



COOK MARTIN POULSON, P.C.

*Certified Public Accountants*

# Critical Issues Checklist

YES

MAYBE

NO

Over the years, Cook Martin Poulson has identified several issues commonly overlooked by business owners. This checklist will help you identify and address these critical issues relating to your business. When working with our clients, we believe it's important to follow a team approach that utilizes all involved professionals and consultants of the business to ensure the company is addressing all the critical issues they face. Please complete the included checklist to prepare for an opportunity to sit down together and address any of the areas you feel you may want to improve.

1 Needs Help/Tools	2 Plan to Work on It	3 Haven't Addressed	4 Could Be Improved	5 Works Perfectly
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## Strategic Planning/Corporate Cultures

1	2	3	4	5	Does the company have a clearly defined mission statement?
1	2	3	4	5	Does the company have a clearly defined purpose?
1	2	3	4	5	Are we happy with the corporate culture or personality?
1	2	3	4	5	Does the company have a strategic plan for the next year?
1	2	3	4	5	Does the company have a strategic plan for the next 5 years?
1	2	3	4	5	Can all employees explain the business' purpose if asked?
1	2	3	4	5	Does the company focus its efforts on its sweet spot?

## Financial and Accounting

1	2	3	4	5	Do we receive accurate financial statements as often as we would like?
1	2	3	4	5	Do we receive key reports every week like: aged A/R & A/P, sales reports, cash balances, LOC balances, job or project statuses?
1	2	3	4	5	Do we use budgets for sales and expenses, cash flow and capital purchases?
1	2	3	4	5	Do we document our expenses for tax or financial compliance?
1	2	3	4	5	Do we use borrowed funds appropriately; term loans, LOC's and flooring?
1	2	3	4	5	Do we have qualified and trustworthy accounting personnel?
1	2	3	4	5	Do we have internal controls?
1	2	3	4	5	Would the company benefit by having an internal audit program?
1	2	3	4	5	Do we know the value of the business?
1	2	3	4	5	Do we reconcile our books monthly?

## Corporate Governance

1	2	3	4	5	Does the company have an organizational chart?
1	2	3	4	5	Do the officers/managers have clearly defined roles?
1	2	3	4	5	Does the company have regular management meetings?
1	2	3	4	5	Are minutes kept and assignments followed up with?
1	2	3	4	5	Is there an elected board of directors or managers?
1	2	3	4	5	Would a management retreat or planning session be useful?
1	2	3	4	5	Would we like outside board members or advisors to attend meetings?
1	2	3	4	5	Does the owner, president or manager report to anyone?
1	2	3	4	5	Do we hold the required annual meetings for the corporation?

## Corporate Documentation

1	2	3	4	5	Does the company have a computer-use policy?
1	2	3	4	5	Are trademarks registered?
1	2	3	4	5	Are patents protected and enforced?
1	2	3	4	5	Are notes between shareholders/members and the company documented?
1	2	3	4	5	Are rental agreements documented between entities executed?
1	2	3	4	5	Do we contract properly with consultants or laborers?
1	2	3	4	5	Does the company disclose all required government disclosures?
1	2	3	4	5	Do we follow the IRS document retention requirements?

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## Tax and Government Compliance

1	2	3	4	5	
No	-	-	-	Yes	Does the company file all required tax and compliance forms timely?
No	-	-	-	Yes	Does the company do business in multiple states?
No	-	-	-	Yes	Do the company's employees perform services in multiple states?
No	-	-	-	Yes	Does the company have all required licensure in all jurisdictions?
No	-	-	-	Yes	Are we operating in the correct entity type? (LLC, S-Corp, etc.)
1	2	3	4	5	Are we certain we follow all government regulations in your industry?
1	2	3	4	5	Do we document requirements for regulations properly?
1	2	3	4	5	Does the company pay use tax on items purchased out of state?
1	2	3	4	5	Do we comply with retirement plan documents and annual reporting?
1	2	3	4	5	Do we comply with an IRS approved vehicle reimbursement plan?
1	2	3	4	5	Is the company in compliance with an IRS accountable plan for travel and business expense reimbursements?
1	2	3	4	5	Do we comply with I-9 and W-4 requirements with new employees?
1	2	3	4	5	Does the company use the E-verify system?

## Human Resources

1	2	3	4	5	
1	2	3	4	5	Does the company have solid hiring practices to recruit and interview the right candidates? Do you conduct background checks and drug tests?
1	2	3	4	5	Do new employees go through an orientation process and receive an orientation binder?
1	2	3	4	5	Are there employment contracts for all employees, officers and owners?
1	2	3	4	5	Are there non-compete, non-solicitation and non-disclosure agreements?
1	2	3	4	5	Does the company have employee manuals?
1	2	3	4	5	Is there a written job description for each position in the company?
1	2	3	4	5	Are the employees properly trained for their responsibilities?
1	2	3	4	5	Does your company have a recognition plan?
1	2	3	4	5	Does your company conduct employee surveys?
1	2	3	4	5	Does your company have a corrective action plan for performance improvement & conflict resolution?
1	2	3	4	5	Does the company provide and document quarterly or annual employee reviews?
1	2	3	4	5	Does the company have a wage and salary adjustment policy?
1	2	3	4	5	Does your company conduct Exit Interviews to assist in receiving feedback on how to improve the company, as well as, retain exiting/high-performing employees?

## Proper Business and Tax Structure for Ownership Changes

1	2	3	4	5	
No	-	-	-	Yes	Will the company be sold in the near future?
No	-	-	-	Yes	Will shareholders or owners retire in the near future?
1	2	3	4	5	Do we seek tax-planning opportunities with professionals?
1	2	3	4	5	Will new shareholders or owners buy into the company in the future?

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## Business Succession

1	2	3	4	5	
1	2	3	4	5	Does the company have executed buy/sell agreements?
1	2	3	4	5	Does the company insure key managers, employees and officers?
1	2	3	4	5	Does the company have a succession plan?
1	2	3	4	5	Does the company train and promote key employees?
1	2	3	4	5	Does the company offer minority ownership of stock option plans for key employees or managers?
1	2	3	4	5	Is the company training or coaching its key employees or managers?
1	2	3	4	5	Does the company have a strategy to increase the value of the company?

## Asset Protection

1	2	3	4	5	
1	2	3	4	5	Are assets secure from employee and outside theft?
1	2	3	4	5	Is the company's IT system protected against threats?
1	2	3	4	5	Are the checking accounts monitored for suspicious activities?
1	2	3	4	5	Is the company's IT system secure from physical theft?
1	2	3	4	5	Is the company's data secure from hacking or theft?
1	2	3	4	5	Are there internet-use policies defined to prevent possible data threats?
1	2	3	4	5	Are the employees trained to avoid spam or email phishing threats?
1	2	3	4	5	Is there virus software installed and updated on each computer?
1	2	3	4	5	Are computer users required to use passwords?
1	2	3	4	5	Is there an email purge policy implemented for old emails?
1	2	3	4	5	Are company checks and credits cards carefully monitored and secure?
1	2	3	4	5	Are the assets of the company insured properly?
1	2	3	4	5	Does the company bond accounting and financial personnel?
1	2	3	4	5	Do accounting personnel sign checks or initiate banking transfers?
1	2	3	4	5	Do we have a cell phone passcode policy?
1	2	3	4	5	Could you potentially lose your business if you are not protected correctly?
1	2	3	4	5	Have you had your insurance plan reviewed recently to ensure all your assets are currently protected?
1	2	3	4	5	Does the company have an emergency disaster plan?

Notes:

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