



which laws do I follow as a virtual biz?

podcast episode 35 tip sheet

Do you have a business where you work with clients in other states or countries? Is your business solely online where you don't see clients in person? Do you have a "virtual office" or consider yourself a nomad without a "home base"?

Take Sylvia as an example. She's a life coach who travels the world. She does all of her business online (she doesn't see her clients in person). She communicates via Zoom, e-mail and Facebook Messenger and spends part of the year in London, Stockholm and Miami, FL. Sylvia wants to make her business "official" before she starts offering her 1-on-1 coaching packages.

Which laws do you have to follow as a business owner with a "virtual office"?

Do you have to follow YOUR state's laws? The laws of the state where your client is located? And what if your clients are EVERYWHERE, as in located all over the world? How do you know which laws to follow then?

This is a tricky topic because you need to follow laws everywhere and not do things that are illegal, but having your legal documents in place like your Client Agreement for 1-on-1 clients and your Terms of Use for your group programs, online courses or downloadable info products makes it a whole lot easier.

Generally speaking, you need to register your business and you want your legal documents to say that if there is a conflict between you and your client that you follow the laws of where YOUR business is registered – which is usually where YOUR "home base" – or your "principal place of business" is located – not where your CLIENT is based.



There are two big reasons why you WANT to have a "home base" as an online business:

1. You WANT to declare a particular city and state in your legal documents like your Client Agreement and Terms of Use because if there's a conflict with a client, it's MUCH easier and less costly for you to deal with legal issues in your home city.
2. Once you're bringing in some good income, you most likely need to pay TAXES. Of course, you ALWAYS want to talk with an accountant about your specific situation.



What should you be asking a potential accountant when you're interviewing them?

For a checklist of questions to ask, you can download my free legal tip sheet called "Top 10 Questions to Ask When Hiring an Accountant" at www.lisafraley.com/accountant.

How do you know WHERE to make your principal place of business?

As a general rule, usually it's where you spend the most time physically located where you operate your business, but talk with your accountant about identifying your "residency".

How do you register your business?

For information about how to register your business, you'll want to listen closely to podcast episode 3 called "Do I Need to Register My Business?"

Registering your business locally is important for 2 reasons:

1. To prove that you actually have an official BUSINESS – and not just a glorified hobby.
2. To be able to record your business income and your legitimate business expenses while you're working with your clients - which can help you with taxes.

Because you feel more CONFIDENT and EMPOWERED as a business owner when you register your business and get clear about which laws to follow as an online biz, I align this legal step with the **solar plexus chakra**, the third chakra. This is the energy center of the body aligned with self-esteem, taking RESPONSIBILITY – both as a person and as a business owner - and standing TALL in your biz.



Do you have questions about business registration as a virtual biz? Feel free to reach out to us at clientlove@lisafraley.com. We'd love to hear about your situation and help you get the resources you need.

As always, I believe you're set free to do your best work and create anything that you want when you get legally covered in a loving way.

Here's to getting legally enlightened!

Thanks for being part of the Legal Love tribe. Here's to getting legally enlightened!

With Legal Love,

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Lisa Fraley, JD, CHHC, AADP, is an acclaimed attorney, Legal Coach®, speaker and #1 Best Selling Author of "Easy Legal Steps...That are Also Good for Your Soul." With her unique blend of coaching, legal expertise, and spirituality, Lisa has supported thousands of heart-centered entrepreneurs and small business owners to protect themselves, their businesses and their brands through DIY legal templates, online legal courses and one-on-one services.

From sharing international stages with thought leaders like Kris Carr and Gabrielle Bernstein to being featured on hundreds of podcasts, webinars, radio shows and bonus calls, Lisa has made it her mission to help every single small business owner understand that the law can be accessible, empowering, loving, and even spiritual. When she's not saving the world (with Legal Love) one contract at a time, she's posting free legal tips and connecting with her tribe at lisafraley.com.