**LEGAL CHECK-UP QUESTIONS, SELF-EVALUATION**

RECORD KEEPING

* Do you know how much money is coming into your business at any given time?
* What records do you have to show this?
* If the IRS or the Iowa Department of Revenue ask you to prove the business’s income, what will you show them?
* How do you keep track of how much money is coming in so that you can make business decisions?
* How do you know who still owes you money? When do you do follow up collections?
* Do you ever schedule time to organize these things?
* Do your employees know how to organize receipts?
* Where do you keep your bills?
* Do you set aside money to make sure you can pay bills on time?
* Do you make a note of it when you pay a bill? Where?
* How long are you keeping your records? Have you considered making a backup copy?
* Do you know the purpose for each business expense receipt you have? How do you keep track of that? Do you have a special place where you keep those receipts?
* Where do you keep records related to employee files? What about leases and contracts? How long do you keep these records? When you discard them, do you do so confidentially?

KEEPING UP WITH REQUIREMENTS

* If your business has assets (tools, vehicles, land), are the assets in the name of the business? Do you need to transfer any assets to the business?
* Do you have a separate bank account for the business?
* Are you careful not to mix personal expenses and business expenses?
* How much debt does the business have? Are you able to pay it off? What steps have you made to make sure you can pay it off if you have a bad month? Do you have a “rainy day” fund?
* Do you know if your business entity has ongoing filing requirements – do you have to file any documents with the State each year? Have you done so?
* Have you signed any contracts for the business? Did you sign those in your capacity as the business owner or yourself personally? Do you know if you have any personal liability for this contract?
* Are you required to have annual meetings of the Board? Have you done that? What documentation do you have of that?
* If you are in a partnership, do you and your partner agree on who makes major decisions? Has your partner bound you to something that you disagree with?
* What changes has your business experienced in the past year? Has anything changed that makes you think you need a different business entity? Any structural changes?

CONTRACTS

* Do you have a contract you use with your customers/clients? If so, when is the last time you reviewed it? Is it still accurate to how you are operating your business now? Are there any changes to your business that need to be reflected in your contract?
* Does your contract cover all the potential risks of your business?
* If one customer or client wants to change something in your “default” contract, are you making sure to write it down and initial it? If there are ongoing changes as the project progresses, do you get them in writing?
* Do you anticipate entering any new contracts this year? If so, have you reviewed it? Have you had a chance to ask questions? Have you shopped around to make sure you’re getting a good deal and that all your needs are addressed (e.g., signs, snow removal)? Do you think we could negotiate any part of it to be more favorable to you? Have you had an attorney look at it?
* Did you sign the contract in your name or in your name on behalf of the company? If not, good practice to do so going forward.
* Do you have any contracts you have not fulfilled your part of the bargain on? Why not? What is the status of this contract?
* Do you have any contract where the other side has not fulfilled their part of the bargain? What happened? Do you need to enforce this contract?

MANAGING RISK

* Have you thought about risks in your business?
  + Store front/location
  + Product/Service
  + Employee actions and injuries
  + Loan liability
* What procedures or systems have you put into place to mitigate these risks/diminish them?
* Is there research that supports your procedures/systems? Can you consult with others in the industry re: best practices?
* Have you put these policies or procedures into a policy or handbook?
* Have you trained employees on these systems? Are there consequences for employees who don’t follow the systems?
* Do you regularly review these systems and procedures with employees (retraining, ongoing training, etc.)?
* Have you trained workers how to stay safe on the job?
* Do you treat all employees the same? Do all of your managers treat all employees the same?
* Have you made it clear to employees what they are authorized to do in their jobs and what they are not authorized to do?
* Have you done a basic background check on employee? (e.g., criminal past, reckless driving, embezzlement)
* Are you operating in another state? Do you know what your legal obligations are in that state?
* Have you gotten references for your employees when hiring them?
* Is there a clear chain of command/reporting procedure when there’s a problem to prevent it from escalating?
* Is it appropriate in your industry to have clients sign releases or waivers? How long do you keep these releases?

INSURANCE

* Do you have a general business insurance policy?
* Do you have a Board of Directors? Have you considered Directors and Officers insurance?
* Is there a type of insurance that’s specific to your industry?
* Have you shopped around or compared policies?
* Have you read or reviewed your policy? Do you know what’s covered and what’s excluded?
* Do you have enough money in savings to pay your deductible if you need to use the policy?
* Does the insurance company require you to do any actions/follow any specific procedures in order to keep your coverage?
* Have you agreed to indemnify anyone via contract where you might need coverage?
* Are you obligated under any contracts where you will need insurance coverage?
* Does your insurance agent understand your business?

EMPLOYEES

* Do you have a job application form that you use? Have you had an attorney review it?
* How often are employees paid?
* Do you have copies of contracts with employees?
* Do you ever pay overtime hours? Are you required to?
* Do you pay employment taxes for these individuals?
* Do any employees have physical health or mental health issues for which they have requested accommodations? Have you provided those accommodations?
* Have you trained employees in your policies? Do you enforce these policies and procedures equally?
* Have you trained employees how to avoid getting hurt when they are working for you?
* Do you have clear procedures in place for employees to report discrimination, harassment, injuries, product safety issues, etc.?
* Do you regularly review these policies and procedures?
* Do you have a policy for sick leave, vacation leave, and other time off? Are you applying it equally to all employees?
* Do you plan to hire other employees for your business, either now or in the future? Is so, when, how many, and for what positions?

TAXES

* Have you done research to make sure you don’t need to collect and remit sales tax? Sales tax is not always intuitive – many service industries require this – for example, some cleaning businesses, lawn care, cell phone repair, etc.
* Are you aware of what your tax obligations are? Are you paying them quarterly as required?
* Are you withholding the appropriate amount of taxes from your employees’ pay?
* What is the business’s financial or accounting year (end date)?
* What type of accounting method does your business use for tax purposes?
* What tax method does the business use to depreciate its assets?
* Do you hire an accountant to manage business accounts?
* Do you have a tax advisor or tax preparer? If not, do you plan to work with one?
* Are you aware of ways the new tax laws impact your filing requirements?
* Is your business current on its tax filing? If not, for what years did the business not file? Why did the business not file those years?
* Are you keeping your business records in a safe place? Do you have backup copies? Are you retaining them for 10 years?
* What proof do you have of your business expenses? Have you researched them to make sure you are doing it correctly?
* Are you filing a schedule C?
* Do you know if you are required to file in other states (especially re: sales tax)?

INTELLECTUAL PROPERTY

* Have you confirmed that any images or logos you are using for your business are not protected by another business or company?
* Have you considered getting protections for your own logo, images or inventions?
* Have you made it clear to your employees or contractors who owns the work product they make?
* If you have a certain process or approach that is special to your business, do you keep it secret/limit discussion and dissemination about it?

LICENSING AND PERMITS

* Are you required to keep any licensure for your business? Are you current on licensure requirements (e.g. continuing education hours, registration with the State)?
* Are any of your employees required to be licensed? Are they current on these requirements?
* Are any of your employees doing activities that require a license without having a license?
* Is your business required to have permits from state or local government? Are these permits current?
* What, if any, ongoing compliance requirements must your business follow to keep these licenses or permits? Have you done internal audits to make sure your employees are aware of these requirements?