CHECKLIST: DISSOLVING OR SELLING A BUSINESS

This checklist is part of a larger Manual titled “Protecting Assets and Child Custody in the Face of Deportation,” released by Appleseed in 2017. For more info and to read the full Manual, please visit www.AppleseedNetwork.org/DeportationManual. This checklist is not legal advice. You can search for a lawyer at http://www.ailalawyer.org/.

☐ First, figure out what type of business you own (for help figuring it out, check out Chapter 21 of the Manual):
  - **Sole Proprietorship** – one owner responsible for the business.
  - **Partnership** – two or more owners are responsible for the business.
  - **Corporation** – the business exists separately from its owners.

☐ Decide if you want to close or sell your business. It may be faster to close your business than to sell it.

☐ Once you know what you want to do with your business, it is best to hire a lawyer as soon as you can to help you with the following steps.

**Closing a Business (Sole Proprietorship)**

☐ Check out what your state, city/town, and small business administration say about what you have to do when you close down.

☐ Here are some offices/agencies you may need to talk to:
  - Secretary of State
  - County and City Clerk’s office
  - Local and federal tax authorities
  - Licensing groups and trade associations
  - Creditors, insurers and suppliers
  - Customers

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☐ Before you close down the business you will need to:
  • Pay all bills and debts
  • Follow employment laws
  • Keep records for taxes

_Selling a Sole Proprietorship_

☐ First, get the advice of a lawyer and a business broker.

☐ You should consider how much your business is worth. Think about the licenses you have, any leases, property the business owns, equipment, etc.

☐ Once you find someone to buy the business, you must document the sale on IRS Form 8594 (Asset Acquisition Statement). There are probably state filing requirements as well.

☐ In the sale, make sure to transfer all mortgages or leases on the business property or on equipment used for the business.

_Selling a Partnership Business_

☐ You should speak to your co-owner(s) early to determine if they want to sell their part of the company as well.

☐ If your co-owner wants to continue to own the company, look to any agreement you have with your co-owner to see if they have a right of first refusal, other rights, or what the process should be for change of control the business.

Remember: The plan is to have a plan. You are taking the right steps to protect your family. Don't be afraid to ask for help so you get answers you can trust: try your lawyer or caseworker, or ask your child's school or doctor's office.