

 SELLING YOUR BUSINESS

Your Business *Briefing Book*

The master reference for selling your business.

BUSINESS NAME

PREPARED FOR

TARGET SALE WINDOW

LAST UPDATED

About This Book

Selling a business is a team sport, and your advisory team needs one place where the key details live. This book collects your goals and objectives, your business's financial picture, ownership, people, sale priorities, and tax and estate plan: everything you and your advisory team will need throughout the sale. Complete it over time, review it every year, and bring it to every team meeting.

Privacy note: do not record Social Security numbers, account numbers, or passwords in this book. Describe accounts by type and institution only.

What's Inside

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Phases refer to the Business Transition Roadmap that accompanies this book.

SECTION 1

Business Profile

Legal business name	
Doing business as	
Industry; primary products or services	
Year founded	
Location(s)	
Number of employees	
Fiscal year-end	
Most recent annual revenue	
Most recent annual net profit	
Entity type (sole proprietorship, corporation, S-corp, LLC)	

SECTION 2

Goals & Objectives

There are no right or wrong answers, only what is right for you. Be as specific as you can; your advisor will build the plan from these answers.

Financial goals

Are you exiting the workforce for good?	
How will you replace your income once you've exited the business?	
What type of lifestyle do you envision after the sale?	
How much does this lifestyle depend on the proceeds of the sale?	
Do you plan to make major purchases or incur significant expenses (travel, a home remodel)?	
How large does your retirement nest egg need to be to safely support your retirement lifestyle?	
How do you want the proceeds from the sale to support your plans?	
Have you addressed the sale of the business in your estate plan documents?	

Non-financial goals

What are you most looking forward to in the next chapter of your life?

What legacy do you want to secure?

If you had to sell today, what would be of greatest concern?

How do you want employees to experience the transition?

In a perfect world, what would your level of involvement with the business be after the sale?

What is most meaningful to you at this point in life?

SECTION 3

Personal Financial Snapshot

Different accounts carry different tax implications, so your advisor will map which to draw from, and when. Record type and institution only.

ACCOUNT / INCOME SOURCE	INSTITUTION	APPROX. VALUE OR AMOUNT	PLANNED START
Traditional IRA			
Roth IRA			
Annuity			
Social Security			
Pension			
Investment account(s)			
Business sale proceeds (expected)			
Other			

SECTION 4

Advisory Team Directory

Your financial advisor is the quarterback; you are the general manager. Not every role is needed in every situation.

ROLE	NAME / FIRM	PHONE / EMAIL	ENGAGED
Financial advisor (quarterback)			
CPA			
M&A advisor or business broker			
Valuation specialist			
M&A attorney			
Trust & estate attorney			
Other specialist			
Other specialist			

SECTION 5

Ownership & Entity

Each entity type carries different tax implications when a sale is pending.

Current entity type	
State of formation	
Entity change under consideration (e.g., S-corp to C-corp)	
Date of last restructuring	
Location of shareholder / operating agreements	

Ownership record

OWNER	RELATIONSHIP	% OWNED	HOW ACQUIRED	DATE

QSBS eligibility worksheet (IRS Section 1202)

For reference: a C-corp holding stock more than five years may exclude gain up to the greater of \$15 million or 10x adjusted basis, with a \$75 million gross asset limit; four years is a 75% exclusion and three years is 50%. Confirm every item with your CPA and attorney, as rules and thresholds can change.

	ITEM	NOTES / DATE
☐	Business is (or has been converted to) a C-corp	
☐	Stock acquisition date and holding-period start documented	
☐	Holding-period milestones calendared (3, 4, 5+ years)	
☐	Gross assets within the stated limit	
☐	Adjusted basis of the stock documented	
☐	S-corp owners: F-reorganization plan started (at least five years of lead time)	
☐	Trust stacking considered, with a legitimate estate planning purpose documented	

SECTION 6

Business Financial Health

This is the equivalent of a full physical for your business, best done 18 to 24 months before a possible sale.

Financial records inventory

RECORD	YEARS AVAILABLE	LOCATION	REVIEWED BY
Income statements			
Balance sheets			
Cash flow statements			
Business tax returns			
Ratio analysis vs. industry			
Adjustments / add-backs schedule			

Health review

Key financial ratios: are they in line with your industry and your competitors?	
Cash flow: how does it compare to industry averages and to your industry in your area?	
Are there undetected operational issues or customer trends that could undermine future profits?	
Are there organizational inefficiencies costing you profits?	
How are profits being used: stripped out, or reinvested for growth?	
Which product line is most popular? Which is most profitable?	
How are marketing results tracked and accounted for?	
Are the financials fairly stated, and will they hold up to a buyer's review? What needs adjusting?	

Your role and your finances

How dependent is the business on your knowledge and expertise?

Delegation and management-team upgrades planned

Personal expenses currently run through the company, and the plan to separate them

SECTION 7

Employees & Family

Key employees

If you want certain employees to have a specific place after the sale, start planning now.

NAME	ROLE	YEARS	RETENTION PLAN / AGREEMENT	NOTES

Family

Two goals: take care of family, and make sure the family emerges on speaking terms.

NAME	RELATIONSHIP	EQUITY?	ROLE IN BUSINESS	STAY OR EXIT	IN BUYOUT?

Who will be the decision-makers once the sale is completed? Will family retain control?	
Will any family members remain on the board? How will board dynamics change?	
What defined role, access, influence, and control will remaining family members have?	
What protections and incentives (job descriptions, employment agreements, retention or milestone bonuses) will be finalized before closing?	
How will you keep family members who are not in the business informed?	

Family communication log

DATE	WHO ATTENDED	TOPICS	OUTCOME / NEXT STEP

SECTION 8

Sale Priorities

The buyer with the highest offer does not always win. Define what matters to you, both financially and otherwise, so you have a framework for assessing offers.

PRIORITY	WHAT I WANT	IMPORTANCE (1–5)
Timing of payments (lump sum vs. multi-year; how much up front)		
Tax considerations of the payment structure		
Ongoing involvement (how much, how long, funds held back)		
Earn-outs (acceptable? targets? length)		
Care for valued employees		
Family involvement		
Other		

Offer evaluation framework

CRITERIA	WEIGHT	OFFER A	OFFER B	OFFER C
Total price				
Cash at closing				
Payment schedule / earn-out terms				
Asset sale or stock sale				
Your post-sale role				
Treatment of employees				
Treatment of family members				
Buyer financing and stability				
Overall impression				

SECTION 9

Tax & Estate Strategy Worksheet

Reference thresholds: \$15 million for a single individual and \$30 million for a married couple. Confirm current figures, and any state estate tax, with your advisor.

Estate exposure estimate

Estimated value of the business	
Other assets (real estate, investments, etc.)	
Total estate value	
Applicable threshold (\$15M single / \$30M married)	
Amount over threshold	
Estimated federal estate tax exposure	
State estate tax considerations	

Sale structure

Preference: stock sale or asset sale?	
Notes from CPA and attorney	

Strategy tracker

STRATEGY	KEY IDEA	APPLIES? LEAD / STATUS
QSBS (Sec. 1202)	C-corp stock held 5+ years; exclusion up to greater of \$15M or 10x basis; 75% at 4 years, 50% at 3	
S-corp to C-corp (F-reorg)	Requires at least five years of advance planning	
QSBS trust stacking	Multiple trusts can extend the exclusion (up to \$60M total); must have a legitimate estate planning purpose	
Gifting shares	Minority position discount (typically 10–15%); lower valuation uses less lifetime exemption	
ILIT	Life insurance in an irrevocable trust to pay estate tax at a fraction of its cost	
Installment sale (Sec. 453)	Spread gain over multiple years; useful if income will be lower later	
Charitable remainder trust	Transfer appreciated assets before the sale; income to you, remainder to charity	
Donor-advised fund	Simple charitable vehicle; the sponsor handles filings and compliance	
Family foundation	Own entity with Form 990 and 5% annual distribution; typically \$3M+ in my view	
Other		

SECTION 10

Document Checklist

Gather these ahead of time so nothing slows the process.

	DOCUMENT	LOCATION / CUSTODIAN	UPDATED
☐	Income statements, balance sheets, and cash flow statements (3–5 years)		
☐	Business tax returns		
☐	Adjusted financial statements and add-back schedule		
☐	Entity formation documents		
☐	Shareholder / operating agreements and ownership records		
☐	Stock certificates and stock register		
☐	Asset list: inventory, machinery, vehicles, warehousing equipment, computers		
☐	Trademarks and other intellectual property		
☐	Lease agreements		

	DOCUMENT	LOCATION / CUSTODIAN	UPDATED
☐	Customer and vendor contracts		
☐	Licenses and permits		
☐	NDA template		
☐	Employee agreements, job descriptions, and org chart		
☐	Retention and milestone bonus agreements		
☐	Will, trusts, and updated estate plan documents		
☐	ILIT documents and insurance policies (if applicable)		
☐	Valuation reports		
☐	Tax plan and sale-scenario models		

SECTION 11

Life After the Sale

The structure of running a business also gives structure to your life. Have fun with these; you have a blank whiteboard.

What gives your days structure today, and what will replace it?	
Money plan for the first six months: what is on hand, what is coming in and when, and from which sources?	
Which accounts will you draw from first, and why (with your advisor)?	
What will a day look like? A week? A month?	
Travel plans	
Social plans: who, when, where?	
New chapter ideas: another enterprise, a hobby, charitable commitments, a new skill	
"What if..." Sketch the new chapter	
Drawing outside the lines: an extended vacation, a boat, a car you've been eyeing	

SECTION 12

Annual Review Log

DATE	WHAT CHANGED	ROADMAP PHASE	NEXT ACTIONS

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