

Sample Due Diligence Checklist & Report

Note: The following information highlights key items that should be reviewed during due diligence and is in no way intended to be a comprehensive due diligence checklist. This is meant for informational purposes only. All due diligence should be conducted in conjunction with attorney and accountant oversight.

Due Diligence Document Request List

Category	Item
Financial	Current & historical financial statements including income statements, balance sheets, & cash flow statements (last 3 years when possible)
Financial	Aging Schedule for accounts payable and accounts receivable by fiscal quarter (last 5 years if possible)
Financial	All related tax information (returns, audit background, litigation, etc.)
Financial	Summary of debts and their terms, shareholders, and current investors
Financial	Overview of real estate (size & current value) & equipment (names, models, & valuations)
Financial	Breakdown of inventory (on-hand & value)
Financial	Review performance information (pricing, sales & gross profit, return rates, projections and actual performance, etc.)
Legal	Copies of contracts (leases, purchase agreements, distribution agreements, sales contracts, service agreements, trademarks, copyrights, trade secrets and patents, articles of incorporation, business registration documents, etc.) with non-transferrable noted if possible
Legal	Record of previous or pending litigation
Legal	List of all employees terminated within the last 12 months with employee demographic data and reason for termination; quantity of employees currently on probation for poor performance
Legal	Record of any regulatory or licensing restrictions, penalties, or challenges as well as current proof of good standing
Legal	Copies of offer letters, employment contracts, bonus guarantees, severance agreements, independent contractor agreements, non-disclosure and confidentiality agreements, non-competition agreements, management and consulting contracts.
Legal	Union contracts, collective bargaining agreements, and a summary of any ongoing negotiations with the union

Due Diligence Document Request List

Category	Item
Operational	List of buyers broken down by amounts and nature of services provided
Operational	Description of Marketing strategy & corresponding materials (brochures, websites, ads, white papers, webinars, conferences, etc.)
Operational	Marketing campaign effectiveness metrics
Operational	Customer Satisfaction Data
Operational	Product listing & product development roadmap (if relevant)
Operational	List of company's suppliers with service provided, service schedule, and annual cost
Operational	List of key IT and network tools, resources, & requirements
Human Capital	Organizational chart
Human Capital	List of employees (names, position, rate of pay, additional compensation, date of hire, demographics, supervisor, etc.) including executives
Human Capital	List of all benefits and information related to ALL benefit programs including benefit plan summaries and cost information
Human Capital	Turnover report, absenteeism report, accident records, and disciplinary action summary
Human Capital	Employee Handbook and documented policies
Human Capital	Copy of application and description of process used to complete new employee paperwork
Human Capital	Turnover (broken down by manager if possible)
Human Capital	Employee Survey data (annual surveys and/or exit interviews)
Human Capital	Compensation & benefits and pay practices
Human Capital	Outline of employee recordkeeping practices (if auditing records complete 10% of # of employees)

