**SEED FUNDING DUE DILIGENCE REQUEST LIST**

The items listed below are commonly requested by seed-stage venture funds, angel networks and more sophisticated angel investors. Organize and place this information into a Dropbox folder or similar so that, when requested, you can share it with the prospective investor. The sub-folder structure can match the outline below.

| **Items** | **Gordon’s Comments** |
| --- | --- |
| **A. Investor Pitch Deck** |  |
| **B. Current Funding Round** |  |
| 1. Copy of funding documents to be executed
 | Also include the term sheet, if there is one |
| 1. Bank account information for wire transfer of funds, including legal company name, company address, name of financial institution, account number, routing number, and account type (checking, savings)
 |  |
| **C. Corporate Matters** |  |
| 1. The Company’s Certificate and Articles of Incorporation, including any amendments
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| 1. The Company’s Bylaws, including any amendments.
 |  |
| 1. All documented Board actions and meeting minutes.
 | If you don’t have regular Board meetings, include any Unanimous Written Consents that authorized various company actions that require such |
| **D. Capitalization & Funding Activities** |  |
| 1. A current list of stockholders, option holders, warrant holders and other persons that own securities of the Company or that have any rights regarding the securities of the Company (*e.g.,* holders of convertible notes). Include columns for name and share quantity, with different columns for Common versus Preferred classes. Also reflect any unissued shares in a stock option pool.
 | Oftentimes it is acceptable to show specific line items for each founder, executive and holders of 2% or greater equity. With this, you can create categories such as “other employees”, “advisors” and the like. |
| 1. List of historical stock price fair market values for each class of stock, starting with the date of initial incorporation
 |  |
| 1. Information regarding prior rounds of funding, including total amount raised and key terms
 | A simple table with a row for each round of funding and columns for things like description (ie – Friends & Family), date (or date range), amount raised, funding instrument (ie – convertible note), key terms (ie – valuation cap & discount) |
| **E. Financials** |  |
| 1. Financial statements (P&L, balance sheet) covering at least the prior four quarters. Describe whether or not GAAP standards are currently being followed.
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| 1. Financial projections for the next 12 months at a minimum, including revenue, gross margin, expenses and net income.
 |  |
| 1. Monthly projection towards cash fume date
 | “Cash fume date” is the month you currently project running out of cash if no new funding is raised. Sometimes two cash fume projections are provided. One assumes no new customers while the other assumes the financial forecast is achieved. If you only provide one of these, make it clear which assumption is being used. |
| 1. List of any company credit cards with outstanding balances greater than $5,000. Also list any company debt that is not reflected on the balance sheet.
 |  |
| **F. Management, employees and consultants** |  |
| 1. List of current employees and independent contractors, including role, current compensation and any deferred compensation. Include any planned or promised compensation increases following the funding round close.
 |  |
| 1. Copy of any employment agreements with company founders and executives
 |  |
| 1. List of expected new hires post-funding. Include job title, month/year planned for hiring and expected compensation (salary, equity %)
 |  |
| 1. A copy of the Company’s standard offer letter.
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| 1. A list of key service providers, such as legal, accounting, marketing, engineering, etc. Include name, type of service(s) offered, website address and number of months they’ve served the company.
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| **G. Legal & Compliance Matters** |  |
| 1. List of any patent or trademark filings
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| 1. List and associated description of any open or prior-settled legal actions, lawsuits, cease-and-desist notices, employee harassment claims or similar workplace-related claims in which the company is named as a party.
 |  |
| 1. List and associated description of any side letters granting special rights to investors or service providers (ie – anti-dilution rights, investment rights, rights of first refusal, most favored nation rights, etc).
 |  |
| 1. Copy of the company’s privacy policy, terms of service agreement or similar governing documents that relate to customers’ use of the company’s products.
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| 1. List of regulatory and compliance standards the company currently adheres to (ie – GDPR, HIPAA, PCI, etc) and whether an independent audit has been completed.
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| 1. Copy of the company’s business insurance policies
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