ULLOA FINANCIAL

-Elevate your legacy-

BUSINESS FINANCIAL PROTECTION CHECKLIST

A practical resource for identifying financial risks, protecting business continuity, and coordinating the company with the owner's personal plan.

How to use this checklist

Use this resource to identify areas that are organized, items that need review, and questions to discuss with your financial, legal, tax, insurance, and business professionals. Not every item will apply to every business.

BUSINESS INFORMATION

Business name:

Owner(s):

Date completed:

Next review date:

KNOWLEDGE IS THE FIRST STEP. A PLAN IS THE NEXT.

1. BUSINESS FOUNDATION AND OWNERSHIP

Start with a clear picture of how the business is structured, who has authority, and which agreements govern ownership and decision-making.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Entity and ownership documents** Organize formation documents, amendments, ownership records, operating or partnership agreements, bylaws, and current registrations.	
☐	**Ownership percentages confirmed** Document each owner's interest, voting rights, profit participation, and any restrictions on transfers.	
☐	**Decision-making authority documented** Clarify who may sign contracts, borrow money, access accounts, approve expenses, and act during an emergency.	
☐	**Licenses, permits, and registrations current** Review state, local, industry, and professional requirements that apply to the business.	
☐	**Business and personal finances separated** Maintain distinct accounts, records, credit cards, and documentation for business activity.	
☐	**Personal guarantees identified** List loans, leases, credit lines, and other obligations personally guaranteed by an owner.	
☐	**Professional team documented** Maintain current contact information for the accountant, attorney, financial professional, insurance professional, lender, and payroll provider.	
☐	**Ownership records stored securely** Confirm that originals and secure electronic copies can be located by an authorized person.	

Why this matters

A protection plan begins with accurate legal and financial records. Unclear ownership, authority, or guarantees can create delays and conflict during a transition or emergency.

2. FINANCIAL RESILIENCE AND LIQUIDITY

The business should be able to withstand disruptions, meet obligations, and continue operating while leadership evaluates the next step.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Operating cash reserve reviewed** Estimate how many months of essential expenses the business could cover during a revenue interruption.	
☐	**Emergency funding sources identified** Document available cash, credit facilities, owner capital, and the conditions for accessing each source.	
☐	**Cash flow and working capital monitored** Track collections, inventory, payroll, taxes, debt service, and seasonal cash needs.	
☐	**Major customer or supplier concentration assessed** Identify how the loss of a key relationship could affect revenue, production, or delivery.	
☐	**Debt obligations summarized** List balances, rates, maturity dates, collateral, covenants, and personal guarantees.	
☐	**Tax obligations and reserves reviewed** Coordinate estimated taxes, payroll taxes, sales taxes, and filing responsibilities with a qualified tax professional.	
☐	**Business interruption assumptions reviewed** Estimate the cost of continuing payroll, rent, debt, technology, and essential operations after a disruption.	
☐	**Financial reports available and current** Maintain timely income statements, balance sheets, cash flow reports, and accounts receivable and payable information.	

LIQUIDITY NOTES

Essential monthly operating costs:

Current reserve target:

Largest financial vulnerability:

3. INSURANCE AND RISK TRANSFER

Insurance may help transfer selected risks, but coverage should be coordinated with the business structure, financial capacity, and continuity plan.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Property and equipment coverage reviewed** Confirm limits, deductibles, replacement assumptions, locations, equipment, inventory, and exclusions.	
☐	**General and professional liability reviewed** Evaluate liability exposures related to premises, products, services, errors, omissions, and contractual responsibilities.	
☐	**Business interruption coverage reviewed** Understand the covered causes of loss, waiting periods, benefit periods, limits, and documentation requirements.	
☐	**Cyber and data-related risks reviewed** Discuss data breach, cyber extortion, system interruption, notification, and recovery exposures with qualified professionals.	
☐	**Workers compensation and employment coverage reviewed** Confirm required coverage and consider employment-practices exposures where appropriate.	
☐	**Commercial auto and umbrella coverage reviewed** Coordinate vehicles, drivers, non-owned autos, excess liability, and underlying policy requirements.	
☐	**Key-person life or disability protection evaluated** Consider the financial effect if a critical owner or employee dies or becomes unable to work.	
☐	**Coverage ownership and beneficiaries verified** Confirm the policy owner, insured person, beneficiary, premium payer, and intended use of proceeds.	
☐	**Policy review dates and contacts recorded** Maintain declarations, contracts, renewal dates, carrier contacts, and claim instructions.	

Review the details

Policy terms, exclusions, definitions, limits, and waiting periods vary. Insurance decisions should be based on the business's actual risks and reviewed with appropriately licensed professionals.

4. KEY PEOPLE AND OPERATIONAL CONTINUITY

A continuity plan should explain how essential work will continue if an owner, leader, or key employee is unexpectedly unavailable.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Key people identified** List the owners, leaders, employees, contractors, and outside professionals whose absence would materially affect operations.	
☐	**Critical duties documented** Record recurring tasks, deadlines, approvals, passwords, vendor relationships, and decision points.	
☐	**Backup authority assigned** Name primary and alternate people who can manage banking, payroll, contracts, technology, and customer communication.	
☐	**Cross-training plan established** Reduce reliance on a single individual by documenting procedures and training appropriate backups.	
☐	**Emergency contact plan created** Maintain a current list for owners, employees, customers, vendors, lenders, insurers, and professional advisers.	
☐	**Technology and data access protected** Address backups, access controls, recovery procedures, and secure credential management.	
☐	**Vendor and supply alternatives considered** Identify alternate suppliers, locations, service providers, and delivery methods.	
☐	**Continuity plan tested and updated** Conduct periodic reviews or tabletop exercises and document lessons learned.	

CRITICAL CONTINUITY INFORMATION

Most essential role or person:

Primary backup:

First three actions during a disruption:

5. BUY-SELL AND OWNERSHIP TRANSITION PLANNING

A written ownership-transition plan can help reduce uncertainty when an owner dies, becomes disabled, retires, leaves voluntarily, or experiences another triggering event.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Buy-sell agreement reviewed by counsel** Confirm that the agreement reflects current owners, intended triggering events, transfer restrictions, and applicable law.	
☐	**Triggering events clearly defined** Consider death, disability, retirement, termination, divorce, bankruptcy, deadlock, and voluntary sale as appropriate.	
☐	**Valuation method reviewed** Confirm whether the agreement uses a formula, appraisal, negotiated value, or periodic certificate and whether it remains practical.	
☐	**Funding strategy evaluated** Assess available cash, installment obligations, borrowing capacity, and insurance funding where appropriate.	
☐	**Insurance coordinated with the agreement** Verify ownership, beneficiary designations, coverage amounts, premium responsibilities, and intended use of proceeds.	
☐	**Disability definition and timing reviewed** Clarify how disability is determined and when a purchase option or obligation begins.	
☐	**Tax and accounting implications discussed** Review entity structure, basis, proceeds, installment arrangements, and other consequences with qualified professionals.	
☐	**Agreement coordinated with estate and personal plans** Confirm that the owner's will, trust, beneficiaries, family expectations, and personal liquidity needs align with the business plan.	

Coordination is essential

A buy-sell agreement, valuation method, insurance arrangement, and estate plan should support the same intended outcome. Conflicting documents can create delays, disputes, or unintended tax and financial results.

6. SUCCESSION, RETIREMENT, AND LEGACY

Long-term protection includes a deliberate plan for leadership, ownership, the owner's retirement income, and the future of the business.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Owner goals and preferred timeline documented** Clarify whether the intended path is a family transfer, internal sale, third-party sale, merger, gradual transition, or closure.	
☐	**Potential successors identified and evaluated** Consider capability, commitment, financing, relationships, and development needs.	
☐	**Leadership development plan established** Create milestones for training, authority, client transition, and performance review.	
☐	**Business value and value drivers reviewed** Understand profitability, recurring revenue, customer concentration, systems, management depth, and transferability.	
☐	**Owner retirement needs coordinated** Estimate the owner's personal income, liquidity, tax, healthcare, and timing needs apart from the business.	
☐	**Sale-readiness records organized** Maintain clean financial statements, contracts, intellectual property records, employee information, and compliance documents.	
☐	**Family expectations addressed** Discuss fairness, control, inheritance, employment, and communication when family members are involved.	
☐	**Contingency succession plan documented** Establish an interim plan in case the intended transition cannot occur on schedule.	

SUCCESSION PLANNING NOTES

Preferred transition path:

Target timeframe:

Most important preparation step:

7. EMPLOYEE, CLIENT, AND STAKEHOLDER PROTECTION

The continuity of the business often depends on clear responsibilities to employees, clients, lenders, vendors, and other stakeholders.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Payroll and benefits continuity reviewed** Document payroll access, benefit contacts, contribution obligations, and procedures during an interruption.	
☐	**Employee benefit plans reviewed** Confirm plan documents, eligibility, beneficiaries, fiduciary responsibilities, and required notices with qualified professionals.	
☐	**Client service and communication plan prepared** Identify who will communicate, protect confidential information, and maintain essential service.	
☐	**Contracts and service obligations summarized** List deadlines, termination provisions, guarantees, insurance requirements, and assignment restrictions.	
☐	**Lender and investor requirements reviewed** Understand reporting, covenant, notice, collateral, and change-of-control provisions.	
☐	**Vendor and landlord contacts current** Document account numbers, renewal dates, critical terms, and backup arrangements.	
☐	**Record-retention and privacy practices reviewed** Coordinate legal, tax, employment, customer, and data-retention responsibilities.	
☐	**Reputation and communication responsibilities assigned** Designate authorized spokespeople and establish a process for accurate, timely communication.	

DOCUMENTS TO GATHER

Agreements and policies still needed:

Records requiring an update:

People who need copies or access:

8. REVIEW TRIGGERS AND ACTION PLAN

Review the protection plan regularly and whenever a meaningful change affects ownership, finances, operations, people, or risk.

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**New owner, partner, investor, or major financing** Review agreements, authority, valuation, insurance, guarantees, and reporting obligations.	
☐	**Change in revenue, debt, payroll, property, or operations** Revisit reserves, coverage limits, continuity assumptions, and financial capacity.	
☐	**Departure, death, disability, or role change of a key person** Activate or update continuity, insurance, buy-sell, and succession arrangements.	
☐	**New location, product, service, technology, or market** Assess contracts, licensing, liability, cyber, supply chain, and staffing risks.	
☐	**Marriage, divorce, birth, death, or estate-plan change for an owner** Coordinate ownership rights, beneficiaries, estate documents, and family expectations.	
☐	**Insurance renewal or significant claim** Review limits, exclusions, deductibles, valuations, and risk-control measures.	
☐	**Change in law, tax rules, or industry requirements** Consult qualified professionals regarding documents, filings, benefits, and operating practices.	
☐	**At least one year since the last formal review** Schedule a coordinated annual review even when no major event has occurred.	

MY PRIORITIZED ACTION PLAN

	ACTION ITEM	RESPONSIBLE PERSON	TARGET DATE
1			
2			
3			
4			
5			

Bring this completed checklist to the appropriate financial, legal, tax, insurance, and business professionals to identify gaps, assign responsibilities, and coordinate the next steps.

EDUCATIONAL DISCLOSURE AND FINAL REVIEW

A checklist is not a complete protection plan

Business risks, contracts, laws, insurance needs, tax consequences, and succession choices vary significantly. A coordinated review with qualified professionals is necessary before implementing or changing a strategy.

FINAL CONFIRMATION

	DOCUMENT OR ACTION	STATUS / NOTES
☐	**Business ownership and authority records are current.**	
☐	**Insurance policies and key-person risks have been reviewed.**	
☐	**Emergency authority and operational backups are documented.**	
☐	**Buy-sell and succession arrangements reflect current intentions.**	
☐	**The business plan is coordinated with each owner's personal financial and estate plan.**	
☐	**The next formal review date is recorded.**	

NOTES FOR MY NEXT PLANNING CONVERSATION

Important information

This checklist is for educational purposes only and is not individualized financial, investment, insurance, tax, legal, accounting, cybersecurity, or business advice. Laws, contracts, tax rules, risks, and insurance provisions vary. Consult appropriately qualified professionals before implementing or changing any strategy or document. Insurance product features vary, and guarantees depend on the claims-paying ability of the issuing insurer.