

Due Diligence Checklist

Checklist · 25 items · 7 sections

Whether you're buying a business, acquiring real estate, or making a major investment, thorough due diligence protects you from costly surprises. This checklist covers financial review, legal documents, operational assessment, and property/market factors.

Open the editable, AI-powered version online:

<https://genechecklist.com/checklist/due-diligence-checklist>

FINANCIAL REVIEW

- Review last 3 years of financial statements: income, balance sheet, cash flow
HIGH
- Verify revenue figures against bank statements and tax returns
HIGH
- Analyze profit margins and identify any unusual expense patterns
HIGH
- Review accounts receivable and accounts payable aging reports
HIGH
- Review all existing debt, loans, and liabilities
HIGH
- Request most recent business/property tax returns
HIGH

LEGAL REVIEW

- Review all contracts: customer, vendor, employee, and partnership agreements
HIGH
- Review corporate documents: articles of incorporation, bylaws, operating agreements
HIGH
- Check for pending or historical litigation, claims, or disputes
HIGH
- Verify intellectual property ownership: patents, trademarks, copyrights
HIGH
- Review all licenses and permits required to operate
HIGH
- Verify compliance with local, state, and federal regulations
HIGH

HIGH

PROPERTY & REAL ESTATE

- Review title report and survey for real estate transactions
HIGH
- Verify zoning compliance and permitted uses for the property
HIGH
- Review environmental reports: Phase I and Phase II if applicable
HIGH
- Review existing leases and tenant agreements (for investment properties)
HIGH
- Order independent property appraisal
HIGH

OPERATIONAL REVIEW

- Review customer list and revenue concentration: any key customer risk?
HIGH
- Review employee headcount, roles, compensation, and key person risks
HIGH
- Review supplier/vendor relationships and any sole-source dependencies
HIGH
- Review technology systems, software licenses, and IT infrastructure

MARKET & STRATEGY

- Assess competitive landscape and market position
HIGH
- Review marketing channels and customer acquisition costs

INSURANCE & RISK

- Verify insurance coverage: general liability, property, E&O, workers' comp
HIGH

DEAL TERMS

- Identify all representations and warranties being made by the seller
HIGH