

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.