

DUE DILIGENCE

STARTING A BUSINESS CHECKLIST

BUSINESS BASICS

- ☐ Legal business information (name, address, phone, DBA, etc.)
- ☐ Company formation discussed with CPA (LLC, corporation, partnership, etc.)
- ☐ Consider shareholder agreements (if corporation)
- ☐ Employer number issued by EDD
- ☐ Federal employer identification number (EIN) by the IRS
- ☐ Description of products and services you offer
- ☐ Entity formation discussed with CPA and attorney

LICENSES AND PERMITS

- ☐ Federal, state, and local licenses
- ☐ Business sector license
- ☐ Liquor license (if applicable)
- ☐ Motor vehicle titles (if applicable)

REAL ESTATE

- ☐ Purchase or lease property
- ☐ Land use permits
- ☐ Irrevocable trust

INSURANCE COVERAGE

- ☐ Errors & Omissions
- ☐ Workers Compensation
- ☐ General Business Liability
- ☐ Employment Practices Liability
- ☐ Commercial Property Insurance
- ☐ Business Income Insurance

INFORMATION TECHNOLOGY CONCERNS

- ☐ Software to be used by company
- ☐ Software licenses purchased or will need to purchase
- ☐ Outsourcing agreements with IT companies (if partnership already established)

OUTSOURCED PARTNERSHIPS AND PROFESSIONALS

- ☐ List of all independent professionals and suppliers
- ☐ Review legal compliance for any independent contractors (AB5)
- ☐ Create a vendor agreement

CUSTOMER INFORMATION

- ☐ Demographic profiles and market research
- ☐ Ad programs, marketing budgets, and marketing materials
- ☐ List of competitors

TAX INFORMATION

- ☐ Federal, state, and local business taxes
- ☐ IRS Form 5500
- ☐ Tax registration documents

PUBLICITY

- ☐ Local media contact list
- ☐ Articles and press releases about the company (if applicable)

MATERIALS CONTRACTS

- ☐ Agreements with any subsidiaries and/or partnerships

ENVIRONMENTAL ISSUES

- ☐ Environmental standards documentation
- ☐ Any environmental permits

INTELLECTUAL PROPERTY

- ☐ Consider foreign and domestic patent applications
- ☐ Consider copyrights and trademarks

EMPLOYEES AND BENEFITS

- ☐ Employee handbook
- ☐ Stock purchase and stock option benefits
- ☐ IRS Form I-9 and W-4
- ☐ Insurance coverage options and policies
- ☐ Information on staff qualifications and professional development
- ☐ Consider arbitration and class action waiver

REVENUE STREAMS

- ☐ Anticipated revenue streams

FINANCIAL INFORMATION

- ☐ Financial statements
- ☐ Company bank account
- ☐ List of key company figures
- ☐ Securities for debts

Disclaimer: Please use caution when using this checklist. The information provided herein is not legal advice, does not replace a consultation with counsel, and may not be a complete checklist for your specific situation. By providing this information, we are not acting as your lawyer. If you need legal advice you are welcome to contact us or we recommend that you speak to your legal counsel before relying on this information. Hackler Flynn & Associates is only licensed to practice in California and New York.