

How to Buy a Bar Due Diligence Checklist:

✓	THE LEASE
	<input type="checkbox"/> How many years are left? (Five is optimal.) <input type="checkbox"/> Can you transfer or sublease? <input type="checkbox"/> Are there planned increases in the rent?
✓	LIENS
	<p>A lien is a claim against a property or asset that can be used as collateral to repay a debt. Among other things, liens on the property, especially for unpaid taxes, can impact your ability to get your liquor license.</p> <input type="checkbox"/> Have you checked for any liens?
✓	FINANCIAL INFORMATION
	<p>Documents like balance sheets, income statements, and tax returns help you verify profit margins.</p> <input type="checkbox"/> Did you check these documents?
✓	INSURANCE POLICIES
	<p>These include general liability, workers' compensation, and employee health insurance. Look for outstanding claims, especially on worker's comp, that affect you when you take over, when premiums are due, what increases are expected, etc.</p> <input type="checkbox"/> Insurance policies checked and verified?
✓	PERMITS AND LICENSES
	<p>Make sure you have all the needed licenses, that they are current, and that they have no issues against them.</p> <input type="checkbox"/> All essential licenses have been acquired?
✓	TAX HISTORY
	<p>Be sure all taxes are paid before you purchase or include them in the price and pay them immediately.</p> <input type="checkbox"/> Tax history up to date?
✓	PATENTS AND TRADEMARKS

	<p>Intellectual property, whether brewing technology or a specialty drink recipe, can be patented. Be sure that if there are any that the shop has transferred them with the purchase, or you may be paying monthly fees to use them.</p> <p><input type="checkbox"/> (If any) Intellectual property has been transferred?</p>
✓	PERSONNEL INFORMATION
	<p>Documents showing employee salary, payroll, typical schedules, and employee bonus plans help you confirm labor costs.</p> <p><input type="checkbox"/> All personnel information collected?</p>
✓	INVENTORY AND VENDOR CONTRACTS
	<p>Inventory and vendor contracts help you know FF&E as well as expected monthly costs. You should also look at any exclusivity clauses, renewals, penalties for breaking contracts, and whether vendors have been paid on time. Finally, check contracts for software and payment processing.</p> <p><input type="checkbox"/> Contracts checked?</p>
✓	“GRANDFATHERED” CLAUSES
	<p>If health or building codes change while the bar was in business, they may have been grandfathered in, which means they were exempt from making those changes. However, when you take on the business as a new owner, you may need to update your building or procedures to meet code.</p> <p><input type="checkbox"/> Code checked?</p> <p><input type="checkbox"/> (If applicable) Updated building or procedures to meet code?</p>