any ▶

9b If a corporation, name the state or foreign country (if applicable) where incorporated
 State Delaware Foreign country

10 Reason for applying (check only one box)
☒ Started new business (specify type) ▶ C-Corp travel agent
☐ Banking purpose (specify purpose) ▶
☐ Changed type of organization (specify new type) ▶
☐ Purchased going business
☐ Hired employees (Check the box and see line 13.)
☐ Compliance with IRS withholding regulations
☐ Created a trust (specify type) ▶
☐ Created a pension plan (specify type) ▶

11 Date business started or acquired (month, day, year). See instructions.
 [Redacted] 2018

12 Closing month of accounting year December

13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.

Agricultural ☐ Household ☐ Other ☒

14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. ☐

15 First date wages or annuities were paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶ N/A

16 Check one box that best describes the principal activity of your business.
☐ Construction ☐ Rental & leasing ☐ Transportation & warehousing ☐ Health care & social assistance ☐ Wholesale-agent/broker
☐ Real estate ☐ Manufacturing ☐ Finance & insurance ☐ Accommodation & food service ☐ Wholesale-other ☐ Retail
☒ Other (specify) ▶ travel agent

17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.
 act as a travel agent

18 Has the applicant entity shown on line 1 ever applied for and received an EIN? ☐ Yes ☒ No
 If "Yes," write previous EIN here ▶

Third Party Designee
 Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.

Designee's name
 Address and ZIP code
 Designee's telephone number (include area code)
 Designee's fax number (include area code)

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (type or print clearly) ▶ [Redacted], CEO
 Signature ▶ [Redacted] Date ▶ [Redacted] 2018
 Applicant's telephone number (include area code) ▶ +7 [Redacted]
 Applicant's fax number (include area code) ▶ +1 [Redacted]

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 16055N Form SS-4 (Rev. 12-2017)

Correct EIN application template

Attention: please, take a look at a field 7b, where you are expected to type your identification number. If you, as a founder and applier, have SSN or ITIN, you PUT it there. If at the moment of the application, you do have none (it was our case, we were foreign founders), you type there FOREIGN as stated in the template above. I have seen on the internet before, that one

needs to put N/A, – unfortunately, it is not working. The IRS sent us the form back with mistakes and instructed to type Foreign (as soon as we were foreign founder).

We have sent the form by fax. It seemed easier for us. But as a matter of fact, founders may apply for EIN by phone as well. I recommend using [HelloFax](#) service, it has trial days, and it is simple, smooth and very good overall, with affordable price.

Then, if everything is OK, the IRS will write your EIN number in the field in the right upper corner, and send your form by fax back.

7/ ESOP or Stock Options Plan for Employees

First, it is not mandatory to reserve a stock option plan for your current or future employees right now as you incorporate. But, it is highly recommended because at this moment you have a blank company, less legal obligations, and restrictions, low price of a single share, presumably no investors (thus, no hard cap table considerations).

So, let's assume you decide to set up a stock option plan, a basic rule on this early stage is to set aside 8-15% of the equity. But it is up to each and every founder/s to decide upon. You can allocate 6%, 10%, 20%, just be aware of the cap table and your future plans (e.g. leaving a piece of the equity to future investors).

Additionally, reserving a stock option plan now, you reduce the future hassle for the employees in the sense they would not need to register their stock options in SEC (securities authority in the USA).

In particular,

FEDERAL (SEC)

Under SEC Rule 701, a Stock Plan equity grant to a service provider using the Clerkly templates is typically exempt from federal securities registration requirements so long as ALL of the following are true:

1. A recipient is a natural person (i.e., not an entity)
2. The recipient is an employee, consultant, director, or advisor
3. Recipient provides bona fide services to the company that are not in connection with a capital-raising transaction
4. Equity issued under SEC Rule 701 during the previous 12 months does not exceed the greater of:
 - * \$1 million,
 - * 15% of the company's total assets, or
 - * 15% of the company's outstanding common stock
5. The company has fewer than 2,000 stockholders
6. The company makes additional disclosures required by the SEC if equity grants exceed \$5 million during the previous 12 months

Because the SEC Rule 701 exemption for a service provider equity grant is not available in the following cases, consult an attorney for assistance with securities compliance matters before granting equity to either:

- * An entity (i.e., anything other than a natural person), OR
- * A former service provider (unless the former service provider was employed by or providing services to the company at the time the equity grant was BOTH (1) offered to the service provider and (2) properly approved by the company's board of directors (see "Q: What is required under

Delaware law for a startup's board of directors to properly approve an action that requires board approval?"

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If the Rule 701 exemption conditions are satisfied, the federal exemption is self-executing (i.e., no filing is required) and no fee is due.

STATE

An equity grant to a service provider is generally subject to the securities laws of the state where the service provider is a resident.

For example, a startup granting equity to a Californian must make a securities filing with the California Department of Business Oversight and remit the required filing fee. Clerky's Stock Plan Adoption template includes instructions for complying with California's filing and fee requirements.

Please, also remember that typically securities filings for startups are determined by the location of the service provider who is being issued equity, not the location of the company. So, for example, if a startup issued equity from their stock plan to a service provider who lives in CA, they would usually need to make securities filings in CA if they subject to the abovementioned regulations.

Overall, be aware that setting up a stock option plan is quite a rigorous process (many documents). And if you incorporate on your own, be attentive to the formation of legal documents.

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8/ Apply for Foreign Qualifications if it is applicable to your company.

Let us summarize a bit. As of now, you have incorporated a C-Corp and issued stock to founders, you have sent 83 (b) election form to the IRS, you have applied for and received an EIN number, you have set up ESOP for future employees.

Now, it is time to consider whether you have to apply for Foreign Qualification. Foreign Qualification means that you must register your company in a specific state of the USA to which you have a connection.

It is quite difficult to advise on this matter not knowing the exact situation of the founder's company. But in the situation where all of the founders work outside of the US and they have no service providers or offices in the US, they would not typically need to foreign qualify in other states while that remains the case. However, as soon as you have an office (branch) in some state, employees (service providers), or somehow "doing a business" in a state, you must register for Foreign Qualification in due.

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You might ask here, how to define where to qualify if our company's customers can be from any state at any point of time? It is a very good question. Foreign qualification is not really about your customers, but about where the company conducts business. The exact definition of "doing business" can differ from state to state, but some of the most common things that come up are having an office, employees, or holding regular meetings in a state.

Balthazar Simoes (c) Clerky

Or, for example, when you produce a good volume of ads in one state (i.e. spending money), such a state may ask you to register as well if the threshold has been exceeded.

If you plan to sit in California – check out this ([here](#)) official site with the applicable rules and requirements

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If you're not sure if you need to foreign qualify in a particular state, I'd recommend consulting with an attorney about that.

9/ How to open a bank account for a company in the USA

As the last step in the process of setting up a company for your startup, you might need to open a company bank account. If you reside in the USA, it is easy – you just choose any bank you deem fit for purpose and go to their office/branch with corporate documents. However, if you are an international founder and would like to open a bank account as a non-resident, then you will have to take the following into consideration:

- in most cases US banks do not open bank accounts remotely for international founders, thus, it is very likely you will have to go to the USA and be physically present;
- sometimes, some US banks like Silicon Valley Bank may agree to open a bank account for your company remotely upon reviewing your company's particular situation. But it happens quite seldom (usually, they more open to companies with revenue and established activities);
- OR, if you have an employee residing in the USA, ask him/her to open a bank account for your company. In such a case this person needs to be your official employee and have a power of attorney to act on behalf of your company;
- OR, you might have a branch of an American bank in your home country, then, you can try to call/visit an office of this bank's branch and ask for the possibility to open a bank account "remotely" from your place of residence;
- OR, for some businesses, you do not need to have a traditional business bank account, but instead, a virtual bank account may suffice. For such purposes, you might consider sticking to TransferWise or Payoneer.

Thus, it may definitely be better to use the services described below for setting up a company, because in most cases they can open a bank account for you, even if you are an international founder.

2.2. How to open a company in the USA using web solutions like Clerky, Stripe Atlas, Gust Launch

If you think that registration of the company on your own is quite complicated and subject to many human-factor related errors, as did I, then you may go with either [Clerky](#), [Stripe Atlas](#) or [Gust Launch](#).

You know, there have been debates on Quora, Hacker News, and other forums as to what service is the best, – and the answer is it really depends. Being a lawyer myself, I know that the quality of documents matters a lot, especially, if you seek investors or doing M&A. Thus, I opted for Clerky. Yet, I can assume that might have used Stripe Atlas as well if it were not forbidden for Russian citizens (as well as Gust Launch). So at that time I just did not have another option. But even if I did, I think I would have gone with Clerky anyways, because the quality of the company documents produced within the process of incorporation on Clerky is second to none as well as other features and support.

Yet, I cannot say and do not say that Stripe Atlas or Gust Launch docs are worse or their flow process is not smooth enough, of course not, because I have not tried them. I have got positive reviews from some colleagues on Stripe Atlas. But did not hear much of Gust Launch, I guess, it because, they are open ONLY to US startups and founders. As for Clerky and Stripe Atlas, they work with international founders. Yet, as of this moment, I have incorporated a C-Corp for our company through Clerky and I have helped other founders to do it as well with 5 registrations in total already.

But on a basic level, I think, there is no big difference between any of them. It is just a matter of convenience and price. Both Clerky and Stripe Atlas have a stellar reputation, help you register a company in the USA, complete post-

incorporation procedures and open a bank account (with certain country-related restrictions).

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So let's compare in the Table below Clerky and Stripe Atlas:

Clerky	Stripe Atlas
<p>Incorporation \$99 + third party fees = \$407</p> <p>Incorporate as a Delaware C-corporation, the standard for high-growth startups.</p> <p>Post-Incorporation Setup \$299† After incorporating, our post-incorporation setup helps you elect directors, appoint officers, adopt bylaws, issue stock with customizable vesting, and protect the company's intellectual property.</p> <p>Foreign Qualification \$125 +</p>	<p>Stripe Atlas helps you to set up a company in the USA for a one-time fee of 500 USD. Includes Formation of a Stripe Atlas LLC or C Corporation in Delaware Delaware state filing fees (\$189 fee included) Signed documents to establish company rules and protect IP Tool to issue stock to founders (for C Corporation) The first year of registered agent fees Tax ID (EIN) filing Bank account opening Access to the Stripe Atlas Community Free templates for post-formation legal needs</p>

third-party fees for
CA, NY, NJ* \$149 +
third-party fees for
all other states* *
total costs vary by
state

Stock Plan

Adoption **\$199†**

Adopt a stock plan
to easily issue
restricted stock or
stock options to
employees,
consultants, and
advisors.

Note on EIN: Clerky
just instructs you
how to file for EIN,
but do not file on
your behalf.

As you may notice Stripe Atlas even claims to
file for EIN for you. Definitely a plus.

***Note on a bank
account:*** Clerky
helps you to open a
bank account, but
only if you reside in
the USA. If you are
an international
founder, almost
always, you have to
come to the USA to

Stripe Atlas open a bank account for you. But
they have restrictions on the founders country
of residence. If you are from Russia or Ukraine,
for example, you cannot use Stripe Atlas.

! NB: Overall, as you see, Clerky is more expensive. But they justify such a price with quality of corporation documents produced on your behalf, smooth web application and great support (I confirm this).

I have not written much about Gust Launch due to one simple reason, I have no substantial knowledge whatsoever regarding their services. But they also have a very good reputation on the market. And its price is more than competitive.

Though the registration process becomes really easier with the said service, do remember that certain steps ***you will have to take on your own in any case***: submission of Section 83 (b) election form to the IRS, application for EIN number (at least on Clerky), registration in particular states (Foreign Qualification) if it becomes relevant at a certain point. However, the said services (Clerky, Stripe, Gust) will guide you through these steps and it would be easier, plus they have 24/7 support (and believe me, you will need support). Thus, check back the instruction provided earlier.

Overall, please, do not consider this article as legal advice to any extent, and if you have troubles with certain particular issues, please, approach relevant consultants.

I am quite sure that now, you possess all necessary knowledge you need to successfully incorporate a C-Corp in the USA. I hope you found this comprehensive guide relevant and useful.

Stay tuned & subscribe. In the next guide, I will walk you through different payment service and gateways, their pros and cons and which payment solution might be a good fit for your specific product (SaaS, marketplaces, e-

comm, etc.). Because there are a lot of options on how to set up a payment flow and reduce transaction fees.

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Oh, and of course, please, leave your comments if you have any questions or suggestions or share the guide! You can also contact me directly if you need help.

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