

00:00:00 Welcome to the hair of the dog podcast. I'm Nicole. And today we are starting a six week series on the pillars of pet photography. These are your pillars of business. And today we are starting with week. Number one, Welcome to the hair of the dog podcast. If you're a pet photographer, ready to make more money and start living a life by your design,

00:00:25 you've come to the right place. And now your host, pet photographer, travel addict, chocolate martini connoisseur, Nicole Begley. Hey everybody. Nicole Here. Welcome back to another hair of the dog podcast. I am pretty excited for the series. We are going to be diving in for six weeks in a row. It's just me. Sorry.

00:00:48 No guests for the next six weeks. Don't worry. I'll bring them back. You won't have to get too tired of my voice, but we're going to have six weeks of diving into the six pillars of business for the business of pet photography. Now it's no secret. I absolutely love teaching business stuff. It just lights me up. I love numbers.

00:01:07 I know all of you guys, all those creatives out there, don't worry. I'm going to make it easier for you guys. Now we're going to be just going down the list of all the things you need to make sure you have done to get your business started for pillar number one, which is the legal and admin side of the business. And if you want that checklist,

00:01:26 cause you're in the car, you're walking the dog you're out and about. Go ahead and go to [hair of the dog academy.com/seven nine](http://hair.of.the.dog.academy.com/seven.nine). And right there, you'll be able to download our show notes. You can download the checklist here so you don't have to be walking around making notes or worse driving and taking notes. Please don't do that. Just go to [hair of the dog academy.com/](http://hair.of.the.dog.academy.com/)

00:01:49 79. You can download a super easy checklist to go over all of these pieces. All right. Are you ready to, just to start diving in now before we do, I guess I do need to do a little legal disclaimer. Since I'm talking about some legal things. I am not a lawyer. This is not legal advice. This is for entertainment purposes only.

00:02:10 And I just wanted to share with you some of the things that you want to look into now for all legal and tax related things, I, 100% recommend that you hire a professional. They are 100% worth their weight in gold because they will make sure that you do all of this perfectly illegally. But one of the challenges we run into sometimes is we don't even know what legal things we need to look into.

00:02:34 So this episode today, I hope will give you the idea of the things that you need to at least look into. Whether you look into them yourself, or if you go off and hire somebody else, you at least know what to ask and know what you need. So are you ready to dive in? These are going to be fairly quick, short and sweet episodes,

00:02:53 but they are going to pack a punch and we're going to go over a lot of different content here. All right. So let's dive in. What do we need for our legal and admin part of our business? This is pillar number one, because quite frankly, if you don't have this setup, you really don't have a business. So it's really important to set this up correctly and take it from me.

00:03:17 You don't want to have to change it later on. How do I know that it's a pain in the butt to change later on? Oh, because I've made some of these mistakes. One of the mistakes I made when I was getting started was that I started my business as a sole proprietorship because that was just easier, especially in the states. You know,

00:03:37 if you guys, we have an international audience, so different countries are going to call your business formations, different names, keep listening. I know the business names might not pertain to you, but the rest of this still mostly will. And it will at least get you going in the right direction of what you need to look into in your home country.

00:03:56 But anyway, the biggest mistake I made when I was starting, my business is I took the easy route and I was like, oh, I'll just become a sole proprietor. But then eventually I decided, oh really? I should be an LLC for a couple of different reasons. Number one, LLC has give you more legal protection in the United States. And number two,

00:04:15 the main reason that drove me to make that change is once you hit a certain revenue number, and that depends on your state, because it depends on your state taxes. It depends on how expensive an LLC is to run in your state. It depends what your personal tax situation is. So this will be a different number for everybody. But at some point you hit a point that your LLC,

00:04:38 that becoming an LLC would be more tax advantageous to you because you can file as an S Corp. Oh my gosh, Nicole, what do all those letters mean? Don't worry. We're not going to dive too, too deep in that this is why you're going to want an accountant for these tax situations. But basically when you're a sole proprietor in the United States,

00:04:58 you take the profit from your business and your expenses in your business. And whatever that bottom number is, you are going to pay income tax on and self-employment taxes. So you're paying both of those taxes. Now, when you file as an S Corp, then you're able to pay yourself a salary. And on that salary, you have to pay your payroll taxes and you have to pay your income taxes,

00:05:21 but the rest of the profit in your business, you only have to pay income tax on. You don't have to pay those payroll taxes. That would be things like social security, FICA, all those payroll taxes. And you also don't have to pay that self employment tax, which is essentially both sides of that FICA and social security taxes, because when you're employed,

00:05:41 then your employer pays half of those. But when you're self-employed, you get the fun bonus of paying all of that on your own. Whew. But anyway, that's kind of the long and short of why you might want to look into becoming an is that you get a little bit more tax advantages. Once you start making a little bit more money, and of course you have that more legal protection,

00:06:06 but like I said, not an accountant, not a CPA, not a lawyer check with your professionals on that for how it influences your particular situation. Now, still get into that big mistake that I made going off on a tangent here, because I wanted to make sure you knew those differences. But the mistake I made was taking that easy way out at the beginning and just being that sole proprietor.

00:06:29 So then a couple years down the road, once I was making six figures in photography and I was ready to start saving a little bit more money on taxes, I want it to become an LLC. Well, guess what? You can't change without totally shutting down and opening a new one. Oh, your federal EIN number or your, the businesses associated with your bank account.

00:06:51 So I had to shut down my business, checking and open up a new business, checking with my new EIN number with the new LLC, anybody that's ever moved or anybody that's ever changed bank accounts, you know what a Royal pain in the butt that is because my gosh, I mean, it just is right. So yeah, so that was my big mistake.

00:07:15 There is just not looking at that big picture from day one and then having to go back and make all those changes later on in the game. So my hope for you from this episode is that you can start to take a look at these things and make the right decisions from the beginning. So now that that story is out of the way let's really dig into this checklist.

00:07:38 Shall we? All right? The first thing we need to do, number one on our checklist is we need to make sure we have a name, right? We need a business name. Now what's that name going to be? Is it going to be your name? Mine, Nicole Begley photography. That's pretty easy. There's a couple advantages to that.

00:07:55 Number one is I don't need to worry about the copyright of that. I don't need to trademark that. I mean, that's my name I'm allowed to use it. It's really, really easy. I don't need to register for a fictitious name. I can use that name for whatever I want to do. If I want to do pets. If I want to do weddings,

00:08:15 I don't, if I wanna do newborns, I don't. But regardless if I changed say I was doing a really classic style and then I wanted to go really like wide angle and bright colors or whatever, you can totally change up that style when your business name is your name, it can work for wherever the wind wants to take you, whatever changes you want to make in your

business.

00:08:37 So I think that's great. However, the other side of the coin for a business name is having a name like, you know, fluffy dog photography or some sort of, you know, name. That's not your personal name. Now there's a couple pros for that. And that is, that can be really fun. It can be when people see that name on like Instagram or Facebook,

00:08:58 they're like, what is that? And they click on it. Some of the other fun things about that is it can really be dialed into whatever your branding is, whatever your style is, things like that. Now the challenges of having a name like that is it's not as easy to change. So a fits, you know, fluffy, white dog photography,

00:09:18 or I don't know something just like really cute, but you're going to go for like a really classic early moody style. Then there's going to be a disconnect in that name. One of the other challenges of having that fictitious name is that you're going to want to trademark it most likely, which costs money this time. And then once you get it trademarked,

00:09:41 you're going to have to defend that trademark. If other people end up using that name, which as this industry continues to grow, I imagine that will happen more and more often from people not realizing that they can't use it or just not doing their due diligence or for whatever reason. So those are some of the challenges, pros, and cons of either way.

00:10:03 There's not really a right or wrong. Please don't let this first step of the puzzle hold you up too, too long. Just go ahead and make a decision. If you guys need some input, you can always, you know, ask in our podcast community. If you're a member of the hair of the dog academy, you can grab an office hours or laser coaching time and we would be happy to help you brainstorm and figure out what that looks like.

00:10:29 So that's all right. That's step number one, choose your business name. Step number one, B slash two is if it's a fictitious name, you need to get that name registered. All right. Step number three. What type of business entity do you want to be in the United States? It's usually a sole proprietor or, and LLC. Now I already mentioned benefits,

00:10:48 pros and cons and the big old pain. And, but that's waiting for you. If you start out as a sole proprietor and then decide later, oh, maybe now I want to be an LLC. So if it's at all possible, I would definitely look at starting out as an LLC first, instead of just starting as a sole proprietor and having to change things later on now how feasible that is,

00:11:10 is going to depend on a few things, namely, where you live. When I was in Pennsylvania, it was a one-time fee of I think \$125 and then no annual fee after that. So it was a pretty much a no brainer if you're in California, I believe it's an \$800 fee a year to have an LLC.

So, okay. That requires a little bit more thought here in North Carolina,

00:11:29 it costs about \$400 a year to keep an ELA. I'll see. So you want to look into your state requirements for that and how much it costs to kind of start to make that decision there. But if you're really serious about your business and you really want to grow it, and you really want this to be your main source of income and create this as really your full-time and business,

00:11:48 an LLC might be the way to go. All right, number. If you're creating an LLC, you need to create an operating agreement and or articles of organization. Generally, you'll find that on your secretary of state website. So wherever you are creating your business, you can find so much information at your state's secretary of state website, just Google on there.

00:12:12 Do I need an operating agreement for my LLC? And it will tell you details and it will also, it usually gives you basically a template that you can print out and create for your own. So that is usually fairly easy to do on your own. All right, number five, do you need a local county or state business license? That is again,

00:12:34 you're going to want to get in touch with your state or your county and find out about that that will vary widely based on where you are. All right, number six, for those of you in the U S whether you have decided to be a sole proprietor or an LLC, the next step is to file for a federal EIN number. Now that is basically just like a social security number for your business.

00:12:57 It's a number that the government, the IRS puts with your business. So on all your tax paperwork, you use that particular number and I would get your LLC first. So that way, you know exactly what the name is of your LLC. So then you can apply for that federal EIN number. You guys, this is completely free and it takes literally five minutes,

00:13:15 just Google apply for federal EIN number and make sure you're going to the IRS site, because when you Google that some other sites will pop up first and they'll try to get you to pay them to file the form, which is really just kind of infuriating. You get up. I almost did this when I was getting an EIN number for the conservation fund is I was like,

00:13:38 oh, this is the right website. And I start to put all my information in and I get to the part to submit. And it's like, it'll cost you \$69 and we'll submit it for you. Like, no, I just gave that information. I could have just typed that into the, the IRS site myself and gotten it for myself. So that's what I did.

00:13:54 I just exed out of that website and re typed it all in on the proper website. So you do not have to pay for that federal EIN number, make sure that you are on the actual IRS site and it is completely free. All right. Number seven, it's time to register to collect sales tax in your state. Now, again, this too is very easy.

00:14:16 If you just Google registered to collect sales tax in insert state here, it'll come up to a page on your department of revenue site. And it's really pretty easy. You just put in your business information, your EIN number, and it's going to get you registered to collect that sales tax. If you have any questions about what is taxable and what is not in your state,

00:14:39 you can probably call them. You might want to consult with a tax professional as a general rule, more and more states are making digital files. Taxable. A lot of states also have services as taxable. So more and more, every single piece of what we offer our clients in the photography industry is taxable. This isn't the case in all states, but it's becoming more of the,

00:15:03 more of the trend. And so that more and more things are getting taxable. So definitely look into that. And especially that session fee and those digital files tend to be a little bit more of a gray area, but most states have defined those now. So you can look onto their what's taxable information and find that out. All right, number eight,

00:15:24 we need some insurance. Well mean I guys, I promise, I promise the future episodes of this will be more exciting than EIN numbers, insurance and sales tax. But this is so important because it is the basis of our business. So stick with me. There's only 12 and they get more fun. I think after this one, so insurance, we need some liability and probably some equipment insurance.

00:15:51 So liability insurance is insurance. If somebody gets hurt during your session, or if you cause property damage or injury to someone else, while you're doing your work, you are usually not covered with your personal homeowners or renters insurance, because it's a business thing. It needs separate insurance. You can check with whoever you get your personal insurance through to see if they offer business liability insurance.

00:16:15 If not, you can ask him the hair of the dog group who offers that in the country that you're in. You know, it's, I've always been able to find it through whoever my personal insurance agents are. And the liability insurance is really not very expensive. I usually pay less than \$200 for a million dollar policy. And then so, yeah,

00:16:35 so it's just, it's definitely worth having to keep you protected as for equipment insurance. This is a little bit more expensive, but if you're having a hard time affording the equipment insurance, then you 100% need it because it's going to be a lot more expensive to replace your equipment. If something happens to it or if it gets lost or stolen. So having that insurance is just a really,

00:17:01 really important thing to do to protect that investment of your equipment. Because again, your homeowner's insurance is not going to cover all of that equipment. It usually has a pretty low limitation on what it will cover work-wise and also for the expensive equipment like that one, you're looking for your equipment insurance. There are two types of

insurance, there's cash value insurance,

00:17:24 and there's replacement cost insurance. And you are going to want to get the replacement cost because that will actually replace your gear or the cash value might just be okay if you have a four-year-old camera and you can sell it on eBay for \$800, that's what you're getting. You're not getting a new camera. So that's an important piece for that insurance. One of the other things to look into for your insurance is to see what's covered,

00:17:51 and what's not a is mysterious disappearance covered. You know, do you want that to be covered? Is it covered for when you're traveling? Just make sure you read that policy and talk to the agent and make sure it's covered for what you need it to be covered for generally for 15 to \$20,000 of equipment coverage, I would say yearly insurances, somewhere in the ballpark of 400 to \$600,

00:18:16 at least that's what I've found. So it's not that exciting of an expense, but it is a pretty critical if you want to protect your equipment, if you're going to be out and about or shooting your water or shooting city where someone could easily walk off with your gear, or if you're traveling and checking in on airplanes and things like that. So that's number eight,

00:18:35 getting that insurance liability and equipment. All right, I promised we'll get a little bit more fun. So now it is number nine. We are talking about opening business bank accounts. Remember my story, if you want to be an LLC, now's the time. So you don't have to switch those bank accounts in the future. I'm a big fan of making sure you have a savings account and a checking account,

00:18:58 because you can have all of your operating costs through that checking account, but you can also put some money in that savings account to save in your business for when you need that new computer. When you need a new piece of gear, when you maybe have a little bit more sales tax due, you can put that money over there. If you are,

00:19:18 I don't want to say not good at that would not be the right word, but maybe if you have trouble budgeting or kind of keeping track where that money is, or you have a hard time paying yourself or making sure that you're saving enough for those taxes or those different things. There's a book called profit first. That is a great system for kind of putting your money into different buckets of bank accounts.

00:19:42 So you open a couple different bank accounts and you move your money into those specific buckets that kind of forces you to pay yourself, to save some money for taxes, to save money for your business. It's a pretty cool system. Check it out. Some of the things to look for for your business bank accounts are to make sure that there are little to no fees.

00:20:02 Generally I would start with wherever you bank for your personal banking, and if

they have a lot of fees or they have a high minimum balance that you don't want to deal with, maybe look at some smaller, more regional banks, or if there's any credit unions that you can use, they generally have better account terms than like the really big national banks.

00:20:20 So go up in those bank accounts and then number 10, number 10, designate a credit card for business use only. Now, if any of you have been hanging around with me for a little while, you know, I love to travel and if you've been paying attention, you know, that I love to travel without paying for my plane tickets for me and my family.

00:20:40 And especially getting up to the front of the plane without actually paying for those plane tickets, but instead using points. So I love my credit cards. I have a whole bunch of personal ones, a whole bunch of business ones, and they are, you know, great for earning points. Now, caveat, you need to make sure you're paying those off every month.

00:21:01 So if you are, you know, someone that can't, can't keep, you know, keep those straight, or you end up putting too much on those credit cards and carrying a balance, any of those free rewards you're going to get are going to get like, you know, they're not going to be as worthwhile when you're paying interest for those purchases.

00:21:19 So make sure that if you're going to use those credit cards for things like business or personal, that you are creating a system and you're able to actually, you know, pay them off each month, if you guys are interested and you want to see a sneak peek into my ridiculous backend to do list board, or I manage all my credit cards. So I can like keep track of the pay dates because I have some,

00:21:46 my husband has the same one, so we can double up on the signup bonuses. Well, we got a lot of, lot of credit cards in the Bagley house and you need a system to manage that. So if there's interest DME on the Instagram, and maybe I will just create a little video for you guys to show you how I manage all of that in to-do list,

00:22:06 super fun. I am such a nerd. I love managing things in boards. All right, that's number 10. Number 11. We need to choose an accounting system. Oh gosh, Nicole, I thought you said this was going to get better. Well, kind of in a county system allows you to send invoices, which means you're making money. So does that help?

00:22:26 Is that better? QuickBooks tends to be the accounting system of, I don't know. I don't want to say of choice. It's the most popular. It's definitely the most widespread. There are some new ones on the new players in the game that I think would be great that I would probably use. If I were starting today, I would probably be using wave.

00:22:48 It is free up to a certain point. And it's, you know, you do pay a merchant services for when people pay invoices, but you're going to have done on any system, but it's a

great system for keeping track of your spending and what money's going in, what money is coming out, sending invoices, getting paid, and it doesn't have a monthly fee.

00:23:08 So definitely go check out. Wave QuickBooks is a great option too. It's a little bit more, not as user friendly, the accountants know it and like it and use it. But for us lay people that have never really worked in QuickBooks, it can be a little bit overwhelming. So wave is a little bit more straightforward. I mean, and you don't have to get crazy and even get any of that.

00:23:28 You can start off if you want, with just a spreadsheet. The important thing is to have a place where you keep track of money coming in and money going out of your business. So come tax time, you're not just looking at a shoe box of receipts and saying, oh, okay, here we go. Let's do our, because you're going to need quite a few chocolate Martinez that.

00:23:48 So get an accounting system, wave cheat, QuickBooks. Those are all good. There's zero. There's a whole bunch of other ones out there too. Again, if you guys want to go ask an our podcast community group, it is hair of the dog academy.com/fb group. If you're not a member, there's a lot of people in there that can give you all sorts of ideas and suggestions for what works for them.

00:24:11 All right. And number 12 last but not least the final crown Juul in our let's get legal and get our admin under control. Pillar is creating a session agreement or contract. Now that is pretty important to have whether you are photographing for money or even just photographing models, because you still want to set expectations. You still want to talk about copyright. You still want to talk about liability.

00:24:45 There's still all of these things that you want to cover in that session agreement. If you are wondering where you can possibly get a session agreement, I've actually partnered with Rachel bronchi from the law tog, and she has a pet photographer Mundell that has a contract or a session agreement for pet photography clients. There's also a separate one. If you are doing photographs for shelters or rescue photography,

00:25:12 if you want to go to hair of the dog academy.com/contract, you can go to that website and yeah, and that information's there. Those links are there. There is a special code for saving 10% on anything on the site. Any of the contracts are templates. It's just hair of dog 10, all capitals hair of dog 10. We'll save you 10% on any of those contracts are templates at Rachel Brenke fees,

00:25:40 the law tog.com. So definitely check that out. All right. How are you guys feeling? You're feeling completely overwhelmed, just reminder, not a CPA, not a lawyer. So this is not legal or tax advice. Please check with your professionals for how they pertain to your situation. But I wanted to make sure that you guys had this list of just really the most important

bullet points of the things we need to do when we're starting our business.

00:26:07 If you want to get a printout of this checklist, just go to hair of the dog academy.com/seven nine down there, scroll down to the resources section of the show notes and click on the button to grab your checklist. And then you can have it all right there. You can make notes. You can go ahead and check off the stuff that you've done and of course,

00:26:26 join us next week for pillar number two, in which we are going to be talking all about branding. That is our second pillar in our six pillars of pet photography. And I can't wait to see them have a good week. Everybody see you next week. If you enjoy this podcast episode, go ahead and take a screenshot of this episode on your phone and post it up there on your Instagram stories and be sure to tag us at hair of the dog academy.

00:26:55 And we would just love to see how you're listening and a full disclosure. Sometimes we just like to give away a little pet photographer, swag in the form of hair of the dog t-shirts and sweatshirts. So what are you waiting for? Go ahead and share that screenshot of this episode. And don't forget to tag us at Hare, the dog academy. And while you're there,

00:27:17 maybe you want to jump on over to our account and see what we're up to on the gram would love to connect with you. Thanks for listening to the hair of the dog podcast. If you want to check out the show notes for access to any of the links that we shared in this episode, as well as any additional related resources, simply go to www.hairofthedogacademy.com/79

00:27:38 nine. Once again, that's just www.hairofthedogacademy.com/the number seven in the number nine. Thanks for listening to this episode of hair of the dog podcast. If you enjoyed this show, please take a minute to leave a review. And while you're there, don't forget to subscribe. So you don't miss our upcoming episodes. One last thing, if you are ready to dive into more resources,

00:28:04 head over to our website@wwdothairofthedogacademy.com. Thanks for being a part of this pet photography community.