



PURCHASER'S CHECK LIST

1. ASSEMBLE YOUR TEAM TO ASSIST IN THE PURCHASE

- Interview and select accountant
 - Determine level of services needed
 - Have Contract of Purchase and Sale reviewed
 - Discuss tax allocations of purchase price
- Interview and select attorney
 - Determine level of services needed
 - Have sale documents reviewed
 - Have loan documents reviewed
 - Establish business form/documentation
- Choose form of practice operation
 - Sole Proprietorship
 - Professional Limited Liability Company (PLLC)
 - "C" Corporation
 - Professional Association (PA)
 - Determine if you want to elect a Subchapter S status.
- Apply for Tax ID # (Employer Identification Number)
 - Internet Application <http://www.irs.gov>

2. SECURING THE PRACTICE ACQUISITION LOAN

- Gather the necessary documentation required by a bank
 - Purchaser information:
 - Prepare cover letter describing opportunity
 - Include summary of loan request
 - Purchase Price & Working Capital
 - Additional equipment/technology needs
 - Personal Financial Statement & Living Expense budget
 - Tax returns of Purchaser (3 years)
 - Last paystub for current year
 - Seller information
 - Tax returns of Seller (3 years)
 - Current year profit and loss statement
 - Practice appraisal
 - Letter of Intent

- Obtain insurance coverage for loan securement
 - Life insurance in the amount of the loan
 - Use existing policy or obtain new policy
 - Will require Collateral Assignment form to bank
 - Personal Disability policy- monthly benefit to equal loan payment
 - Verify ability to substitute Business Overhead policy
 - Obtain Contents Insurance for purchased assets
 - Obtain Workmen's compensation policy (Optional)

- Make application with 3rd party payors
 - Change address of former employer if already credentialed
 - PPO providers (Delta, Met-life, etc.)
 - Capitation & Medicaid providers
 - (approval may take 45-60 days)

2. RESOLVE PRACTICE PURCHASE CONTINGENCIES

- Meet with Landlord to secure new lease or lease assignment
 - Have personal financial statement available

- Meet with Seller's staff to introduce yourself
 - Conduct both team and individual meetings
 - Emphasize your intention for "business as usual"
 - Emphasize your intent to retain all employees at current pay
 - Obtain ideas from staff for practice growth
 - Secure verbal commitments from team members to stay

3. PREPARE FOR ASSUMPTION

- Interview and select bank for business accounts
 - Set up accounts
 - Order checks, deposit slips and bank deposit stamp
 - Assess check capture option and related fees

- Set up merchant services (credit card) account

- Determine need for outside payroll company

- Set up internal bookkeeping software (Quickbooks or similar)

- Obtain DEA number or change address
 - Order prescription pads

- Establish electronic tax filing account (EFTPS)

- Design and create website and marketing materials
 - Interview and select professionals for:
 - Website design
 - Marketing materials and social media presence
 - Creation of brand, logo and practice trade name
 - Printing
 - Business card, letterhead & envelopes
 - Brochures
 - Announcements to colleagues, friends, family
- Notify malpractice carrier of change of address

4. SELLER AND PURCHASER CONFERENCE(S)

- Discuss employee's salaries, benefits, bonus
- Discuss sick day and vacation policies
- Provide/obtain employees' salary histories and work records
- Review Fee Schedule
- Discuss Seller's policies for Warranty work
- Discuss Seller's policies for pro bono or discounted work
- Obtain/revise/write Office Policy manual
- Review new patient procedures
- Review case presentation procedures
- Review minimum of 10 patient charts for diagnosis consistency
- Discuss current suppliers and labs
- Discuss specialists used
- Discuss office staff meeting policies/ frequencies
- Review Seller's list of patient charts to be kept (family, friends)
- Review Seller's ongoing treatments of special need patients

5. PRIOR TO CLOSING

- Prepare Letter of Introduction/Transfer to practice patients
 - Seller normally composes
 - Purchaser revises and approves
 - Send out immediately after Closing
- Prepare letter to referral sources
- Prepare letter to other professionals- specialists
- Send announcements to your friends/family and potential referral sources
- Prepare personal biography to leave in reception area
- Apply for transfer of software license(s)
 - Dental software
 - Imaging software
 - Business software
 - Patient Education
 - Other Technology
- Contact sign company for name addition/change
- Contact property manager for name addition/change
- Obtain copies of Seller's x-ray inspection reports and installation reports.
- Contact the city in which the practice is located to obtain a Certificate of Occupancy permit.

6. CONCURRENT & IMMEDIATELY AFTER CLOSING

- Notify professional societies of address change
 - Local, state and national level
 - Other professional societies
- Transfer maintenance agreements, if assumed
 - Computer hardware and software
 - Postage meter
 - Copy machine

- Notify service providers for new accounts
 - Oxygen and nitrous tanks
 - Security System
 - Waste disposal
 - Dental supply companies
 - Office supplies
 - Laboratories
 - Direct vendors/suppliers
 - Display advertising vendors

- Transfer practice utilities
 - Gas Company
 - Electric Company
 - City services- water and waste
 - Telephone

- Complete a transfer of practice website and domain

- Notify county appraisal district of change of ownership for BPP taxes

- Meet with dental team to discuss:
 - phone greeting changes
 - scripting language to patients
 - Scheduling treatment appointments for Seller
 - handling of accounts receivables/credit balances

- Set up Texas Workforce Commission account
 - This must be done AFTER your first payroll is made
 - On-line at www.twc.state.tx.us/customers/bemp/bempsub3.html

- Convert dental software to new business
 - Establish new provider numbers in dental software