

# Private Practice 101: To-Do List for Starting a Counseling Practice

1.  Decide if going [solo or will join a group or hire employees](#). If a group, what type: Shared spaced or with employees
2.  Decide on Name of Counseling Practice.
3.  Decide whether to [incorporate or not](#). If so, what type? Incorporations forms can be found on State Corporate Commission website. Click here for [AZ forms](#).
4.  Create a business plan to clarify and hone in what your practice will be. A good business plan should answer the following questions:
  - Who is your target or ideal client?
  - Who are your competitors and what are they offering and at what cost?
  - Is the community home to your target clients?
  - What is it going to cost you to start-up?
  - How much will you need to earn to break even and to make a profit?
5.  Determine what your hourly fee will be. There are two main ways to get to this number.
  - The first is by looking at what your competitors are charging and for what services.
  - The second is by using a bit of math. There are two equations you can use to help you decide your hourly fee:
    - (Total monthly expenses + monthly salary you want) divided by total number of clients you want to see in a month. For example:  $(\$1000 \text{ expenses} + \$4000 \text{ total salary})/80$  (20 clients per week x 4) = \$62.5 per hour
    - (Total monthly expenses + monthly salary you want) divided by an hourly fee you want to charge based on your research. For example:  $(\$1000 \text{ expenses} + \$4000 \text{ total salary})/\$100 = 50$  clients per month or 12.5 clients per week.
6.  Decide on office size, location, and amount you're able to afford.
7.  Decide whether to use paper charting or electronic health records.
8.  Obtain a [National Provider Identification](#) (NPI) number. Its free and easy to get online.
9.  Obtain an [Employer Identification Number](#) (EIN) from the IRS. Its also free and easy to obtain online.
10.  Decide if you want to be credentialed by insurance companies. If so, fill out and complete insurance contracting forms that can be found usually on insurance websites.
11.  Open business checking and savings accounts, as this will help keep personal and business money separately.
12.  Open a business credit card to pay for business expenses such as continuing education trainings and again keep personal and business money separate.
13.  Design and create marketing materials such as business cards, flyers, and website.
14.  Decided how you will market your practice. Most people now-a-days market online with directories such as psychologytoday.com or with their websites or blogs. It is also common for private practice owners to market their services by

offering free workshops to the community, press releases, and networking with other professionals.

15.  Decide who will be your utilities, phone, and internet providers and set up business accounts.
16.  Obtain business general liability insurance, general business insurance, and professional liability insurance.
17.  Decide how you will keep track of your expenses and revenue. There are manual ways to keep track such as creating an excel sheet to track income and expenses and there is accounting software that can be setup to automatically download bank and credit card transactions to make accounting much easier.
18.  Talk to your accountant and determine what will be the best way to file your business taxes and how much you will need to save in order to be able to pay your state and federal taxes. Remember that once you're self employed you do not get your taxes withheld from your paycheck and you don't receive a w-2 from your business. This means you are responsible for making sure you have enough money to pay your annual state and federal taxes. If you have employees, these taxes are usually paid on a monthly basis.
19.  Decide what type of payments you will accept (e.g., cash, credit, checks). If you decide to take credit cards you will need a merchant account such as [Square](#).
20.  Last but not least, decide when you will open your doors and begin seeing clients in your new private practice.

Now you have lots of work and decisions to make before you can hang your shingle and begin seeing clients.

Written by Yoendry Torres, Psy.D., Clinical Psychologist