

Part 1: OPERATIONAL LICENSES and REQUIREMENTS

This information is provided as a **general** guide for the processes in buying an existing business. The steps indicated are placed in a chronological order to indicate procedure that should be completed prior to closing and taking over ownership. Some of the steps are **required by law**. The list is **not all inclusive** and other steps may be necessary.

STAGE 1 (Parts 1, 2 and 3)

Finding and Valuing, Offering, Due Diligence

This is a series of actions that allow you ample time to review all information PRIOR TO BUYING. It is a right of the buyer to obtain information and seek disclosure of facts already presented by the seller. It is your right as a buyer to be informed. Take the necessary time to complete the process to your satisfaction.

STAGE 2

Financing

A separate series of actions is required to obtain the financing. Some of the required information for banks is included in the due diligence processes and will "overlap". Usually the financing steps will take place prior to accomplishment of full due diligence, but remember that obtaining necessary financing is usually a prerequisite before a seller is willing to disclose all operational information. If you cannot finance the business, the seller is not willing to share all the information with you.

STAGE 3 (Parts 1, 2 and 3)

Operational Licensing and Closing

The legal transferring of ownership, title and equity in the business. Includes all of the necessary steps prior to your first day of ownership so that you can operate legally in Idaho. The steps should take place during the financing and due diligence stages and do overlap in both areas. As an example, you must have your federal identification number prior to accepting any SBA loans; therefore, you will need to file for the number early in the process so that you can close on the indicated date of closing. Another example is insurance. It is necessary to obtain insurance information for financial proforma as well as liability protection during ownership.

*This information is provided by **Kip F. Moggridge** of Arthur Berry & Company for general use. For questions you may contact Kip at 208-336-8000. Please consult an attorney or accountant for legal or financial assistance.*

The required licenses and start-up permits may vary between city, county, state and federal agencies. **PLEASE do not assume that this list is all inclusive.** General information about new or changing requirements may be obtained by calling the office of Economic Development Division, Idaho Department of Commerce at 208-334-2470.

General Requirements (prioritized order):

- Letters of incorporation or partnership agreements (required before you apply for Business ID)
- Lease and rental agreements (required for loan packages and liquor licenses)
- Assumed Business Name filing (Idaho Secretary of State—334-2301)
- Federal Tax ID Number, Form SS-4 (1-801-625-7645)
- State Tax ID Number, Sales and General Idaho Business License (334-7660)
- Licensing at County and City levels (Use permits, construction, operating, signs access, etc.):
 - Ada County Recorder (364-2220)
 - City of Boise (384-3707)
 - Ada County Planning (zoning, use permits - 364-2277)
- Insurance to include Workmen's Compensation (private insurance company or State of Idaho)
- Liquor, beer and wine:
 - State (884-7060)
 - Ada County (364-2222)
 - City of Boise (384-3710)
- Vendor applications/vendor credit
- Utility company transfers or deposits:
 - Idaho Power Company (383-2323)
 - Intermountain Gas (377-6840)
 - City of Boise Water/Sewer (362-1300)
 - City of Boise Trash (345-1265)
 - Yellow Pages
- Mailing address change (U.S. Post Office, box number, etc.)
- Banking/VISA-MC-AE card deposits/checking accounts

Special and Other:

- Environmental Division of Public Works (sewer hookup fees) (384-2991)
- Fire department inspections (public buildings) (384-3955)
- Bureau of Occupational Licenses (334-3233)
- OSHA (334-1867)
- State Insurance Fund (334-2370)
- Environmental Protection Agency (waste removal, emissions) (373-0502)
- Department of Environmental Quality (ground/real estate) (373-0550)
- Fish and Game (licensing) (334-3700)
- Environmental Health (inspections required for all food/beverage) (327-7499)
- Lottery Commission (334-2600)
- Inspections/HVAC (343-9400)
- SBA Business Information Center (334-9077)
- Chamber of Commerce/Business Associations
- Media (newspaper, TV, radio)
- Building Department (occupancy permits) (384-3802)