**FINANCIAL MANAGEMENT CHECKLIST**

**BUDGET/PROFORMA**

BUDGET/PROFORMA: Do you have a budget/proforma that is thorough but able to adapt to changes (includes Profit & Loss, Cash Flow, and Balance Sheet)?

**TOP LEVEL MANAGEMENT**

FINANCIAL ADVISORS: Do you have financial advisors?

ACCOUNTANT: Do you have an accountant?

ACCOUNTING YEAR: Do you know whether you operate on a fiscal or calendar year?

TAX FILING FREQUENCY: Do you know when and at what frequency you have to file taxes?

RECURRING TRANSACTIONS

Have you setup a system for recurring journal transactions and adjustments (depreciation, payroll, inventory, sales, bonuses, reversals, cash in drawers, withdrawals, deposits, etc.)?

ACCOUNTING SYSTEM (ACCRUAL V. CASH): Do you know whether you operate on an accrual or cash basis (recommend accrual)?

DEPRECIATION SCHEDULE: Do you have a schedule for depreciation?

**BOOKKEEPING**

BOOKKEEPER: Do you have a bookkeeper?

MAILING ADDRESS FOR ACCOUNTS PAYABLE AND RECEIVABLE: Do you have a business address for financial purposes?

BOOKKEEPING SOFTWARE: Do you have technology to help with bookkeeping?

LEVEL OF ACCOUNTING DETAILS/GOALS FOR REPORTS: Have you determined a fine line between the level of detail in bookkeeping that can be reasonably handled and will insure meaningful reports?

REPORTING CYCLE: Have you determined the frequency of your reporting cycle?

ACCOUNTS PAYABLE & RECEIVABLE SOFTWARE: Do you have a system for accounts payable and receivable?

CHART OF ACCOUNTS: Do you have a chart of accounts?

CAPITALIZED COSTS: Do you have a system for determining capitalized costs?

EXPENSES: Do you have a system for determining expenses?

SALES TERMS: Do you have sales terms?

PRODUCT WARRANTIES AND REFUNDS: Do you have a system for product warranties and refunds?

DISCOUNTS: Do you have a system for employee/customer discounts?

DOCUMENT MANAGEMENT SOFTWARE: Do you have a system for document management (receipts, invoices, contracts)?

**BANKING**

CHECKING ACCOUNTS: Have you setup your checking accounts?

DOWNLOADING TRANSACTIONS: Do your bank transactions automatically download to your bookkeeping software?

SIGNATORY: Do you have a system for who is authorized to sign checks?

DEBIT/CREDIT CARDS: Do you have a system for who has access to debit/credit cards?

**EMPLOYEES & PAYROLL**

PAYROLL SOFTWARE: Do you have a system for payroll?

W-4 FORMS: Do you have a system for collecting W-4 forms?

EMPLOYEE STOCK OPTIONS: Do you have a system for stock options.

EMPLOYEE BENEFITS: Do you have a system for employee benefits?

EMPLOYEE/LABOR REQUIREMENTS: Do you have a system for handling government regulated labor and employment requirements?

**ENTITY LEGAL REQUIREMENTS**

FEDERAL EIN AND STATE TAX ID: Do you have federal and state employment ids?

REPORTING NEW HIRES: Do your report new hires to state?

OFFICE ADDRESS FOR BUSINESS CONTACT PERSON: Do you have an office address for business contact?

AGENTS ADDRESS FOR LEGAL NOTICES: Do you have an agent’s address for legal purposes?

TRADENAME: Do you have a trade name?

ENITY NAME – INCORPORATION: Have you incorporated? Certificate of Incorporation? Letter of Good Standing as Foreign Corporation? Board consent agreement? Founders stock purchase agreement? Assignment of inventions/intellectual property?

OPERATING AGREEMENT/BYLAWS: Do you have an operating agreement or corporate by-laws?

**INDEPENDENT CONTRACTORS**

INDEPENDENT CONTRACTORS: Do you have a system (W-9, 1099) for hiring and paying independent contractors?

**FUNDING CYCLES/TIMELINES**

FUNDING CYCLES: Do you know what funding cycle you are in?

*Seed-Funding:* TBD

*Angel Investors:* TBD

*Venture Capital:* TBD

*Series A, B, C:* TBD

*IPO:* TBD

**RECORDS NEEDED FOR TAX FILING**

RECORDS NEEDED FOR TAX FILING: Do you have a system for keeping track of all documents needed to file your taxes?

PERSONAL PROPERTY TAX RETURN

SALES AND USE TAX

DELAWARE FRANCHISE TAX RETURN

INCOME TAX RETURN

*Form 1099s :* Taxpayers are required to send service providers they pay more than $600 during the year a Form 1099 to document the payment for services. If you are required to file Form 1099s, please provide the following:Copy of a completed Form W-9 signed by the service provider, or their name, address, social security number or employer identification number, and type of entity (Individual, partnership, S Corp, Corp, etc.).Amount that you paid this service provider during the 2014 tax year*.* Always include amounts paid to attorneys, even if it is less than $600

*Personal Property Tax Return:* Taxpayers are required to pay personal property tax on depreciable equipment used in business. Please provide a list of equipment purchased greater than $1,000 during the 2014 tax year.

*Sales & Use Tax:* Taxpayers are required to pay use tax on purchases used in their business were no sales tax was paid at the time of purchase. Most often, these are online purchases of office supplies and equipment. Please provide a list of supplies and equipment that was purchased and used by the company. Please include the amount and date of purchase.

*Delaware Franchise Tax Return:* Taxpayers incorporated in Delaware are required to annual file a Delaware Franchise Tax Return. Please provide the following as of December 31, 2014:Number of common and preferred stock issued*,* Copy of Taxpayer’s balance sheet*,* List of Officers and Directors.

*Income Tax Returns*: Taxpayers are required to file annual income tax returns. Please provide the following information as of December 31, 2014 unless otherwise noted: Reconciled Balance Sheet & Income Statement or backup of accounting files, Bank Statements for all accounts, Credit card & Loan statements for all accounts, List of new equipment purchased during tax year (greater than $1,000), Documents related to the issuance of convertible notes, equity or other capital transactions, including year-end capitalization table (if applicable), List of officer health insurance premiums paid by company, List of officer life insurance premiums paid by company, Documents related to employee compensation & benefits including: year-end payroll tax returns: 4th quarter forms: 941, 941N, State Unemployment, form W-3 & Form 940.