

# **Finance Checklist**

For Early and Growth Stage Companies



**BANNER PEAK GROUP**

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## **Document Purpose**

Use this document to identify company finance & administrative issues and prioritize potential projects. This checklist is most useful for early and growth stage technology companies, but can be used for businesses of any stage or industry.

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## Financial Planning & Analysis

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> 12 Month Financial Forecast	Current model? Forecast period? Update frequency? Revenue, expense, cash forecast?		
<input type="checkbox"/> 3-5 Year Financial Projections	Long-term financial model including operating profit / cash flow breakeven points?		
<input type="checkbox"/> Gross Margin Structure	Revenue, Cost of Revenue, and Gross profit analysis and trends? Gross margin analysis by product, service, customer type, geography? "Unit economics" of a typical transaction?		
<input type="checkbox"/> Customer Lifetime Value (CLV)	CLV model? How frequently update? Overall or for segments of customers? Historical or predictive?		
<input type="checkbox"/> Customer Acquisition Cost (CAC)	Customer acquisition / lead cost reporting and analysis? Responsibility for reporting/monitoring of payback?		
<input type="checkbox"/> Supply Acquisition Cost (SAC)	If "2 sided" market: supply acquisition / lead cost reporting and analysis? Responsibility for reporting/monitoring of payback?		

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Budgeting & Cost Forecast	Budgeting/ cost forecast process? Department budgets? Budget vs. actual reporting?		
<input type="checkbox"/> Management Reporting	Daily reporting (flash report)? Weekly executive team KPI dashboard? Monthly reporting / operational review?		
<input type="checkbox"/> Board of Directors Reporting	Standard presentation package? Frequency of meetings/reports? Specific investor reporting requirements		

## Accounting & Financial Operations

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Month-End Close	Month end close procedure documentation and roles?		
<input type="checkbox"/> Chart of Accounts	Level of fit for business reporting? Classes for departmental reporting?		
<input type="checkbox"/> Revenue Recognition	Significant policies?		
<input type="checkbox"/> Audit	Audit requirement (bank, investors) Most recent audit? Management letter?		
<input type="checkbox"/> Tax	409A valuation? Next due date?		

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Payroll	Provider? Renewal? 1099 contractor payments?		
<input type="checkbox"/> Transaction Processing	Credit card/ACH processor?		
<input type="checkbox"/> Accounts Receivable	Major customers? Aging? Subscription management		
<input type="checkbox"/> Accounts Payable	Major vendors? Aging?		
<input type="checkbox"/> Inventory	3PL/ warehousing locations? Inventory information systems?		
<input type="checkbox"/> Expense policies	Travel & entertainment guidelines? Purchase orders? Signature authority? Company credit cards?		
<input type="checkbox"/> Internal Controls	Expense authorization? Signing checks? Access to bank/accounting systems? Cash/deposits? Expense reports?		
<input type="checkbox"/> Other			

## Treasury & Risk Management

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Banking & Cash Management	Current bank? Investment accounts? Signature authority?		
<input type="checkbox"/> Fundraising	Capitalization table? Fundraising plans (equity, venture/bank debt, etc.)?		
<input type="checkbox"/> Investment Policy	Formal policy for investment of excess cash (priority for security, liquidity and yield)? Board approved?		
<input type="checkbox"/> Insurance	General liability policy? Directors & officers (D&O) policy? Professional liability (E&O) policy? Agent/broker contact?		
<input type="checkbox"/> Other	Other cash related issues? Share buybacks, escrows, etc.?		

## Human Resources

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Employee Benefits	Current providers? Renewal timing?		

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Compensation	Banding (salary, bonus, equity)? Variable compensation plans? Salary raise schedule? Profit sharing?		
<input type="checkbox"/> Stock Administration	Employee options and/or restricted stock? Responsibility for administration?		
<input type="checkbox"/> Employee Handbook	If exists, current version?		
<input type="checkbox"/> Recruiting/Staffing	New hire approval process? Internal/external recruiters? Onboarding process? Exit process?		
<input type="checkbox"/> Immigration	Any immigration issues? Immigration counsel/service providers?		
<input type="checkbox"/> Employee Database/HRIS	Process and record keeping/systems for employee information?		
<input type="checkbox"/> Performance Management & Career Development	Key processes? Systems and software?		
<input type="checkbox"/> Other			



## Sales & Marketing

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Pricing	Competitive pricing analysis? Price sensitivity? Recent changes? Who is responsible for pricing decisions?		
<input type="checkbox"/> Demand Generation / Sales Funnel	If direct sales: demand generation and sales funnel visibility?		
<input type="checkbox"/> Sales Commissions	If commissioned sales force: sales commission plan?		
<input type="checkbox"/> Contract Negotiation	If custom sales deals: approval process?		
<input type="checkbox"/> Other			

## Legal

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Outside Counsel	Corporate? Commercial? Intellectual property? Labor? Tax?		
<input type="checkbox"/> Intellectual Property	Patents? Trademarks? Major copyrights?		

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Material Agreements	Customer? Partner? OEM? Vendor? NDA?		
<input type="checkbox"/> Contract Repository & Database	Location of contracts? Database of contracts (summary of terms, etc)?		
<input type="checkbox"/> Other			

## Facilities

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Facilities Management	Number/location of offices? Leased/subleased? Day-to-day management responsibility?		
<input type="checkbox"/> Facilities Planning	Lease renewal, expansion, new facilities?		
<input type="checkbox"/> Other			

## Information Technology

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> New Employee Setup	Standard issuance for computer, monitor, desk set up? \$ allowance?		

Area	Issues	Priority	Potential Projects
<input type="checkbox"/> Business Applications	Which major business applications? Who has responsibility?		
<input type="checkbox"/> Fixed Asset Management	Fixed asset database? Responsibility for tracking?		
<input type="checkbox"/> Data Center & Cloud Services	Data center and cloud service providers?		
<input type="checkbox"/> Other			

## Other Business & Financial Issues

Area	Issues	Priority	Potential Projects
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

## Business Systems

Area	Primary Systems & Sources	Comments
Accounting: General Ledger	Quickbooks, Xero, NetSuite, Intaact, Other	
Accounting: Invoicing	Quickbooks, Xero, Freshbooks, Other	
Financial Reporting	Excel/Google Spreadsheets, Quickbooks, Xero, Adaptive Insights, Other	e.g., actual results vs. plan/forecast
Financial Forecasting & Projections	Excel/Google Spreadsheets, Adaptive Insights, Other	
Expense Budgets & Forecasts	Excel/Google Spreadsheets, Adaptive Insights, Other	
Business Intelligence / Dashboard Tools	Excel/Google Spreadsheets, Tableau, Google Charts, GoodData, RJ Metrics, Other	
Website / App Analytics	Google Analytics, MixPanel, Flurry, New Relic, Other	
Data Warehouse	MySQL, PostgreSQL, MS-SQL, Other Internal or AWS RDS?	
HR Info Systems	Excel/Google Spreadsheets, BambooHR, Zenefits, Other	
Expense Reports	Excel/Google Spreadsheets, Expensify, Xero, Concur, Other	
Fixed Assets	Excel/Google Spreadsheets, Other	
Contracts Database	Excel/Google Spreadsheets, Other	

Area	Primary Systems & Sources	Comments
Third-party reporting (e.g., affiliate networks)		

## Professional Service Providers

Area	Firm	Primary Contact
Accounting & Bookkeeping		
Corporate Counsel		
CPA - Tax		
Audit		
409(a) Valuation		
Corporate Insurance Broker		
Benefits Consultant/Broker		
PR Firm		
Marketing Agency		

## Other Service Providers

Area	Company
Payroll	
Medical	

Area	Company
Vision	
Dental	
General Liability Insurance	
Directors & Officers Insurance	
Errors & Omissions (Professional Liability) Insurance	
Other Insurance	

## Background Information Request

- Corporate
  - ☐ Entity type and state of incorporation (e.g., Delaware C-Corp)
  - ☐ Fundraising history (equity/debt/convertible notes, amount raised, pre/post-money valuation)
- Accounting (most recent close, last year, and year-to-date)
  - ☐ Income Statement
  - ☐ Balance Sheet
  - ☐ Cash Flow Statement
  - ☐ Accounts Receivable Aging report
  - ☐ Accounts Payable Aging report
  - ☐ General Ledger report
  - ☐ Bank reconciliation report
  - ☐ Most recent audit report and management letter (if any)
- Planning, Reporting, and Forecasting
  - ☐ Current/most recent operational & financial plans
  - ☐ Financial forecasting model
  - ☐ Executive team dashboards (monthly, weekly)
- Equity & Debt Information
  - ☐ Capitalization table
  - ☐ Most recent financing round round closing documents

*Finance Checklist*

- ☐ Loan documentation
- ☐ Most recent 409(a) valuation report

- Company Presentations

- ☐ General company overview
- ☐ Fundraising presentation (most recent round)

- Human Resources

- ☐ Compensation banding
- ☐ Employee handbook
- ☐ Sales incentives program

- Other

- ☐ Office lease(s)



## **About Banner Peak Group**

Banner Peak Group is a CFO consulting firm serving data-driven companies. With expertise in financial modeling, business intelligence, and data analytics, we help consumer technology clients make data-driven financial and operating decisions that drive profitable growth.

## **Contact**

Trey Pruitt, CEO

[trey@bannerpeakgroup.com](mailto:trey@bannerpeakgroup.com)

[www.linkedin.com/in/treypruitt](http://www.linkedin.com/in/treypruitt)

[Banner Peak Group](http://www.bannerpeakgroup.com/)

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