



## Sellers Checklist

**There is much to do during the sale of your business. After you have found a buyer and accepted an offer a period of *DUE DILIGENCE* begins. During Due Diligence a buyer has the opportunity to explore their potential investment with an attorney and/or accountant of choice.**

**The following is a list of information offered for reference only and reflects considerations for both the due diligence and closing periods. The exact circumstances of an opportunity determine the investigations of a buyer prior to a final closing. You as the seller are urged to consult with your CPA and/or Attorney regarding the implications of the sale.**

- The condition and circumstances of Assets to be purchased will be assessed.
- Dependant on the conditions in the contract and Inventory will be verified at closing.
  - Adjusted Purchase Price — This relates to prorated items such as rent, utilities, and inventory up to the time of closing.
- The bill of sale will be proof of the sale of the business and will transfer the ownership of the other tangible business assets not specifically transferred on their own.
- Make sure that all bulk sale laws have been complied with in the transfer of the business assets. Inventory unless otherwise agreed upon must transfer free of encumbrances.
- Confer with financial advisors on Tax Consequences of sale.
- Signing Promissory Note: If you, the seller carry back financing have an attorney review any Note documentation.
- Consultation/Employment Agreement: If you, the seller have agreed to remain on for an amount of time, this should be outlined in the Purchase and Sale Agreement and additionally documented at closing.

- Determine credit card equipment status (leased or purchased). The buyer will be responsible for obtaining a new Merchant Account
- Talk to your landlord regarding your lease and the steps to terminate, or transfer the leasehold to the new owners.
  - Negotiate with your landlord or the new owners for the return of any prepaid security deposits.
- When applicable, review final condition of accounts receivable.
- Review employment contracts, pension & profit sharing plans, contracts with customers and/or suppliers and franchise agreements for transfer to the new owners.
- Review documentation regarding patents and trademarks.
- Contact your insurance carrier regarding the change in ownership.
- Any legal items, such as claims, judgments and liens should be cleared.
- A Non-Competition Agreement should have be negotiated, written and signed.
- Transfer titles to any motor vehicles included in the sale.
- Notify utilities regarding the transfer to the new Owner.
- If a stock transaction, be sure the minutes, by-laws, certificates, loan document, and contracts have been reviewed by your attorney and are in order.