



BUYER CHECKLIST

NOTE: This checklist may not be an all-inclusive list of items required to complete your specific transaction. It is the responsibility of each prospective purchaser to complete a proper due diligence review of the practice he/she is seeking to acquire, and to discover those items specifically required to complete the transaction.

1. **Practice Management Consultant** - Evaluate the need for a transition/practice management consultant to help you through the initial analysis of the practice profile and to present an offer to the Seller. Also, this consultant should be able to help you with your due diligence and through the purchase and takeover process. After closing they can usually provide a basic management overview to get the practice transition off on the right foot. Some companies will work with you to provide only those services you believe you need. Sometimes these services are easily funded by the Lender who sees this as an additional safeguard for his investment.
2. **Make initial offer to Seller** - Usually, an offer can be made based on the information in the practice profile that we have prepared.
3. **Schedule Due Diligence Appointment** - Upon acceptance by Seller, work on scheduling a due diligence appointment that will be after hours with no staff or patients present. We usually allow 2 hours for this meeting.
4. **Due Diligence** – Here is a basic list of due diligence items.
 - A. Review accounts receivable if being purchased.
 - B. Review appointment book for changes in scheduling.
 - C. Schedule inspection of equipment.
 - D. Check on employee benefits - Those to be continued or new benefits.
 - E. Check on regulatory status - OSHA & ADA.
 - F. Review any equipment leases that you are assuming.
 - G. Plan on any equipment or supply changes and order.
 - H. Review all ongoing contracts to be assumed, i.e. marketing programs, postal meters, and credit card machines.
 - I. Review credit balances owed to patients. The Seller will either pay these off or pay you for them at closing.



5. **Attorney/CPA Selection** – It is usually necessary, and recommended, that you engage an attorney and a CPA to assist you at certain points in the transition process. Please let us know if you would like a referral to professionals that are familiar with dental practice sales and who we have worked with in the past.
6. **Entity Formation/EIN** – In consultation with your attorney, determine the type of entity you will be doing business under, and incorporate/organize the entity with the State as appropriate. Doing business as a sole proprietor is usually not recommended. You should also work with your CPA to apply for a Federal Tax I.D. Number (also called an EIN).
7. **National Provider Identifier (NPI) number** – Apply for an NPI number for both yourself, individually, and your corporation (if applicable), which will be needed for insurance credentialing.
8. **Apply for Loan** - Check with us for a list of the Lenders who are experienced in dental practice acquisition funding. If you think you have credit issues be prepared to discuss the reasons for late payments, non payment, etc. The Lender may be willing to mitigate a poor credit score if there are good reasons.
9. **Apply for Lender Required Insurance** - Apply for life & disability insurance for lender (this is required & will take some time!). Apply for malpractice & business owners insurance. Usually, the life and disability will be with one carrier, malpractice another and the business owners policy with yet a third agent. Check with us for referrals.
10. **Purchase Agreement** - Once you have completed your due diligence, and financing has been approved, you will be presented an Asset Purchase Agreement for the transaction. You should review this thoroughly with your Attorney and your CPA (for tax allocations). Advise them that you are seeking a win-win situation. The final version of the Agreement is usually signed by both parties a day or two before the actual closing/funding date, but may be executed for what is termed as a “soft” close well before the actual closing date, since all of the contingencies listed in the Agreement must be satisfied to make it binding.
11. **Insurance Credentialing (DO NOT have any documents mailed to the practice at this time!)** – Contact the insurance plans currently being accepted by the Seller, and any others that you wish to enroll with, and obtain the documents they need for you to complete. You will only complete the documents at this



time. The day of closing you will need to send the packets to each insurance company via Fedex overnight, or some other carrier. The practice purchase is still confidential at this point and having insurance companies, or any other vendors, send documents to the practice with your name on them may violate the non-disclosure agreement you have on file with us.

12. **Lease Assignment** - Once financing has been approved, and the Asset Purchase Agreement has been fully negotiated, the Seller will contact the Landlord to initiate the lease assignment process. Usually the Landlord will contact the Buyer directly to provide the required documents to be completed in order to assign the Lease. In rare instances, the Buyer may be able to negotiate a new lease. Also, the Landlord is usually not willing to renegotiate the initial terms of the lease that will be assigned. Be sure to obtain a Landlord's Waiver of Lien for lender.
13. **Bank Account** - Set up a bank account. You may want to set up your credit card system with the same bank, but you can shop around. They do not have to be the same entity. Sometimes your Lender will require that you setup your deposits and credit card processing with them in order to qualify for a better interest rate or loan terms.
14. **Transition Letter** - Work with the Seller to complete the letter to be sent to the patients at closing endorsing you as the Seller's successor. Write short Bio or C.V. to be included in the letter. Usually the Seller will send this to each active household on the Seller's business stationary within a few days after closing.
15. **Staff Meeting** – In most cases your first meeting with the staff will be on the day of closing or right after. If all the purchase agreement contingencies have been met, i.e. financing, final contract negotiated, lease assignment completed, etc. the Seller *may* be willing to let you meet the staff before closing. The Seller will pay for any unused vacation and sick leave but you should review their expectations of time off. You will want to continue good relations with the staff. You need their help!
16. **Pre-Closing Walkthrough (2 or 3 days before Closing)** – Schedule a walkthrough at the office to verify the level of supplies on hand and the condition of the equipment. Most buyers engage a dental equipment technician to do a basic equipment review at this time. Since the equipment is to be sold in working condition, any major disrepair needs to be identified prior to the closing date.



17. **Closing** – Usually we, ProABC, will meet both parties at the Seller’s office the evening of the day before the “Closing Date”, after patients and staff have left, to execute the Asset Purchase Agreement in duplicate so that each party has an Agreement with original signatures. We also make electronic copies for everyone and help to make sure that the Lender has everything they need to fund the transaction the following day.
18. **Applications, Licenses, Permits** – You will need to apply for the required licenses, after closing:
 - A. Dental Society
 - B. Narcotics license
 - C. X-Ray registration, the units will need to be transferred into your name. This form will be completed at closing.
 - D. Nitrous oxide permit
19. **Transfer Utilities** - Upon closing, transfer registration and billing of telephone and utility services into your name. These services include, but are not limited to sewer, water, electricity, gas, garbage, etc. This can take several weeks in most instances, but the purchase agreement calls for the proration of practice expenses based on the Closing Date.
20. **Notify State Board** - Usually the Seller will be responsible to notify the board that the Buyer is assuming the maintenance of the records.
21. **Marketing and Transition Plan** - It is usually good idea to do a patient newsletter for at least the first year post closing. This will help to introduce you to the patients and make them a part of your “family.” Marketing is very specific to the type of practice purchased.
22. **Printed Materials** – Obtain the following materials when convenient if needed:
 - a) Appointment Cards
 - b) Letterhead and Envelopes
 - c) Professional Business Cards
 - d) Referral Thank-You Cards
 - e) Rx Forms
 - f) Recall Postcards
 - g) Office Signs
 - h) Billing Envelopes



DENTAL PRACTICE PURCHASER CHECKLIST

- Telephone #, Yellow Pages/white pages
- Answering Service
- Announcements, Cards/letters
- Newspaper Announcements
- Letterhead, Envelopes, Business Cards
- Appointment Book
- Appointment Cards
- Medical Questionnaires
- New Patient Registration Forms
- Daily Schedules
- Hygiene Recall Systems
- Billing System
- Informed Consent Forms
- Treatment Records
- Patient Folders
- Rubber Stamps
- Patient Financial Agreements
- Payment Plan Agreements
- Locate Payment Plan Finance Co.
- X-Ray mailers
- Fee Estimate Form
- D.E.A. #
- State and Federal ID Numbers



- RX Forms
- Post Operative Care Forms
- Referral Thank You Letters
- Welcoming Letter
- Laboratory Work Forms
- Employee Applications
- Employee Questionnaires
- Employee Agreements
- Sharps Disposal Containers
- Infectious Waste Bags
- OSHA Rules and Notices
- Office Sign
- Order Dental and Office supplies
- Office Manual
- Set Up Bank Accounts
- Set Up Credit Card Accounts
- Review personal needs
- Set Goals
- Conference with Dental Management Consultant