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## **Basic Business Start-Up Guide**

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Every business buyer has a large number of tasks to accomplish before closing on his or her acquisition. This guide should serve as a good starting point for identifying many of the things you will need to accomplish prior to closing. Remember that this is not an exhaustive list, and every situation will be different depending on the size of the business and the industry and other factors. You will also be assisted with many of these tasks by your ProForma West intermediary, your legal or tax advisor, and the closing escrow attorney.

### **Letter of Intent (LOI)**

Your letter of Intent to acquire the business will have specific requirements and timeframes for you to engage in certain activities.

### **Purchase Agreement**

Like the LOI, the Purchase Agreement lays out specific tasks in specific timeframes. Be sure you are aware of each task that is your responsibility and the timeframe in which they must be accomplished. Meet all deadlines, including all requirements for providing notices.

### **General Business Start Up**

Once the Purchase Agreement is finalized, the final countdown to Closing begins. The list below will help you understand the myriad of tasks, big and small, that need to be completed prior to taking over.

<b>Business Set Up Activities</b>	<b>Date to Start</b>	<b>Date to Complete</b>
• Apply for business license(s)	_____	_____
• Apply for IRS Employer Identification Number	_____	_____
• Arrange real estate insurance	_____	_____
• Establish commercial bank account	_____	_____
• Establish merchant credit card account	_____	_____
• Get liability insurance	_____	_____
• Notify telephone company of transfer	_____	_____
• Notify utility company(ies) of transfer	_____	_____
• Notify vendors; complete credit applications	_____	_____
• Order letterhead, envelopes and business cards	_____	_____
• Prepare introduction strategy for clients, customers, suppliers, employees, etc.	_____	_____
• Receive new franchise license	_____	_____
• Set up bookkeeping service	_____	_____
• Set up federal employment tax accounts	_____	_____
• Set up payroll service	_____	_____

