

Starting a Kentucky Business Task List

By Ted Houlehan
Wolfe & Houlehan PLLC
Copyright © 2012. All Rights Reserved.

Disclaimer: The following list is meant as a guide for most Kentucky small business startups. Additional requirements may exist depending on the nature of the business and the goals of the individual entrepreneur. This list is intended to provide an overview of the common issues and legal requirements for startups but is no substitute for customized legal advice.

About: There are a variety of federal, state, and local laws that apply to getting a business up and running. Our firm has a grasp on the laws relevant to Kentucky small businesses and also some of the practical issues entrepreneurs face in starting their business. The following is a list of both legal and practical steps most entrepreneurs will need to take along with links to external sites for more information. Please view our firm's website, <http://www.LexingtonKyLawFirm.com>, for specific legal services offered by our firm. For added usefulness, we indicate the degree to which a particular step is necessary for a Kentucky business startup (sometimes necessary; frequently necessary; always necessary).

Task List

I. Business Planning

- a. Review Information on Starting a Business (sometimes necessary)
 - i. There are a variety of websites and publications that attempt to list and describe the steps involved in getting a business up and running. In fact, there are so many such lists that after a while the process seems overwhelming. The rest of this web page is an attempt at such a list, but focuses only on the decisions and requirements of the majority of Kentucky small business so as to make the process more sequential and manageable. While this page does not neglect to mention any major startup tasks, the following links also address the practical and legal issues startup businesses face and at times include information for more specialized business areas.
 - ii. Links:
 1. Kentucky Cabinet for Economic Development – Starting a Business:
<http://www.thinkkentucky.com/SMBD/StartingABusiness.aspx>
 2. U.S. Small Business Administration – Starting a Business:
<http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business>
 3. U.S. Small Business Administration – Kentucky Small Business Guide: <http://www.sbaguides.com/pdf/english/kentucky.pdf>
 4. KyBizInfo – Kentucky Small Business Assistance:
<http://www.kybizinfo.com/>
- b. Develop a Business Plan (frequently necessary)

- i. A written business plan serves as an outline of business goals and steps to achieving those goals. “A good business plan allows you to look at your business objectively and see where the strengths and weaknesses are before opening. A business plan is a key part of any financial documentation package that you submit for a business loan.” Kentucky Business Guide (<http://www.thinkkentucky.com/kyedc/pdfs/bicguide.pdf>)
- ii. Links
 1. The Kentucky Cabinet for Economic Development – Business Plan Outline:
<http://www.thinkkentucky.com/SMBD/BusinessPlanOutline.aspx>
 2. Kentucky Small Business Development Center – Business Planning Overview: <http://www.ksbdc.org/new-businesses/business-planning/>
 3. Kentucky Small Business Development Center – Step-by-Step Business Plan Workbook:
http://ksbdc.org/download/NewGround_BusPlan_0711_SBDCKY.pdf.pdf
 4. The U.S. Small Business Administration – Writing a Business Plan: <http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/writing-business-plan>
- c. Understand Basic Financial Management (sometimes necessary)
 - i. An entrepreneur should carefully plan and honestly scrutinize his or her business idea to determine how it can be profitable. This involves making detailed projections of revenues and expenses. A firm understanding of financial management is necessary to set up the financial recordkeeping system that will continually monitor the business’ growth. If the business’ finances are organized, the business may be more readily valued and bank loans or venture capital may be secured.
 - ii. Links
 1. The Kentucky Cabinet for Economic Development – Understanding Business Financials Page:
<http://www.thinkkentucky.com/SMBD/BusinessFinancials.aspx>
 2. Kentucky Small Business Development Center – Financing Overview: <http://www.ksbdc.org/new-businesses/financing/>
 3. Kentucky Small Business Development Center – A Simple Guide to Your Company’s Financial Statements:
http://ksbdc.org/download/NewGround_FinStatements_0711_SBDCKY.pdf.pdf
 4. The U.S. Small Business Administration – Understanding the Basics of Preparing Your Finances:
<http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/preparing-your-finances/understanding-basics>
 5. Financial Accounting Standards Board: <http://www.fasb.org/home>
- d. Decide on a Business Name
 - i. Trademark Search (frequently necessary)

1. Though an entrepreneur may have an original idea for a business name, another person may have already obtained trademark rights to that name or something very similar. If that is the case, the ability to begin using that name may be limited or entirely precluded.
 2. A trademark may protect a business/brand name, domain name, company logo or symbol, slogan or catchphrase, etc. Before investing a lot of money, time, and effort into developing a business or brand name, a business owner needs to have a comprehensive trademark search conducted. A legal opinion may be issued regarding the search results, the availability of the desired business name, and the potential for legal conflict if the name is used without alteration. The failure to consider trademark rights at business formation can end up being very costly if the business must cease use of its name and develop a new one.
- ii. Reserve a Business Name (sometimes necessary)
1. “The name of any business entity must be distinguishable from other business entity names on file in the Office of the Secretary of State... A name may be reserved to ensure availability. An Application for Reserved Name is available from the Secretary of State to reserve a name prior to formation of a particular business.” Kentucky Secretary of State – Name Availability (<http://www.sos.ky.gov/business/filings/nameavailability/>). By reserving a name, an entrepreneur ensures no one else may reserve or register the same or a very similar business name in Kentucky.
- iii. Secure a Web Address (frequently necessary)
1. Because so many new businesses seek a web presence, an entrepreneur should consider whether there is a suitable web address available for the intended name of his or her business. One way to do this is to simply type the desired web address in a browser’s address bar. Alternatively, a simple search of the whois database (<http://www.whois.net/>) will reveal whether the desired domain name is available. If the desired domain is available, it is usually advantageous to register that domain immediately at any of the various domain registrars, which can frequently be done for less than \$10 per year, to prevent another person from snatching up the desired web address.
 2. If the desired domain is taken, the whois database will reveal basic information about the registration including the expiration date and name of the registrant. The registrant could then be contacted through the information obtained from the private whois search (<http://hostsite.com/private-whois/Private-Whois.html>). An eager entrepreneur could then contact the registrant about potentially acquiring the desired domain.
 3. It is important to realize that should there be an unaffiliated website with the same or a similar business name offering similar

products or services, a startup business could run into business name trademark issues down the line. Essentially, the existing business could have an enforceable trademark in the business name and could sue a later user for infringement and potentially prevent further use of the business name by the later user. Please see our [trademark overview](#) for more information. The takeaway point is that it is important to pick a unique or otherwise distinguishable business name which is unlikely to cause customer confusion so as to allow your business to expand on the web and avoid future trademark hassles.

- e. Choose a Business Entity Type (always necessary)
 - i. All businesses operate as one of variety of business entity types (sometimes called “business form” or “business structure”). Kentucky recognizes Corporations, Limited Liability Companies, Limited Partnerships, Limited Liability Partnerships, and other entity types. Even an entrepreneur who has not affirmatively done anything is considered to be operating as a Sole Proprietor or as part of a General Partnership. Usually, however, a filing will be required with the Secretary of State and sometimes with the Internal Revenue Service as well.
 - ii. There are 3 major factors that go in to the choice of a business entity type:
 - 1. Liability – depending on the entity type, financial and legal liabilities may be shifted from the business owners and participants to the entity itself
 - 2. Taxation – depending on the entity type, taxes may be reduced given the nature of the business
 - 3. Formalities/Governing Structure – depending on the entity type, the state will require varying levels of action to maintain legal compliance

II. Business Formation

- a. File Business Formation Document (always necessary)
 - i. A business is formally organized by filing a formation document with the Kentucky Secretary of State. Such a document sets forth basic information about the business entity including its exact name, initial officers, and address.
 - ii. The statutory requirements for the formation document vary by entity type. For a corporation, the document is the Articles of Incorporation. For an LLC, the document is the Articles of Organization. There are formation documents for the various types of partnerships as well. A general partnership and a sole proprietorship need not file a formation document to begin their existence.
- b. Obtain an Assumed Business Name (sometimes necessary)
 - i. An assumed business name, known in other states as a “trade name” or “doing business as” name (DBA) is required if the business “conducts business under an assumed name or style other than its ‘real name’ as defined in KRS 365.015(1).” Kentucky Secretary of State – Assumed Name (<http://www.sos.ky.gov/business/filings/assumedname/>).

Additionally, every domestic business, including a sole proprietorship, must file a Certificate of Assumed Name or similar document with the County Clerk where the entity maintains its Registered Agent for service of process or its principal office.

- c. Record Business Formation Document (always necessary)
 - i. The Kentucky Business Entity Filing Act requires that all businesses first file particular documents with the Secretary of State and then have them recorded with the local County Clerk. The business formation document (usually the Articles of Incorporation or the Articles of Organization) is one such document that must be recorded.
- d. Obtain a Federal Employer Identification Number (always necessary)
 - i. An Employer Identification Number (EIN), also known as a “Tax ID Number,” identifies the business for federal taxation. It is required by law for most business entity types and allows the few business entity types not required by law to have an EIN to avoid having to use the business owner’s social security number.
- e. Draft Business Governing Document (if a corporation, always necessary)
 - i. A business is regulated by and obligated to follow Kentucky law, its formation document, and its governing document. The governing document (Bylaws, Operating Agreement, or Partnership Agreement) provides a set of guidelines for the management of the business and may be drafted to meet the particular needs of the business and its owners.
 - ii. In Kentucky, a corporation (whether for-profit or non-profit) is required to have Bylaws. An LLC may have an Operating Agreement and a partnership may have a Partnership Agreement. While neither are required by law, they are strongly recommended.
- f. Obtain Tax-Exempt Status (if a non-profit, always necessary)
 - i. A non-profit corporation or a non-profit LLC may obtain an exemption from federal income taxation. This status allows the organization to obtain federal employment and Kentucky tax breaks as well. An organization must obtain federal tax exemption before donors may deduct contributions to the organization.
- g. Register with the Attorney General (if a non-profit, always necessary)
 - i. Before accepting funding or contributions in Kentucky, non-profits or tax-exempt organizations must register with the Kentucky Attorney General’s office.
- h. Obtain Sales and Use Tax Exemption (if a non-profit, frequently necessary)
 - i. A non-profit or tax-exempt may obtain exemption from Kentucky sales and use taxes on purchases of tangible personal property, digital property, or services used within the exempt functions of the organization.
- i. Register for Kentucky Business Taxation (always necessary)
 - i. Kentucky businesses must register with the Kentucky Department of Revenue to begin tax assessment and collection.
- j. Obtain a County Business License (always necessary)
 - i. If a business is located within a Kentucky county or business is located elsewhere but conducted within a Kentucky county, that county will

require the business to obtain a business license to operate within its boundaries. The license will provide the county with basic information about the business so that it may be regulated and supervised. However, the main purpose of requiring the business license is so that the county may collect a tax on business profits earned and wages paid within the county.

- ii. In Lexington, the Division of Revenue is the local body in charge of issuance of business licenses and assessing license fees. A business in Fayette County must pay 2.25% of the net profits of business activities conducted within Fayette County and 2.25% of the wages paid to employees for work performed within Fayette County. Sec. 13-4(a). (http://library.municode.com/HTML/11163/level2/COOR_CH13LIRE.html). There are strict penalties for the failure to obtain a business license or to pay required occupational fees. All counties have similar requirements.
 - iii. In Louisville, the Revenue Commission is the similar entity controlling business licenses. A business in Louisville Metro must pay 2.2% of the net profits of business activities conducted within and 2.2% of the wages paid to employees for work performed in Louisville or Jefferson County. (<http://www.louisvilleky.gov/NR/rdonlyres/AFF68006-468C-4C3F-A326-9FEC8C15D334/0/regulations.pdf>).
- k. Register with Local Building or Zoning Inspector (always necessary)
- i. All new businesses will need either to occupy an existing space, renovate an existing space, or construct a new building. In any case, the business will have to first register with the local building inspector and receive advance permits for building renovation or new construction. Usually, registration is required for all businesses within the city or county, even for a home office. Also, a permit is usually required for all new or altered business signs.
 - ii. The Kentucky Department of Housing, Buildings, and Construction, Division of Building Codes Enforcement (<http://dhbc.ky.gov/bce/>) oversees the building permitting and zoning process statewide. Chapter 198B (<http://www.lrc.ky.gov/KRS/198B00/CHAPTER.HTM>) of the Kentucky Revised Statutes contains provisions for implementation of the Code. The 9th Edition of the Code (<http://dhbc.ky.gov/bce/bc/Documents/2007%20Kentucky%20Building%20Code%20Mar%202011.pdf>), last revised in November of 2011, is the latest edition.
 - iii. In Lexington, the Division of Building Inspection (<http://www.lexingtonky.gov/index.aspx?page=498>) is the local body in charge of implementation of the Kentucky Uniform Building Code and issuance of building permits. A permit is not required for a business going into an existing space where no remodeling is taking place; a Certificate of Occupancy (<http://www.lexingtonky.gov/Modules/ShowDocument.aspx?documentid=4706>) is all that is required. Residential, commercial, signage, and other permits (<http://www.lexingtonky.gov/index.aspx?page=545>) may be

needed and may be purchased according to the fee schedule (<http://www.lexingtonky.gov/Modules/ShowDocument.aspx?documentid=4705>). It is critical to apply for and pay permit fees in advance. “Any person who commences any work on a building... before obtaining the necessary permits, certificates, letters, or other documentation required... may be subject to an additional fee payable to the director, division of building inspection, along with the original fee, immediately upon discovery that such work has commenced.” Sec. 5-29.3. (http://library.municode.com/HTML/11163/level3/COOR_CH5BUBURE_ARTIIBUPE.html). The penalty fee is in addition to the permit fee and is usually assessed at the same amount.

- iv. In Louisville, the Planning & Design Services Division (<http://www.louisvilleky.gov/PlanningDesign/>) is the similar division, offering various permit applications (<http://www.louisvilleky.gov/PlanningDesign/Applications+and+Submit+Requirements.htm>).
- I. Obtain All Licenses or Permits for Your Business (always necessary)
 - i. State Registration: Many businesses and occupations require special licenses or permits to legally operate. According to the Kentucky Business Guide (<http://www.thinkkentucky.com/kyedc/pdfs/bicguide.pdf>), “there are over 400 different licenses and permits at the state level for specific types of business activities.” The Kentucky Cabinet for Economic Development has compiled a list of many such licenses and permits issued by the state. The Secretary of State’s One-Stop Business Licensing Program (<http://apps.sos.ky.gov/business/onestop/onestop.aspx>) allows a user to search for a business type and then view all licenses that could be required for that business at the state level.
 - ii. For certain businesses, particularly manufacturers, environmental permits are required. The Kentucky Department of Environmental Protection Division of Compliance Assistance (<http://dca.ky.gov/Pages/default.aspx>) assists businesses with such permitting and regulatory issues. To stay legal, a business may contact the Division or otherwise check its environmental compliance using the resources on the Division’s compliance check site (<http://dca.ky.gov/complianceassistance/Pages/CheckYourCompliance.aspx>).
 - iii. Federal Registration: Federal licenses and permits are required for certain fields as well. Review the following two lists for more information. See the U.S. Small Business Administration’s list (<http://www.sba.gov/content/obtaining-business-licenses-permits>).
 - iv. County/City Registration: there may be local requirements as well, so you should contact your local County Clerk or government office if you have any questions. In Lexington, contact the LFUCG Division of Revenue (<http://www.lexingtonky.gov/index.aspx?page=169>). In Louisville, contact the Inspections, Permits and Licenses Division of the Department of Codes & Regulations (<http://www.louisvilleky.gov/ipl/>).

- m. Obtain an ABC License (if seeking to sell alcoholic beverages, always necessary)
 - i. Before a business may sell, produce, transport, or store alcoholic beverages in Kentucky, it must obtain one or more Kentucky liquor licenses. Retail licenses are issued according to the types of beverages to be sold, the type of consumption desired, and the number of premises or bars to be licensed. The applicant must obtain approval both from the state ABC office and the local (city or county) ABC administrator. Licenses remain in force for up to 1 year and then must be renewed.
- n. Hold First Corporate Meeting (if a corporation, always necessary)
 - i. A corporation must observe statutory formalities including all meeting and minutes requirements. Kentucky requires that all for-profit and non-profit corporations hold an initial meeting shortly after the business entity was formed to complete basic organizational tasks. In some cases, the required tasks may be completed and memorialized in signed writings in lieu of holding a formal meeting.
- o. Establish a Business Bank Account (always necessary)
 - i. After taking care of the above tasks, a bank will allow you to set up a business bank account to track income and expenses. You will need to provide the filed business formation document, federal employer identification number, and other documentation as relevant to prove that the business was created and is operating. When considering the type of account to open, an entrepreneur should try to predict financial attributes of the business such as the expected frequency of withdrawals and deposits. However, a discussion concerning the various account types may be had with the bank when the account is being set up.
- p. Make Federal Taxation Election (sometimes necessary)
 - i. A business entity may be taxed according to the default method or may elect a different method. For instance, an LLC could be taxed as C-Corp while a corporation could be taxed as an S-Corp. In some circumstances a business may reduce its tax liability by switching between the available taxation methods. To be federally taxed by another method, the business must submit a filing with the IRS.
- q. Obtain Business and/or Property Insurance (frequently necessary)
 - i. Insurance minimizes risks associated with running a business and prevents a business from going under after an unforeseen disaster. There are many different types of insurance: general liability, professional liability, commercial property, premises liability, health/disability, etc. What will be needed depends on the nature of the business. In addition, certain types of insurance are required for businesses with employees.
 - ii. Links:
 - 1. The U.S. Small Business Administration – Business Insurance: <http://www.sba.gov/category/navigation-structure/starting-managing-business/managing-business/running-business/insurance>
 - 2. Kentucky Department of Insurance: <http://insurance.ky.gov/>
- r. Hire an Accountant (frequently necessary)

- i. An accountant or other tax professional may offer valuable advice to achieve business tax savings. Advice may include ways to efficiently maintain tax records, estimating taxes, and dealing with employees, so it is often advisable to meet with such person around the time the business is formed. Business tax software such as QuickBooks and TurboTax may simplify the process of filing taxes and keeping track of business finances, but depending on the size of the business, an accountant may also be advisable.
 - s. Register a Trademark (frequently necessary)
 - i. Trademark registration secures rights to a business/brand name, logo, slogan, etc. and similar alternatives. This prevents competitors from using the name or capitalizing on its established goodwill in the sale of its own goods or services. Registration also demonstrates proof of brand distinctiveness and confers advantages in proving unauthorized use or infringement. Trademarks may be registered at the federal level, the state level, or both.
 - t. Advertise (sometimes necessary)
 - i. Advertising is used to attract new customers or retain existing customers. There are a variety of methods ranging from traditional business cards to innovative social networking tools. Usually, a marketing plan is necessary to consider opportunities, evaluate the success of existing ad campaigns, and budget effectively.
 - ii. Links:
 - 1. Kentucky Small Business Development Center – Marketing Solutions: <http://www.ksbdc.org/established-businesses/marketing-solutions/>
 - 2. The U.S. Small Business Administration – Marketing: <http://www.sba.gov/category/navigation-structure/starting-managing-business/managing-business/running-business/marketing>
 - u. Develop a Website (sometimes necessary)
 - i. If a business does not have a web presence it is likely missing out on a huge volume of potential customers who are likely to turn to competitors who are online. A website is often the first communication your business will have with a prospective customer, and so it is critical that it is professionally done and brings value to the business. By bringing value we mean it entices customers to try your product or service either through attractive presentation, useful content, or some combination of the two. Because most of us are not proficient at web programming, an entrepreneur will probably need to hire a web developer for the task. However, our belief is that it is up to the business owner to develop and organize unique content that makes their site stand apart. With that in mind, consider any of the following web developers, each based in Lexington, if you are ready to move your business online.
- III. Business Employee Hiring (if one or more employees – other than the business owner – have been hired or are about to be hired)

- a. File Federal Employee Tax Registration (always necessary)
 - i. Task: The employer must have each employee complete and sign Form W-4 (Employee's Withholding Allowance Certificate). The employer must submit the form to the IRS and then withhold income tax from the employee's pay.
 - ii. Filing fees: \$0
 - iii. Relevant form: Form W-4 (<http://www.irs.gov/pub/irs-pdf/fw4.pdf>)
 - iv. Additional information: When the employer is filing its business taxes, the employer must complete Form W-2 (Wage and Tax Statement) for each employee. The form will report to the IRS the salary/wages/compensation paid and taxes withheld for that employee during the previous tax year. Form W-2 may be filed online. Filing instructions and more information (<http://www.ssa.gov/employer/how.htm>).
- b. Complete Federal Employment Eligibility Verification (always necessary)
 - i. Task: Each employee must prove his or her authorization to work in the U.S. by completing Form I-9 (Employment Eligibility Verification). The employee must present documents to the employer (such as a U.S. passport, State driver's license, or State birth certificate) to prove such eligibility.
 - ii. Filing fees: \$0. This form is not filed with any government agency, rather it must be retained by the employer for 3 years after the date of hire or 1 year after the date employment ends, whichever is later. It must be produced should the employer be selected for a routine workplace audit or should questions as to the employee's eligibility later arise.
 - iii. Relevant form: Form I-9 (<http://www.uscis.gov/files/form/i-9.pdf>)
 - iv. Additional information: If the employer has questions about a potential employee's eligibility, the employer may enroll in the U.S. Citizenship and Immigration Services' E-Verify system which will allow the business to electronically confirm the information on the employee's Form I-9. More information about the program (<http://www.uscis.gov/e-verify>).
- c. Report All New Hires (always necessary)
 - i. Task: The employer must report all new employees, rehires, or employees who return to work after 90 days (following being laid off, furloughed, separated, granted leave without pay, terminated, etc.) within 20 days of the employee being hired or returning to work. The purpose is to assist in the collection of child support and to prevent both unemployment and welfare benefits payments from being unnecessarily awarded.
 - ii. Filing fees: \$0. A fine may be assessed for the failure to file the form. KRS 405.435(9) (<http://www.lrc.state.ky.us/KRS/405-00/435.PDF>).
 - iii. Relevant form: Kentucky New Hire Reporting Form (<http://newhire-reporting.com/Downloads/KYForm.pdf>)
 - iv. Additional information: The employer may register (<https://newhire-reporting.com/KY-Newhire/EmpReg.aspx>) to report new hires online.
- d. Register for Kentucky Unemployment Taxation (always necessary)
 - i. Kentucky businesses with employees must register with the Kentucky Office of Employment and Training, submit quarterly reports on wages

- paid, and pay taxes on wages paid to employees. Registration is required of all “subject employers” (<http://www.lrc.state.ky.us/KRS/341-00/070.PDF>), which includes both for-profit and non-profit businesses.
- e. Display Employment Law Posters (always necessary)
 - i. A variety of federal and Kentucky employment laws mandate that employers prominently display official posters in the workplace. The purpose is to inform employees of their rights and employer responsibilities under such laws and accordingly the posters must be placed in a prominent location where employees can read them. The posters may be downloaded entirely for free (<http://migration.kentucky.gov/newsroom/aag/laborlawposters.htm>) on the websites of federal and Kentucky labor agencies.
 - ii. An individual business must display only those posters which apply to the nature of its business, the type or amount of employees hired, etc. The U.S. Department of Labor (DOL) provides a chart including most required posters, indicating who must display the posters, and listing any penalty for failure to make the display (<http://www.dol.gov/oasam/programs/osdbu/sbrefa/poster/matrix.htm>). The DOL’s Poster Advisor site allows a business to determine which posters it must display by answering questions about the nature of the business and employee hiring (<http://www.dol.gov/elaws/posters.htm>). Additional federal posters (<http://www.dol.gov/compliance/topics/posters.htm>).
 - iii. The available Kentucky posters include:
 1. Wage and Hour, Wage Discrimination Because of Sex, and Child Labor Law:
<http://www.labor.ky.gov/dows/doesam/Pages/Posters.aspx>
 2. Occupational Safety and Health:
<http://www.labor.ky.gov/dows/Pages/Posters.aspx>
 3. Equal Employment Opportunity, Equal Housing Opportunity, and Public Accommodation:
<http://www.kchr.ky.gov/reports/posters.htm>
 4. Unemployment Insurance Benefits:
<http://www.oet.ky.gov/des/pubs/publications.htm>
 - f. Obtain Workers’ Compensation Insurance (always necessary)
 - i. Aside from a few exceptions, “all Kentucky employers are subject to the Workers’ Compensation Act and are required to carry workers’ compensation insurance or become self-insured, even if they have only one part-time employee.” Department of Workers’ Claims – 2011 Workers’ Compensation Guidebook (<http://www.labor.ky.gov/workersclaims/Publications%202/2011%20DW C%20Guidebook.pdf>). Most employers fulfill this requirement by obtaining coverage from a private insurance carrier or from Kentucky Employers’ Mutual Insurance Authority (KEMI) (<https://www.kemi.com/>), the state’s largest provider of workers’ compensation insurance.

- ii. According to the Department of Workers' Claims (<http://www.labor.ky.gov/workersclaims/sac/Pages/Enforcement-Section.aspx>), non-compliant employers are subject to a fine of \$100 - \$1,000 per employee, per day without insurance. Additionally, the employer may be held liable to an injured employee for lost wages and medical expenses following a workplace injury. After workers compensation coverage is obtained, the employer must "conspicuously post" the workers' compensation notice provided by the carrier which informs employees as to what they should do if injured.