



Business Transfer Checklist

There are numerous **important issues a vendor needs to consider and deal with in the transfer process** leading up to a business sale settlement. These issues include staff entitlements and employment contracts, managing key customer and supplier relationships and communication, transfer of registrations and insurances on P&E, work in progress, final stocktake and premises lease transfer.

The **JPAbusiness Business Transfer Checklist** is designed to help vendors ensure they have gathered all the information needed for a smooth transfer process. It **can also be used by purchasers as a checklist of issues that need to be settled** before handover.

Keep in mind that not all of the issues and actions listed will apply in all business handover situations, as the specifics of your transfer will depend on your business and the sale contract terms and conditions.

Business sale transfer issues	Actions
Employees	
Documentation	<p>Sale type – Company shares:</p> <ul style="list-style-type: none"> Collate existing employment agreements <input type="checkbox"/> Check if any employees do not have formal employment instruments i.e. contract or letter <input type="checkbox"/> If so, provide affected employees with contract or letter and ensure it is processed prior to completion <input type="checkbox"/> <p>Sale type – Going concern assets:</p> <ul style="list-style-type: none"> Ensure purchaser has opportunity to provide employees with new letters or contracts of employment <input type="checkbox"/>
Communication	<p>Determine a schedule for communicating sale plans and processes to employees <input type="checkbox"/></p> <p>Set up meetings between key employees and purchaser <input type="checkbox"/></p>



Business sale transfer issues		Actions
Financial		
Employee entitlements	Seek advice from your solicitor on what information they require regarding amounts of annual leave, sick leave, long service leave etc. accrued by each employee	<input type="checkbox"/>
	Provide information to your solicitor in a timely fashion so the contract can be written	<input type="checkbox"/>
	Provide updated staff entitlements information to solicitor at completion	<input type="checkbox"/>
Customer accounts	Work with purchaser – prior to completion – to agree on plan to communicate new account details to customers	<input type="checkbox"/>
Work in progress	Work with your solicitor and business sale transaction advisor to develop a work-in-progress schedule to be assessed upon completion	<input type="checkbox"/>
Insurance	Ensure you have adequate business, P&E and building insurance up to completion, and for an appropriate time afterwards	<input type="checkbox"/>
	Ensure purchaser has relevant insurances in place before cancelling your policies	<input type="checkbox"/>
Customers		
Relationships	Determine a schedule for communicating sale plans to key customers	<input type="checkbox"/>
	Work with purchaser to plan out a contact program of meetings and greetings with key customers ahead of completion date	<input type="checkbox"/>



Business sale transfer issues		Actions	
Suppliers			
Relationships	Determine whether purchaser wishes to be introduced to suppliers prior to completion		<input type="checkbox"/>
	Determine a schedule for communicating sale plans to key suppliers		<input type="checkbox"/>
	Work with purchaser to plan out a contact program of meetings and greetings with key suppliers		<input type="checkbox"/>
Supplier accounts	Work with purchaser to agree on date at which they will take responsibility for supplier accounts		<input type="checkbox"/>
	Advise suppliers of completion date and end of your account obligations		<input type="checkbox"/>
Stock			
Stocktake	Begin conducting pre-stocktakes once you make the decision to sell your business		<input type="checkbox"/>
	Work with purchaser to agree on time of stocktake and how it will be conducted		<input type="checkbox"/>
	Seek your business sale transaction advisor’s assistance in conducting the stocktake		<input type="checkbox"/>



Business sale transfer issues		Actions
Legal		
Loans and leases on plant and equipment (P&E)	Collate all existing P&E loan and lease documentation	<input type="checkbox"/>
	Pay out any outstanding loan and lease obligations prior to completion	<input type="checkbox"/>
Personal Property Securities Register (PPSR)	Check whether there are any PPSR registers on your P&E (your solicitor can assist here)	<input type="checkbox"/>
	If any registers exist, ensure they are removed prior to completion	<input type="checkbox"/>
Registrations and roadworthiness certificates	Transfer registrations and insurances on P&E to purchaser prior to completion	<input type="checkbox"/>
	Check that all P&E has necessary roadworthiness certificates, industry certificates, etc	<input type="checkbox"/>
	If any certificates are missing, ensure they are obtained well prior to completion	<input type="checkbox"/>
Premises lease	Provide premises lease documents to purchaser	<input type="checkbox"/>
	Work with purchaser and relevant solicitors/advisors to ensure lease is ready for transfer at time of completion	<input type="checkbox"/>



Business sale	Actions
transfer issues	
Other	
Logos and marketing material	Provide purchaser with access to electronic and hard copy versions of logos and other marketing material at completion <input type="checkbox"/>
Logins and systems access	Provide purchaser with access to computer and security systems at completion <input type="checkbox"/>
Software licences	Ensure licences for all software used in business operations are transferred to purchaser at completion <input type="checkbox"/>
Prepaid advertising	Provide documentation to your solicitor and purchaser showing contracted advertising period and amount prepaid <input type="checkbox"/>
	Agree a timeframe with purchaser/advisor for any outstanding liability to be transferred to purchaser <input type="checkbox"/>
Other prepaid expenses	Provide documentation to your solicitor and purchaser showing details of prepaid expenses <input type="checkbox"/>
	Agree a timeframe with purchaser/advisor for any outstanding liability to be transferred to purchaser <input type="checkbox"/>

If you would like to learn more about the **business transaction advisory services** offered by **JPAbusiness**, please contact the team on **02 9893 1803** or **02 6360 0360** or visit jpabusiness.com.au

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