

# Fundraising Checklist for Startups

Everything you need to build a rock solid investor pitch and raise capital



Tips & strategies by Jon Lensing  
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## Organization

- Certificates of incorporation and all amendments and restatements
- Current bylaws, any earlier versions if material changes
- List of all subsidiaries and affiliates and jurisdiction of each
- Meeting minutes; board meetings, committee meetings, shareholder meetings; all written consents in lieu of meetings; materials distributed at meetings
- List of any acquisitions or dispositions by Company
- List of current and previous officers

## Financial

- Income statement and balance sheet for last 3 years or since founding (*preferably reported on a monthly basis*)
- Financial projections for next 3-5 years
- Any audit letters, personal guarantees for Company and all liens and encumbrances

## Capitalization / Shareholders

- Current capitalization table of Company
- Transaction documents from previous fundraising round (*if applicable*)
- Agreements related to material rights associated with voting, preemptive, restrictions, rights of first refusal or any other rights or restrictions
- All warrants and options relating to Company securities
- Plans and grant/award documents for any equity-based compensation to employees, consultants, advisors, or directors
- Placement memoranda or any other documents relating to any security offerings of Company
- Copies (both sides) of any security certificates issued
- All loan and note agreements, including convertible debt or personal loans to Company
- Any internal or independent valuations used in pricing securities

## TIP #1

*"You must have a deep understanding of your business and show traction in the marketplace"*

## Taxes

- List of jurisdictions (countries and states) in which the Company remits taxes - sales, income, franchise, property, employee, use
- Federal, state and local tax returns for Company in all jurisdictions for all years since formation

## Human Resources

- All employment agreements, offer letters, consulting agreements, severance agreements, non-compete/non-solicit, change-in-control, IP assignment/transfer, NDA or other agreements entered or contemplated
- Any labor/employee disputes, complaints, proceedings, and resolutions
- List of all employees and officers, title, compensation, and last raise

## Eligible Employee Benefits

- Compensation plans (*e.g., sales commissions, bonuses, overtime, profit sharing, deferred comp, benefits, holidays, vacation, sick pay, severance*)
- Any IRS determinations for tax qualified plans

## Consents / Permits

- All consents required to complete this transaction
- Local, regional or other operating permits/licenses
- Any regulatory or compliance requirements; any potential or past issues

## Technology / Product

- Security/privacy obligations to customers/partners
- Product/technology reps and warranties
- Any licenses to/from third parties that apply to products/technology (include references to open source/commons licenses where applicable)

## Insurance / Legal

- All insurance contracts, including workers' comp, general/product liability; coverage dates and limits
- Any pending or resolved litigation against Company or Key Employees
- All contracts resulting in payments or receipts by or to the Company that exceed \$25,000 annually

## Intellectual Property

- Patents, trademarks, service marks, copyrights, trade secrets, and other intangible assets owned, applied for, or used by Company (but owned by employees, competitors, or third parties)
- Any opinions on usefulness, validity, infringement risk, Company or other relevant IP
- Licensed products used by Company in its offerings or internal use
- Products used by Company under open licenses; any commercial restrictions

## TIP #2

*"Identify investors that not only offer capital value but strategic value too"*

## Property, Plant & Equipment

- List of real property owned or leased by/from Company, and leases/sub-leases related thereto (if any)
- All equipment, property or rental lease agreements
- Any encumbrances on Company property.

## Other Contracts / Limitations / Risks

- Any other material contracts
- Any other hidden liabilities or risks
- Any geographic or business (term/domain of use) limitations

## Investor Checklist



What to look for in an investor to make sure they strategically align with your business

### Funding Round

*The type of investor you're looking for can depend on your round of funding. Some specialize in more early-stage startups whereas others focus on the growth stage.*

### Experience Level

*The investors level of experience in your industry is also something to look for. You'll likely want to choose investors that have experience investing in other organizations in your industry, especially as you get into your Series B and C rounds.*

### Brand Name vs. Boutique

*It's all about how hands-on or hands-off you'd like your investors to be. Brand name investing firms will likely be more hands off.*

### Portfolio Size

*Make note of their portfolio size. A venture group that invests in 50 companies vs 10 is going to be more hands off and vice versa.*

### Fund Size

*Similar to portfolio size, their fund size will give you an idea on how "invested" they'll be.*

### Who Do You Want On Your Board?

*Who do you want sitting on your board? The investor you choose will likely take up a spot on your board. Think about how they will strategically contribute and interact with your team.*

