

Startup HR Scaling Checklist

Build a compliant, scalable, and people-first HR foundation

1. HR FOUNDATION & COMPLIANCE

Entity Formation & Employment Law Compliance

- ☐ Register as a legal entity (LLC, C-Corp, etc.)
- ☐ Obtain an Employer Identification Number (EIN)
- ☐ Register for state/local employer taxes (e.g., SUI, SDI)
- ☐ Display mandatory federal and state labor law posters
- ☐ Set up a compliant payroll system (withholdings, FLSA compliance)

Worker Classification

- ☐ Classify workers correctly: employee vs. independent contractor (IRS & DOL standards)
- ☐ Classify employees as exempt vs. non-exempt under the Fair Labor Standards Act (FLSA)
- ☐ Comply with state-specific wage and hour laws (e.g., meal/rest breaks in California)

Employee Documentation

- ☐ Develop compliant offer letters with at-will language
- ☐ Create employment agreements (e.g., confidentiality, IP, arbitration)
- ☐ Complete Form I-9 within 3 days of hire and retain records securely
- ☐ Issue W-4 and applicable state tax forms to employees

Required Policies & Procedures

- ☐ Anti-harassment and anti-discrimination policy (Title VII, ADA, ADEA)
- ☐ Reasonable accommodations policy (ADA)
- ☐ At-will employment statement
- ☐ Meal and rest break policies, as required by state law
- ☐ Family and Medical Leave Act (FMLA) policy (if applicable for 50+ employees)

Employee Handbook

- ☐ Create a compliant handbook covering company policies
- ☐ Include an acknowledgment form for receipt and understanding
- ☐ Schedule annual reviews and updates, or when legal changes occur

2. TALENT ACQUISITION & RECRUITING

Hiring Strategy

- ☐ Define a hiring roadmap aligned with business goals
- ☐ Conduct workforce planning with department heads

Recruitment Process

- ☐ Standardize job descriptions with clear qualifications and responsibilities
- ☐ Use structured interview guides and scoring rubrics
- ☐ Ensure compliance with EEOC recruiting practices

Recruiting Tools

- ☐ Implement an Applicant Tracking System (ATS)
- ☐ Add an EEO statement on your careers page

Onboarding Process

- ☐ Develop a structured onboarding program (30-60-90 day plans)
- ☐ Share company handbook, tools, and introductions to team members
- ☐ Assign an onboarding buddy or mentor
- ☐ Collect feedback to continuously improve onboarding

3. HR Operations & Systems

Payroll & Benefits Administration

- ☐ Select a reliable payroll provider (e.g., Gusto, ADP, Rippling)
- ☐ Enable direct deposit and automated tax filings
- ☐ Comply with wage notice requirements (e.g., in NY, CA)

Benefits & Perks

- ☐ Evaluate PEO partners vs. standalone benefits packages
- ☐ Offer basic health insurance (required under ACA for 50+ full-time employees)
- ☐ Define PTO, sick leave, and company holiday policies
- ☐ Adhere to state-mandated paid sick leave laws (e.g., CA, NY, WA)

HRIS & People Systems

- ☐ Implement an HR Information System (e.g., BambooHR, HiBob, Rippling)
- ☐ Securely centralize employee records with controlled access

Document Retention

- ☐ Store I-9 forms separately and securely
- ☐ Follow federal and state document retention guidelines (for IRS, EEOC, DOL)

4. Performance, Feedback & Development

Performance Management

- ☐ Define company values and integrate them into performance culture
- ☐ Establish regular check-ins and formal review cycles
- ☐ Train managers on delivering effective feedback and coaching

Learning & Development

- ☐ Design an early-stage L&D strategy (microlearning, manager training)
- ☐ Create Individual Development Plans (IDPs)
- ☐ Allocate a budget or stipend for professional development

5. Employee Experience & Culture

Engagement & Company Culture

- ☐ Define and document mission, vision, and core values
- ☐ Design inclusive and welcoming onboarding experiences
- ☐ Implement employee engagement surveys (pulse or quarterly)

Inclusion, Diversity, Equity & Belonging (IDEB)

- ☐ Use inclusive hiring practices
- ☐ Track diversity metrics (EEO-1 reporting where applicable)
- ☐ Draft and communicate a DEI statement and set specific goals

Employee Relations

- ☐ Establish formal procedures for complaints and conflict resolution
- ☐ Train managers in handling employee relations and conflict
- ☐ Prepare response protocols for harassment or discrimination claims

Offboarding

- ☐ Create an offboarding checklist (final pay, COBRA notification, asset recovery)
- ☐ Conduct exit interviews and analyze trends for continuous improvement
- ☐ Comply with WARN Act requirements (if 100+ employees involved in mass layoffs)

6. Scaling Strategy (Growth Stages)

Growth Stage	HR Milestones
1-10 Employees	Founder-led HR, hiring generalist, outsourcing payroll
11-50 Employees	Formalizing policies, implementing HRIS, expanding benefits
51-100 Employees	Hiring HR Manager, rolling out DEI initiatives, running engagement surveys
100+ Employees	Building HR team (Compensation, L&D, Employee Relations), strategic HRBPs

7. Compliance Audits & Continuous Improvement

Compliance Audits

- ☐ Conduct annual HR compliance reviews (worker classification, pay equity, benefits eligibility)
- ☐ Update handbooks and policies in line with federal and state law changes

HR Metrics & Data

- ☐ Track KPIs: retention rates, time-to-hire, engagement scores, diversity metrics
- ☐ Use insights to guide HR investments and improvements

Staying Informed

- ☐ Subscribe to HR news and resources (e.g., SHRM, HR Dive, state labor boards)
- ☐ Attend webinars or consult with legal/HR professionals as needed

Pro Tip:

Revisit this checklist quarterly to ensure your HR foundation remains compliant, scalable, and tuned to your company's growth stage.

Additional Notes