IN THE CLOUD

BUSINESS CONSULTING

BUSINESS DUE DILIGENCE & READINESS CHECKLIST

For Financing • Investment • Acquisition • Strategic Review

Purpose: organize the documents and information commonly reviewed when a business is preparing for financing, raising capital, evaluating an acquisition, admitting an investor, or conducting an internal strategic review. Use the checklist as a data-room index: keep documents in the same section order and note missing, expired, or follow-up items.

Company / Transaction Profile

Company Name		**Review Date**	
Primary Contact		**Prepared By**	
Purpose	☐ Financing ☐ Investment ☐ Acquisition ☐ Internal Review	**Target Date**	
Requested Amount / Value		**Lender / Investor / Buyer**	
Data Room Location		**Last Updated**	

1. Corporate & Governance

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Investment deck / investor presentation.	☐	☐	
2	Executive summary.	☐	☐	
3	Current business plan.	☐	☐	
4	Current charter / articles / certificate of formation and all	☐	☐	

	amendments.			
5	Bylaws, operating agreement, partnership agreement, or equivalent governance documents.	☐	☐	
6	Minutes and written consents of shareholders/members, board of directors/managers, and material committees.	☐	☐	
7	Current organization chart showing officers, key managers, business units, and reporting structure.	☐	☐	
8	Biographies / resumes for officers, founders, directors, and senior management.	☐	☐	
9	List of subsidiaries, affiliates, joint ventures, and entities under common ownership.	☐	☐	
10	Board or management materials containing material financial projections, strategic plans, or major transaction approvals.	☐	☐	

2. Ownership, Equity & Capitalization

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Current capitalization table showing authorized, issued, outstanding, and fully diluted ownership.	☐	☐	
2	List of all shareholders, members, partners, or other equity holders and percentage ownership.	☐	☐	
3	Stock purchase, subscription, membership, or	☐	☐	

	partnership interest purchase agreements.			
4	Shareholder, voting, investor-rights, buy-sell, preemptive-rights, drag/tag, or similar agreements.	☐	☐	
5	Outstanding options, warrants, convertible notes, SAFEs, phantom equity, profits interests, or other rights to acquire equity.	☐	☐	
6	Agreements restricting transfer or disposition of equity interests.	☐	☐	
7	Proxies, voting trusts, nominee arrangements, or fiduciary ownership arrangements.	☐	☐	
8	Liens, pledges, security interests, claims, or encumbrances against equity interests.	☐	☐	
9	History of material equity issuances, redemptions, repurchases, recapitalizations, or ownership changes.	☐	☐	

3. Financial Information & Accounting

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Historical financial statements for the most recent 3 fiscal years (income statement, balance sheet, cash flow).	☐	☐	
2	Current year-to-date financial statements with prior-year comparison.	☐	☐	

3	Monthly financial statements for the most recent 12-24 months.	☐	☐	
4	General ledger / trial balance for the current year and most recent completed year.	☐	☐	
5	Accounts receivable aging and accounts payable aging.	☐	☐	
6	Current budgets, forecasts, business plans, and 3-year financial projections.	☐	☐	
7	Assumptions and supporting schedules used in projections.	☐	☐	
8	Independent accountant or auditor reports, management letters, and company responses.	☐	☐	
9	Summary of accounting policies not obvious from the financial statements.	☐	☐	
10	Schedule of off-balance-sheet liabilities, commitments, guarantees, or contingent obligations.	☐	☐	
11	Schedule of owner/officer compensation, distributions, related-party expenses, and nonrecurring expenses.	☐	☐	
12	Capital expenditure history and planned capital expenditure schedule.	☐	☐	

4. Tax & Government Filings

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes

1	Federal income tax returns for the most recent 3 years.	☐	☐	
2	State and local income/franchise/excise tax returns for the most recent 3 years.	☐	☐	
3	Payroll tax filings and proof of payment.	☐	☐	
4	Sales/use tax filings and registrations, where applicable.	☐	☐	
5	Property tax filings and assessments for material business assets / real estate.	☐	☐	
6	Tax notices, audits, examinations, liens, payment plans, or unresolved tax matters.	☐	☐	
7	Schedule of net operating losses, tax credits, carryforwards, or material tax attributes.	☐	☐	
8	Documentation supporting tax elections or special tax treatment.	☐	☐	

5. Debt, Financing & Banking

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Schedule of all short-term and long-term debt, credit lines, capital leases, and seller financing.	☐	☐	
2	For each obligation: lender, original amount, current balance, interest rate, payment, maturity, collateral, and guarantors.	☐	☐	
3	Copies of promissory notes, loan agreements,	☐	☐	

	security agreements, UCC filings, guarantees, and amendments.			
4	Letters of credit, surety bonds, swaps, hedges, bankers' acceptances, or other contingent financing arrangements.	☐	☐	
5	Recent lien / UCC search results, if available.	☐	☐	
6	Bank statements for all material operating, payroll, reserve, and debt-service accounts.	☐	☐	
7	Borrowing-base certificates or covenant compliance certificates, if applicable.	☐	☐	
8	Documentation of any defaults, waivers, forbearance, covenant breaches, or lender notices.	☐	☐	

6. Material Contracts & Agreements

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Material customer contracts and master service agreements.	☐	☐	
2	Material supplier, vendor, raw-material, packaging, service, and inventory contracts.	☐	☐	
3	Sales representative, marketing, agency, broker, referral, dealer, or distributorship agreements.	☐	☐	
4	Partnership, joint venture, co-development, strategic alliance, and cooperation agreements.	☐	☐	

5	Material equipment leases and vehicle leases.	☐	☐	
6	Real estate leases, subleases, licenses, and occupancy agreements.	☐	☐	
7	Material purchase or sale agreements for property, equipment, or business assets during the last 3 years.	☐	☐	
8	Capital expenditure commitments and construction contracts.	☐	☐	
9	Confidentiality, nondisclosure, non-solicitation, and restrictive covenant agreements.	☐	☐	
10	Indemnification agreements for officers, directors, owners, or key employees.	☐	☐	
11	Material contracts with owners, officers, directors, employees, or related parties.	☐	☐	
12	Contracts containing change-of-control, assignment, consent, termination, exclusivity, or minimum-purchase provisions.	☐	☐	
13	License, royalty, franchise, reseller, white-label, and technology agreements.	☐	☐	
14	Standard purchase orders, sales orders, invoices, proposals, terms and conditions, and other forms regularly used by the business.	☐	☐	
15	Contracts with investment bankers, brokers, consultants, or advisors related to financing or sale of the	☐	☐	

	business.			

7. Legal, Litigation & Regulatory

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	List and status of pending, threatened, or settled litigation, arbitration, mediation, or administrative proceedings.	☐	☐	
2	Material demand letters, claims, disputes, or notices of default.	☐	☐	
3	Current legal counsel list and summary of material legal work in progress.	☐	☐	
4	Licenses, permits, registrations, and certifications required to operate the business.	☐	☐	
5	Regulatory examinations, citations, consent orders, corrective-action plans, or compliance notices.	☐	☐	
6	Government contracts or regulated-industry approvals, where applicable.	☐	☐	
7	Policies and procedures for anti-bribery, anti-corruption, sanctions, anti-money-laundering, or industry-specific compliance where applicable.	☐	☐	

8. Employees, Contractors & Benefits

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes

1	Employee census: title, location, status, hire date, compensation, bonus/commission, and exempt/non-exempt status.	☐	☐	
2	Organization chart and key-person dependency assessment.	☐	☐	
3	Employment agreements, offer letters, consulting agreements, contractor agreements, and commission plans.	☐	☐	
4	Employee handbook and material HR policies.	☐	☐	
5	Benefit plan summaries, retirement plans, health plans, and related plan documents.	☐	☐	
6	Equity or incentive compensation plans.	☐	☐	
7	Pending or threatened employment claims, wage/hour matters, workers' compensation claims, or labor disputes.	☐	☐	
8	List of independent contractors and basis for classification.	☐	☐	
9	Noncompete, confidentiality, invention-assignment, and proprietary-rights agreements with employees/contractors.	☐	☐	
10	Succession, retention, or change-in-control arrangements for key personnel.	☐	☐	

9. Intellectual Property, Domains & Brand Assets

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes

1	List of registered and unregistered trademarks, service marks, trade names, logos, patents, copyrights, and applications.	☐	☐	
2	Agreements relating to acquisition, assignment, licensing, ownership, or registration of intellectual property.	☐	☐	
3	Employee/contractor invention-assignment and work-made-for-hire agreements.	☐	☐	
4	Pending or threatened IP infringement claims.	☐	☐	
5	List of all domains owned, used, or controlled by the company.	☐	☐	
6	List of social media accounts, handles, brand channels, and account administrators.	☐	☐	
7	List of software, SaaS, APIs, databases, and open-source software used in the business.	☐	☐	
8	Material source-code repositories, ownership documentation, and development agreements.	☐	☐	
9	Brand guidelines, sales collateral, brochures, product images, and marketing asset library.	☐	☐	

10. Technology, Cybersecurity, Data & AI

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	IT systems inventory: hardware, servers, cloud platforms, networks,	☐	☐	

	critical applications, and vendors.			
2	Network / architecture diagram or simplified systems map.	☐	☐	
3	List of critical SaaS subscriptions, renewal dates, licenses, administrators, and costs.	☐	☐	
4	Cybersecurity policies, MFA requirements, password management, backup, recovery, and incident-response procedures.	☐	☐	
5	Recent penetration tests, vulnerability assessments, security audits, or cybersecurity insurance applications.	☐	☐	
6	History of material breaches, ransomware, data-loss incidents, or security notifications.	☐	☐	
7	Data map: what customer, employee, financial, health, payment, or other sensitive data is collected and where it is stored.	☐	☐	
8	Privacy policy, data-retention policy, cookie policy, and applicable consumer/privacy notices.	☐	☐	
9	Vendor security / data-processing agreements for material third parties.	☐	☐	
10	Business continuity and disaster recovery plan, including backup verification.	☐	☐	
11	AI systems or generative-AI tools used by the company, approved-use policy, data restrictions,	☐	☐	

	and human-review controls.			
12	Ownership and review process for AI-generated content, code, customer communications, or business decisions.	☐	☐	

11. Operations, Inventory & Supply Chain

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Description of core operating process from order / engagement through delivery and post-sale support.	☐	☐	
2	Key performance indicators used to manage operations.	☐	☐	
3	Inventory reports by category, location, age, and valuation method, where applicable.	☐	☐	
4	Top suppliers/vendors for the past 3 years and percentage of purchases from each.	☐	☐	
5	Single-source or high-risk supplier dependencies and backup sources.	☐	☐	
6	Open purchase orders and major outstanding commitments.	☐	☐	
7	Quality-control procedures, warranty history, returns, defects, recalls, and customer complaints.	☐	☐	
8	Production capacity, utilization, bottlenecks, lead times, and major equipment requirements.	☐	☐	

9	Material equipment list, ownership status, maintenance history, and replacement needs.	☐	☐	
10	Business interruption risks and continuity plans.	☐	☐	

12. Sales, Customers & Market Information

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Revenue by product/service line for the most recent 3 years and current year-to-date.	☐	☐	
2	Revenue and gross profit by customer or customer segment.	☐	☐	
3	Top 10 customers for the most recent 3 years and percentage of revenue represented by each.	☐	☐	
4	Customer concentration and customer-retention / churn analysis.	☐	☐	
5	Sales pipeline / backlog report and material open proposals.	☐	☐	
6	Pricing policies, discount practices, refund/return policies, and standard sales terms.	☐	☐	
7	Historical lead-source and conversion data, where available.	☐	☐	
8	Sales compensation structure and quota / performance metrics.	☐	☐	
9	Copies of current brochures, sales decks, website pages, advertisements, and other marketing materials.	☐	☐	

10	Press releases issued during the past 3 years.	☐	☐	
11	Market size, competitive landscape, key competitors, and material market trends.	☐	☐	
12	Online reputation, review profile, major customer complaints, and response process.	☐	☐	

13. Insurance & Risk Management

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	Schedule of all insurance policies, carriers, limits, deductibles, premiums, and renewal dates.	☐	☐	
2	General liability, property, auto, workers' compensation, professional/E&O, cyber, D&O, key-person, product liability, and other material coverage.	☐	☐	
3	Loss runs and material claims history for the most recent 3-5 years.	☐	☐	
4	Uninsured or underinsured material risks identified by management.	☐	☐	
5	Bonding capacity / surety relationships, if applicable.	☐	☐	
6	Risk-management policies, safety programs, and incident-reporting procedures.	☐	☐	

14. Real Estate & Environmental

#	Requested Item /	Have	N/A	Follow-Up / Notes

	Review Point			
1	List of all owned and leased real estate locations.	☐	☐	
2	Deeds, leases, subleases, licenses, and material amendments.	☐	☐	
3	Current rent schedule and lease expiration / renewal options.	☐	☐	
4	Appraisals, environmental reports, surveys, title policies, and property-condition reports, if available.	☐	☐	
5	Zoning, permits, occupancy, or land-use issues affecting operations.	☐	☐	
6	Environmental claims, remediation obligations, hazardous-material handling, or regulatory matters.	☐	☐	
7	Planned relocations, expansions, closures, or major facility capital requirements.	☐	☐	

15. Financing / Investment Readiness Package

#	Requested Item / Review Point	Have	N/A	Follow-Up / Notes
1	One-page executive summary suitable for lender/investor review.	☐	☐	
2	Use-of-funds schedule and sources-and-uses statement.	☐	☐	
3	3-year historical and 3-year projected financial summary.	☐	☐	

4	Debt-service / cash-flow analysis and repayment source.	☐	☐	
5	Owner / guarantor financial information when required for financing.	☐	☐	
6	Management biographies and experience summary.	☐	☐	
7	Business plan or strategic growth plan tied to the financing/investment request.	☐	☐	
8	Customer, contract, pipeline, and backlog evidence supporting projections.	☐	☐	
9	Collateral schedule and estimated values, where applicable.	☐	☐	
10	Risk factors and management mitigation plan.	☐	☐	
11	Document index showing all requested items, file names, dates, and missing/follow-up items.	☐	☐	

Due Diligence Review Summary

Section	Complete	N/A	Open Items	Priority	Owner
1. Corporate & Governance	☐	☐			
2. Ownership, Equity & Capitalization	☐	☐			
3. Financial Information & Accounting	☐	☐			
4. Tax & Government Filings	☐	☐			
5. Debt, Financing & Banking	☐	☐			
6. Material Contracts & Agreements	☐	☐			
7. Legal, Litigation & Regulatory	☐	☐			
8. Employees, Contractors & Benefits	☐	☐			
9. Intellectual Property, Domains & Brand Assets	☐	☐			
10. Technology, Cybersecurity, Data & AI	☐	☐			
11. Operations, Inventory & Supply Chain	☐	☐			
12. Sales, Customers & Market Information	☐	☐			
13. Insurance & Risk Management	☐	☐			
14. Real Estate & Environmental	☐	☐			
15. Financing / Investment Readiness Package	☐	☐			

IMPORTANT
This checklist is an organizational and business-review tool. Specific transactions may require additional legal, tax, accounting, regulatory, lender, investor, buyer, or industry-specific diligence. Company counsel, tax advisors, accountants, insurance professionals, and other qualified advisors should determine the final scope and sufficiency of due diligence for any specific transaction.

Data Room Organization Standards

Folder Structure	Number folders to match this checklist (01 Corporate, 02 Equity, 03 Financial, etc.) so reviewers can move through the data room in the same sequence.
File Naming	Use clear names with date/version: YYYY-MM-DD_DocumentName_Company_v01. Avoid names such as 'scan1', 'final-final', or unexplained abbreviations.
Version Control	Keep one current version in the active folder. Move superseded drafts to an Archive subfolder rather than deleting them.
Permissions	Limit access by role. Use view-only permissions for sensitive files when appropriate and remove former employees/advisors promptly.
Sensitive Data	Redact Social Security numbers, personal bank/account information, passwords, unnecessary medical information, and other data not required for the review.
Open-Item Log	Maintain one master list of missing documents, questions, responsible owner, due date, and status. Update it after every lender/investor/buyer review.

Common Follow-Up Flags

- Financial statements do not reconcile to tax returns, bank activity, or the general ledger.
- Large customer, supplier, owner, or employee concentration is not documented or mitigated.
- Material contracts are expired, unsigned, assignable only with consent, or contain change-of-control restrictions.
- Ownership records, capitalization tables, equity agreements, and tax filings do not agree.
- Unresolved liens, tax obligations, litigation, regulatory issues, or insurance gaps exist.
- Forecast growth materially exceeds historical performance without contracts, pipeline evidence, capacity, or documented assumptions.
- Critical intellectual property, domains, software, data, passwords, or social accounts are controlled by individuals rather than the company.
- Cybersecurity, backup, disaster recovery, privacy, or AI-use controls are undocumented for systems containing sensitive or mission-critical information.