



CHECKLIST FOR 504 DEBENTURE

BUSINESS NAME: _____ DATE: _____

Initial Items Needed (Please submit the following items. Indicate NA where not applicable to your project or business).

- ___ 1. WBD, Inc. 504 Application and Legal Fee Agreement.*
- ___ 2. Business Survey Form.*
- ___ 3. Business History & Market Summary (or equivalent Business Plan).*
- ___ 4. Owner(s) and Key Management Information.* Owners of at least 20% must also include a photo copy of their driver's license (for Customer ID purposes – see disclosure notice).
- ___ 5. Owner(s) and Key Management - Resumes.*
- ___ 6. Personal financial statements (SBA form 413) and personal federal income tax returns for the most recent year on all individuals with at least 20% ownership (2 years of tax returns if there is Schedule C or E income). Personal financial statement must also be signed and dated by spouse.*
- ___ 7. Financial statements (balance sheets and income statements) and federal tax returns for the business, for the previous 3 years.
- ___ 8. IRS Form 4506-T must be completed for the business (operating entity), and signed by the business owner (if the business is changing hands, the seller must sign this form).*
- ___ 9. Current balance sheet and year to date income statement for the business with a comparable income statement from the prior year (less than 60 days old).
- ___ 10. Aging of accounts receivable and accounts payable, including explanation of any accounts over 90 days. This should be consistent with the balance sheet requested in #9.
- ___ 11. Two years of income and expense projections, with detailed assumptions. **Additionally**, new businesses must include a monthly cash flow projection for the first 12 months of operation.
- ___ 12. Schedule of Indebtedness. This should be consistent with the balance sheet requested in #9.*
- ___ 13. Affiliates – Federal tax returns for the previous 2 years. If an applicant with at least 20% ownership has at least 20% ownership in another entity, that entity is an affiliate. Please complete the attached Affiliate Business Information sheet, and include a completed debt schedule for each affiliate.
- ___ 14. Copy of Offer to Purchase if real estate is changing hands (Offer should allocate the purchase price).
- ___ 15. Detailed listing of machinery and equipment, with costs supported by vendor bids or estimates.
- ___ 16. Signed Construction Contract, or bid from the contractor, to substantiate construction costs.
- ___ 17. Franchise documents, or dealer, supply or license agreements for the applicant business and any affiliate businesses. An **executed** copy of the entire agreement is required even if it is on the SBA franchise registry. (if applicable, please call to discuss).
- ___ 18. Jobs Information Sheet – please complete the attached form.
- ___ 19. COVID Questionnaire.

Items Needed Later:

- ___ 1. Life Insurance Information.
- ___ 2. Articles of Incorporation/Organization (operating and real estate entities, if applicable).
- ___ 3. Environmental TSA or Phase I/II/III (required prior to 504 closing for projects involving real estate).
- ___ 4. Certified appraisal if project involves real estate (or significant amount of used equipment).

*Form or sample form enclosed.