

DUE DILIGENCE

SELLING A BUSINESS CHECKLIST

FINANCIALS INFORMATION

- ☐ Comprehensive financial statements for the past 3-5 years (balance sheets, income statements, and cash flow statements)
- ☐ Audit reports and tax returns for the past 3-5 years
- ☐ Forecasted financial statements
- ☐ List of all assets and their valuation
- ☐ List of all liabilities, including loans, leases, and contingent liabilities
- ☐ Breakdown of revenue sources
- ☐ Detailed information on costs and expenses
- ☐ Capital expenditure plans

LEGAL DOCUMENTS

- ☐ Articles of Incorporation or similar business formation documents
- ☐ Any shareholder agreements, partnership agreements, or joint venture agreements
- ☐ Minutes of board of directors' meetings
- ☐ Records of all litigation, past and current
- ☐ List of all patents, copyrights, trademarks, and other intellectual property
- ☐ Employment and contractor agreements
- ☐ List of all licenses and permits

BUSINESS OPERATIONS

- ☐ Overview of the business model and plan
- ☐ Employee list, organizational chart, and key management bios
- ☐ HR policies and benefit plans
- ☐ List of products or services
- ☐ Operational process documentation
- ☐ Supplier and vendor contracts
- ☐ Insurance policies, including liability insurance and workers compensation insurance
- ☐ Employee classifications, timekeeping, and payroll policies & practices

CUSTOMER AND MARKET INFORMATION

- ☐ List of major customers and contracts
- ☐ Market research reports or industry analysis
- ☐ Competitive landscape and your business' positioning
- ☐ Marketing strategy and advertising costs
- ☐ Details of any significant customer complaints or returns

INFORMATION TECHNOLOGY

- ☐ Overview of IT infrastructure
- ☐ List of owned or licensed software and hardware
- ☐ Details of data security measures and any past breaches
- ☐ Any proprietary technology

REAL ESTATE

- ☐ Copies of property deeds, leases, or rental agreements
- ☐ List of all owned and leased locations
- ☐ Real estate appraisals
- ☐ Any pending real estate transactions or disputes

ENVIRONMENTAL ISSUES

- ☐ Environmental assessment reports, if relevant
- ☐ Compliance with environmental regulations
- ☐ Details of any environmental liabilities or issues

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