

# COMPANY HEALTH CHECKLIST

## 80 QUESTIONS TO AVOID COMMON LEGAL PITFALLS

1. Basics	Notes	Priority
Do you have a federal tax ID (EIN)? State tax ID?		
Do you have Articles of Incorporation/Organization?		
Do you have Bylaws, an Operating Agreement, or Member Control Agreement?		
Has the organizer or incorporator transferred the company to the owners?		
Do you have minutes for shareholder/member meetings and board meetings?		
If you have multiple owners, do you have a buy-sell agreement?		
Is the buy-sell agreement funded by life insurance?		
Did you schedule annual reminders to renew your company with the Secretary of State?		
Have you identified all licenses and registrations required for your business?		
If you do business in other states, have you filed foreign business registrations there?		

2. Taxes	Notes	Priority
Would an S corp election reduce your payroll taxes?		
Do you file a "sales and use tax" return to pay tax on online purchases?		
Are you required to collect sales tax?		
Have you considered reducing taxes with an IRA, 401(k), HSA and health insurance?		
Do you have a reliable system to capture all deductible business expenses?		
Do you do end-of-year tax planning?		
Do you qualify for an R&D Tax Credit for your research and development (e.g. software dev. & manufacturing)?		

3. Worker Relationships	Notes	Priority
Do you have an employee handbook with language required by state and federal law?		
Do you update your employee handbook and HR policies yearly to comply with new laws?		
Do you have written policies for dealing with workplace harassment and employee complaints?		
Do your hiring, promotion, and discipline and discharge procedures comply with labor laws?		
Do your employees and independent contractors sign agreements to govern your relationship with them?		
Do your employees and independent contractors sign confidentiality and non-solicitation agreements?		
Do your employees and independent contractors assign intellectual property rights to you?		
Do key employees and independent contractors sign noncompete agreements?		
Do you maintain personnel records for employees that contain required employee documents?		
Do your wage policies comply with minimum wage and overtime laws?		
Are your employees properly classified as exempt or nonexempt to avoid fines?		
Are your independent contractors properly treated as independent contractors to avoid fines?		
Do you have employees sign separation agreements when they are discharged?		
Do you have current state and federal employee rights posters displayed in the workplace?		
Have you registered for workers compensation and unemployment insurance?		
Do you interview job candidates by testing for your core values?		
If you hired beyond 14 employees or 49 employees, did you update your employment policies?		

4. Key Contractual Relationships	Notes	Priority
Do your vendor/supplier forms and contacts protect your legal rights in case of a dispute?		
Do your standard customer/client forms, templates, contracts, and invoices protect your legal rights?		
Do your contracts assign intellectual property to you?		
Do your contracts protect confidentiality of your trade secrets?		
Do your contracts include a noncompete provision?		
Do your contracts grant you indemnification?		
Do your contracts allow you to recover attorneys' fees and collection costs if breached?		
Do your contracts include an arbitration provision? Is the forum location near you?		
Do you have a reliable collections process?		

5. Landlord Relationship	Notes	Priority
Does your lease protect your legal rights in disputes?		
Did you schedule reminders for your lease renewal or termination notice to the landlord?		

6. Intellectual Property	Notes	Priority
Do you have registered trademarks for your brands, logos, and slogans?		
Do you have any formulas or processes that should be patented?		
Have you created valuable software, text, images, audio, or video that needs copyright registration?		
Do you label information that you label as "trade secrets?"		
Do your software licenses indemnify you from claims by patent trolls?		

7. Professional Advisor Team	Notes	Priority
Do you have a relationship with a business attorney?		
Do you have a relationship with an insurance agent?		
Do you have a relationship with a financial advisor?		
Do you have a relationship with a banker?		
Do you have a relationship with a CPA?		
Do you have a relationship with a bookkeeper?		
Do you have a relationship with a tax preparer?		
Do you have a relationship with a payroll processor?		
Which advisors proactively help you (e.g. with checklists like this) versus merely do what you ask?		

8. Risk Management	Notes	Priority
Do you have a plan if the CEO is injured?		
Have you planned for the owner's death or disability: will; succession plan; insurance?		
Have you updated your beneficiaries on financial, insurance, and investment accounts?		
Do you have a plan for protecting data and critical materials in a natural disaster?		
Do you have insurance, such as CGL and EPL policies?		
Do you have appropriate workplace safety procedures?		
Do you comply with OSHA requirements, if applicable?		

9. Business Strategy	Notes	Priority
What is your company's purpose/mission?		
What are your company's target markets?		
How is your company different from your competitors in a meaningful way to your target market?		
Why would it be difficult for your competitors to copy you?		
What is your company's core message?		
Who are your company's core audiences (e.g. workers, clients, referral sources, or partners)?		
Does your company use a business operating system (e.g. Traction EOS, Lean, Scrum, Rockefeller Habits)?		
Are your key processes and steps in writing (e.g. operations manual) and followed by all?		
How often does your leadership team meet to review company goal progress?		
Do your KPIs include leading and lagging indicators?		
Do you have an annual schedule of important dates and deadlines?		
Have you diagrammed your core business areas and the leader responsible for each (e.g. accountability chart)?		
Have you identified the values and skills you need on your team by outlining a hiring plan?		
What concerns keep you awake at night?		
What are your exit options?		

**Review Frequency:** Annually / Quarterly / Monthly

**Notes:**