

## Closing Documents

- |   |  |
|---|--|
| <input type="checkbox"/> Asset purchase agreement     | <input type="checkbox"/> Assumed liabilities               |
| <input type="checkbox"/> Inventory                    | <input type="checkbox"/> Schedule Form 8594                |
| <input type="checkbox"/> Assets                       | <input type="checkbox"/> Reps and warranties               |
| <input type="checkbox"/> Accounts receivable          | <input type="checkbox"/> If applicable franchise agreement |
| <input type="checkbox"/> Accounts payable             | <input type="checkbox"/> Lease                             |
| <input type="checkbox"/> Working Capital Calculations | <input type="checkbox"/> Settlement statement              |
| <input type="checkbox"/> Domain Names                 | <input type="checkbox"/> Owners employment agreement       |
| <input type="checkbox"/> Asset Allocation             | <input type="checkbox"/> Promisary Notes                   |
| <input type="checkbox"/> Bill of Sale                 | <input type="checkbox"/> Real Estate Appraisal             |
| <input type="checkbox"/> Consents                     | <input type="checkbox"/> UCC                               |
| <input type="checkbox"/> Assumed contracts            | <input type="checkbox"/> Bank Loan Documents               |
| <input type="checkbox"/> Employee contracts           | <input type="checkbox"/> Non-compete                       |

## Business Closing/Transfer Checklist

Our firm, along with the escrow company (or attorneys) handling the closing, will assist the purchaser in some of the areas listed below. The checklist following may not include all of the necessary actions to be taken by the purchaser. These may vary depending on the type and the size of the business involved.

- Determine how the business is to be structured:  
Proprietorship, Partnership, C Corporation, S Corporation
- File name of business, dba (doing business as), or name with appropriate authorities
- Check with insurance carriers for necessary insurance coverage:  
Fire, Casualty, Liability, Worker's Compensation, Medical, Business Interruption, Plate Glass Insurance, Product or Professional Liability, Bonds (if necessary), other
- Obtain Federal Taxpayer ID (Identification) Number (EIN)
- Private services arrangements:  
Trash & rubbish removal, Security service, Burglar alarm service, janitorial service, equipment maintenance contracts, uniform service, inventory service
- Transfer equipment lease agreements:  
Vending machines, Coffee equipment, Refrigeration equipment, Computer/cash register system, other
- Permits, Licenses, Etc. (if applicable):  
Apply for sales tax permit, Alcoholic beverage license, City or town business license, Department of Agriculture license, Health permit, Fire department permit, Building inspection permit, Lottery license
- Utilities:  
Telephone, Electric, Gas, Water
- List of important Departments to Contact:  
Department of Corporation  
Filing of Fictitious Name  
Federal ID Number  
Sales Tax Permits  
Alcoholic Beverage Department  
Health Permit  
Department of Agriculture  
Lottery  
Telephone Company  
Water  
Gas Company
- Important dates:  
Date of closing  
Date of possession  
Date of inventory
- Other things to be done:  
Establish business bank account  
Prepare for employee contracts, agreements or meetings  
Establish professional relationship, attorney, accountant, etc.  
Establish outside vendor contacts – suppliers, printers, stationers, advertising or public relations agencies, etc.  
Credit Card Machines Must be transferred over (if applicable)

## Closing Timeline

### 5 Weeks Prior To The Closing

- Confirm that the Buyer has established a corporate entity, secured an EIN, and opened a commercial bank account
- Ensure that the Buyer has contacted the landlord and has begun executing a lease agreement
- Send the closing attorney copies of the listing agreement, purchase offer, FF&E, and any addendums or amendments related to the sale.
- Forward Tax returns, Profit & Loss and Income statements from the business to the financial institution responsible for SBA financing and approval (in most cases this should be done in advance)
- Ensure that the Buyer has obtained insurance for the business

### 3 Weeks Prior To The Closing

- Schedule the inventory between the Buyer and Seller
- Check that all utilities, credit card terminals, and contracted vendors have transferred to the Buyer or the Buyer's corporate entity
- Obtain a copy of the executed lease between the Buyer and the landlord
- Notify the closing attorney and financial institution to begin sending in the necessary closing documentation as well as the SBA paperwork

Conduct real estate appraisal if needed. Buyer and seller usually split the cost of an appraisal.

### 2 Weeks Prior To The Closing

- Schedule the time and place that the closing shall take place. The actual taking of the inventory shall be done the day before or the day of closing. In the case of big companies, Buyer/Seller often will hire an inventory taking company and agree to split the cost.
- Instruct the Buyer in regards to the type of payments accepted at the closing and what amounts are payable to whom.
- Determine the escrow arrangements between the Buyer and Seller concerning which party will hold the check
- Review all qualifications for SBA approval

### 1 Week Prior To The Closing

- Forward the closing documents to the Buyer and Seller for final review

SEE THE CLOSING CHECKLIST

### After The Closing

- Retain an original file of the signed and notarized closing documents