

Nonprofit Merger & Acquisition Due Diligence Considerations

Adapted from Firmex Template

Title or Activity	Phase 1	Phase 2	Phase 3	Phase 4
Summaries and General Information				
Corporate Overview	x			
Documents of Incorporation		x		
Mission, vision, values	x			
Recent Board Minutes		x		
Management Bios and Contacts				x
Board Members			x	
Executives		x		
Recent Marketing Materials	x			
Financial Information				
Financial projections		x		
Income statements, balance sheets, cash flows, and footnotes			x	
Financial budgets			x	
Management financial reports			x	
Lines of credit			x	
Grant cycles		x		
Fundraising Information				
Breakdown of funding streams by:				
Institutional funders		x		
Other grants		x		
Donors		x		
Government grants		x		
Other funding streams		x		
Accounts Payable				
Top vendors		x		
Top vendor invoices and source documentation				x
General Policies & Procedures				
General accounting policies (revenue recognition, etc.)			x	
Investment policy			x	
Credit Policies			x	
Financial Projections				
Quarterly financial projections		x		
Strategic plans	x			
Business and marketing plans		x		
Financial arrangements			x	
Contracts and Agreements				
Corporate Relationships			x	
Joint Ventures			x	
Distribution Agreements			x	
Governmental Contracts			x	
Purchase Agreements			x	

Sales Agreements			X	
Wholesalers			X	
Supplier and Subcontractor Agreements			X	
Commissions and Other Payment Agreements			X	
Programs				
Program descriptions		X		
Program Strategy and History		X		
Program partners		X		
Other Information			X	
Marketing information				
Strategy and implementation		X		
Events, including financial information		X		
Marketing opportunities/ marketing risks			X	
Pipeline analysis			X	
Management and Personnel				
Organization chart		X		
Historical and projected headcount by function and location		X		
Summary biographies of senior management, including employment history, age, service with the company, years in current position		X		
Succession plans			X	
Compensation arrangements			X	
Copies (or summaries) of key employment agreements			X	
Benefit plans			X	
Workers' compensation information			X	
Properties and Real Estate				
Valuation Documents for all Properties			X	
Sale Documents for all Properties			X	
Floor Plans			X	
Property Tax Information			X	
Insurance				
Current Policies			X	
History of Major Claims			X	
Legal				
Intellectual Property (e.g., trademarks)			X	
Licensing Agreements			X	
Summary of pending litigation			X	
Description of environmental and employee safety issues and liabilities				X
Summary of insurance coverage/ any material exposures				X
Summary of material contacts				X
Taxation				
Historical tax assessments, by year			X	
Governmental audits			X	
Tax financial statements			X	