



Business Health Checklist

Corporation or Limited Liability Company

Has corporation or LLC been filed and does company have a Stat Agent?

Yes No Needs Review

Are By-Laws, Organizational Minutes, updated on a regular basis?

Yes No Needs Review

Has stock been issued?

Yes No Needs Review

Is there a Shareholder Agreement(s)?

Yes No Needs Review

Is there a mechanism to break tie votes?

Yes No Needs Review

Taxes

Have all taxes been paid on a timely basis?

Yes No Needs Review

Have all tax returns been filed on a timely basis?

Yes No Needs Review

Are you subject to sales or prime contracting tax?

Yes No Needs Review

Business Documents

Do we have contracts with our customers? Do we perform a credit review before extending credit to our customers?

Yes No Needs Review

Do we regularly review contracts with suppliers, customers, vendors, etc?

Yes No Needs Review

Do we have real estate leases and if so, are relevant dates such as renewal notices, rate increases, operating stop review, etc. noted and calendared?

Yes No Needs Review

Do we regularly review equipment and machinery leases?

Yes No Needs Review

Do you issue warranties?

Yes No Needs Review



Intellectual Property

Have we protected my trademark or trade name on both a Federal and State Basis?

- Yes No Needs Review

Do we know what intellectual property my business owns and is it protected?

- Yes No Needs Review

Real Estate

If we own real estate how is it held?

Should refinancing be considered?

- Yes No Needs Review

Is property tax valuation protested annually?

- Yes No Needs Review

Financial Accountant or In House Accounting Department

Who is our outside accounting firm?

What services do they provide and how much do they charge for those services? Do we perceive that we receive value from fees paid?

How old is the relationship?

What reports do we receive weekly, monthly, annually?

Who prepares the financial reports and how timely do we receive the reports?

What are the key business indicators we review on a regular basis?

What level of cost accounting analysis is available? Do we know our company's costs?

What is system of inventory control?



Are accounts payable and accounts receivable regularly reviewed?

- Yes No Needs Review

Do we have internal control policies established and are they stringently followed?

- Yes No Needs Review

Are discounts given for accounts receivable and are discounts taken for accounts payable?

- Yes No Needs Review

Banking Relationship

Who is our banker and what is the relationship?

What interest rates are we paying? Do we pay bank fees?

What security or collateral has been granted? Did we need to sign personal guarantees?

How is business financed? Is it adequate level of funding?

Human Resources Issues

Have you hired any new employees since January 1, 2008?

- Yes No

Does your company use E-verify for new hires?

- Yes No

Is there an Employee Manual or Employee Handbook?

- Yes No Needs Review

Do we have Employee agreements such as covenants not to compete with employees?

- Yes No Needs Review

Are our Pension & 401 (k) plans funded, are contributions made timely, have plan documents been reviewed for compliance? Have all tax returns been filed timely?

- Yes No Needs Review

Do we have a formal compensation agreement for key employees?

- Yes No Needs Review

Do we maintain comprehensive, organized personnel files? Is the medical information kept in separate files from general personnel files?

- Yes No Needs Review



Does our application form solicit permission from applicants to seek references from prior employers, allow background checks, MVD check, etc? Do we obtain express permission to obtain credit reports?

Yes No Needs Review

Do our job offers have disclaimers in order not to be considered a contract?

Yes No Needs Review

Do we pay exempt employees a full day's pay even if they go home sick?

Yes No Needs Review

Do we understand the DOL overtime regulations? Are we paying overtime when necessary?

Yes No Needs Review

Do we have eligible employees sign a waiver if they do not enroll in insurance plans?

Yes No Needs Review

Does your company collect I-9 documents during the hiring process?

Yes No

Do we have an established a policy and procedure for tracking and reviewing I-9s?

Yes No Needs Review

Do we have a written sexual harassment policy that meets federal and state guidelines? Is it rigorously followed?

Yes No Needs Review

Do we use a termination checklist to ensure terminated employees receive all benefits and information to which they are entitled including COBRA?

Yes No Needs Review

Do we need to comply with FMLA? If yes, are we in compliance? Are eligible employees entitled to their time-off pay and benefits during their medical (FMLA) leave?

Yes No Needs Review

Have we posted the non-English version of the notice to employees regarding Workers Compensation?

Yes No Needs Review

Do we have an anti-harassment policy?

Yes No Needs Review

If employees have Internet access, do I have blocking software installed? Do we have a written electronic policy regarding e-mail, Internet and other electronic communications?

Yes No Needs Review

Do you hire seasonal workers?

Yes No

If so, what if anything do you do to check on their status in the United States?

Yes No Needs Review



Do any of your employees hold licenses issued by the State of Arizona that require proof that the license holder is legally within the United States?

Yes No Needs Review

If employees hold licenses issued to perform a job or function, do you have a program to determine that they remain properly licensed?

Yes No Needs Review

Insurance

Who is our agent or broker?

When was last time we had a competitive bid done?

How much do we spend per year on insurance coverage?

Have we reviewed the adequacy of all insurance coverage in the last 12 months?

Yes No Needs Review

Do we have a general liability policy?

Yes No Needs Review

Do we have coverage for vehicles used in the business? If yes, do we pull MVD reports on all authorized drivers of our vehicles?

Yes No Needs Review

Do we have worker's compensation insurance? Do we cover independent contractors if they do not provide proof of worker's compensation insurance to us?

Yes No Needs Review

Do we need Employment Practices Coverage? If we have a retirement plan, do we carry fiduciary bond and is it adequate?

Yes No Needs Review

Do we need Directors and Officers Coverage?

Yes No Needs Review

Should we consider Pollution coverage?

Yes No Needs Review

Should we consider key man life insurance?

Yes No Needs Review

Should we consider business overhead expense coverage?

Yes No Needs Review



Business Valuation

Have we ever had the company value appraised by an outside resource? Has it been reviewed within the past three years?

Yes No Needs Review

Does company have a buy/sell agreement and if yes, is it funded? Has it been reviewed within the past three years?

Yes No Needs Review

Does my buy/sell agreement adequately protect my heirs, my business, and my partners?

Yes No Needs Review

Do I perform a yearly review of my estate & business plans?

Yes No Needs Review

Status of Estate Plan

Do I have a will? And is it up to date?

Yes No Needs Review

Does my estate tax plan include trusts?

Yes No Needs Review

Do I know what my current estimated estate taxes are? And Do I have a funding vehicle in place for paying estate taxes?

Yes No Needs Review

Status of Succession Plan

Do we have a succession plan in place?

Yes No Needs Review

Does our succession plan have a provision for disability of owners or key employees?

Yes No Needs Review

Have we involved both key employees and family members (if applicable) in succession planning?

Yes No Needs Review

Do we discuss financial results, marketing plans, financing, and operations openly with key employees and family members (if business is closely held)?

Yes No Needs Review

Do we have disability buy-out coverage?

Yes No Needs Review



Licensure

Does your business have need of a license?

- Yes No Needs Review

Do any of your employees need to have a license?

- Yes No Needs Review

Does your business require a qualifying party license?

- Yes No Needs Review

Do you have sales tax license? Are returns filed and TPT taxes paid timely?

- Yes No Needs Review

Are all of your licenses current and in good standing?

- Yes No Needs Review

Keeping Your Clients?

Do you have and utilize employment covenants?

- Yes No Needs Review

How do you note and keep confidential your trade secrets?

- Yes No Needs Review

Are you under any restrictive covenants not to compete or solicit?

- Yes No Needs Review