

FINANCIAL DUE DILIGENCE CHECKLIST

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This checklist contains documents and information related to finance that a seller might request from a buyer.

FINANCIAL	OWNER	COMPLETE?	DATE OF COMPLETION	NOTES
General expenses				
Profit margins				
Where revenue comes from				
Profits increasing or decreasing				
List of creditors and debtors				
Assumption of debt obligations				
Financial resources available for operations during the transition				
Financial resources available to cover transaction-related costs				
Conditions on assets and liens				
Problems with all existing contracts				
Litigation risks				
List of required capital expenditures and investments				
Deferred capital expenses				
Accuracy of future projections				
Uncommon revenue recognition issues that impact the company or industry				
AR Aging				
Other AR issues				
Quality of earnings report				

Unedited financial statements with comparable statements for the last year				
EBITDA and adjustments				
Financial statements from the last 3-5 years				
Margin statements				
List of one-time expenses				
Future budgets				
AP schedule				
Documentation of accounting procedures				
Cash flow and cash management techniques				
Existing short- and long-term debt				
Interest rates on existing debt				
Ability to service existing debt				
Ability to secure more financing				
Shareholder value analysis				
Compatibility audit				
Reconciliation audit				
Fixed and variable costs				

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