Freight forwarding and customs brokerage sale readiness checklist

Buyers form a view of your business in the first two weeks of diligence, and that view comes from documents. Work through this well before you go to market.

Whoever runs your process, an M&A advisor, your CPA, or you, they will argue from documents. This is the document set. Deal structure, valuation and tax treatment are separate decisions and are not covered here.

How to use this checklist

- Mark every line **Have**, **Part** or **Miss**. Partial means the record exists but not yet in a form a buyer will accept.
- Write the owner and the location next to each line. A checklist without an owner does not get finished.
- The **Prep** column is a rough lead time: **w** about a week, **m** about a month, **q** about a quarter. Start the quarter items first.
- Export everything in its native format. Quality of earnings teams want Excel, not PDF printouts of Excel. Sending PDFs of financial schedules adds weeks to diligence.
- Date and version every file. When something changes, re-issue the set rather than patching one document inside the room.

1. Findings that slow a deal down

Every one of these is found in diligence rather than disclosed before it. Each one costs time, and time costs price.

- Books kept on a cash basis, when buyers work in accrual
- Add-backs with no source document behind them
- Revenue reported gross in one document and net in another
- Revenue concentration disclosed in week four instead of week one
- AR aging that deteriorates the moment it is examined
- Personal and business expenses commingled in the books
- Intercompany balances that do not net to zero
- Change of control clauses in customer contracts, found after the LOI is signed
- The same EBITDA figure appearing three different ways in three documents
- Customer relationships held by one person, with nothing written down
- Duty and tax pass-through sitting inside reported revenue
- Powers of attorney missing or expired for active importers
- Agent balances aged past a year with no reserve against them

2. Financial records

Item	Prep	Have	Part	Miss	Owner and where it lives
Profit and loss statements, monthly, trailing 36 months	1m	☐	☐	☐	
Trailing twelve months and current year to date, on the same basis	1w	☐	☐	☐	
Balance sheets, monthly, same period	1m	☐	☐	☐	
Cash flow statements, same period	1m	☐	☐	☐	
Trial balance and general ledger export per year, native format	1w	☐	☐	☐	
Bank statements for every account, with completed reconciliations	1q	☐	☐	☐	
Credit card statements and reconciliations	1m	☐	☐	☐	
Revenue reported gross and net, with the recognition policy stated in writing	1m	☐	☐	☐	
Evidence the gross versus net treatment was applied consistently across all three years	1m	☐	☐	☐	
Revenue by customer for each of the last three years	1w	☐	☐	☐	
Gross margin by customer, and by lane if your system carries it	1m	☐	☐	☐	
AR aging as of each month end, not only the current one	1m	☐	☐	☐	
Accounts payable aging on the same basis	1m	☐	☐	☐	
Fixed asset register with depreciation schedules	1w	☐	☐	☐	
Debt schedule: every loan, line of credit, equipment note, with terms	1w	☐	☐	☐	
Personal guarantees on any debt, lease or line, listed with the obligation each secures	1w	☐	☐	☐	
Related-party transactions, listed and explained	1w	☐	☐	☐	
Related-party leases with rent stated against market	1m	☐	☐	☐	
Intercompany balances and eliminations if you run multiple entities	1q	☐	☐	☐	
Payroll registers and payroll tax filings	1w	☐	☐	☐	
Sales, use and state or provincial tax filings, with nexus positions noted	1m	☐	☐	☐	

3. EBITDA normalization schedule

Item	Prep	Have	Part	Miss	Owner and where it lives
Written add-back schedule, line by line, for each of the last three years	1m	☐	☐	☐	

Item	Prep	Have	Part	Miss	Owner and where it lives
A source document behind every add-back	1q	☐	☐	☐	
Owner compensation stated separately, with the replacement assumption written out	1w	☐	☐	☐	
Personal expenses itemized rather than lumped together	1m	☐	☐	☐	
One-time items identified, with evidence they were one-time	1m	☐	☐	☐	
Discontinued customers or lanes shown separately	1w	☐	☐	☐	
A reconciliation from net income to adjusted EBITDA a stranger can follow	1m	☐	☐	☐	
A reconciliation from gross revenue to net revenue to adjusted EBITDA	1m	☐	☐	☐	
Pro forma effect of any pricing or cost change made mid-period, quantified	1m	☐	☐	☐	
Government relief funds, wage subsidies and credits identified and excluded	1w	☐	☐	☐	

4. Revenue quality and customer concentration

Item	Prep	Have	Part	Miss	Owner and where it lives
Duty and tax pass-through excluded from reported revenue, consistently across the period	1m	☐	☐	☐	
Disbursements shown separately from earned revenue	1m	☐	☐	☐	
Revenue share of your top 5 and top 10 customers, all three years	1w	☐	☐	☐	
Customer tenure and volume trend for each major account	1m	☐	☐	☐	
Contract versus spot mix, with the contracts on file	1m	☐	☐	☐	
Signed customer agreements, rate agreements, volume commitments	1m	☐	☐	☐	
Change of control and assignment clauses in customer agreements, listed separately	1m	☐	☐	☐	
Term, renewal and notice provisions summarized: evergreen, fixed, or terminable on notice	1m	☐	☐	☐	
Upcoming RFP and bid calendar for the next twelve months	1w	☐	☐	☐	
Bid award history: what you won, lost and held, with pricing	1m	☐	☐	☐	
Customer churn history: who left, when, and why	1m	☐	☐	☐	
Accessorial capture rate and its trend	1m	☐	☐	☐	

Item	Prep	Have	Part	Miss	Owner and where it lives
Credit memo and rebill history	1m	☐	☐	☐	
Disputed and written-off invoices, last three years	1m	☐	☐	☐	
Unbilled or work-in-process at each period end	1m	☐	☐	☐	
Backlog or committed volume as of the most recent month end	1w	☐	☐	☐	

5. Licensing, customs compliance and trade operations

Item	Prep	Have	Part	Miss	Owner and where it lives
LICENSING AND BONDS					
Customs broker licence per jurisdiction, and the qualifying individual on record	1w	☐	☐	☐	
OTI licence, NVOCC and ocean freight forwarder, with FMC bond	1w	☐	☐	☐	
IATA accreditation and CASS participation	1w	☐	☐	☐	
Surety bonds: customs, international carrier, and single transaction bond history	1m	☐	☐	☐	
Operating authority per entity and per jurisdiction	1w	☐	☐	☐	
CUSTOMS COMPLIANCE					
Entry accuracy: error and correction rate, three years	1m	☐	☐	☐	
Post-entry amendments, prior disclosures, and their outcomes	1m	☐	☐	☐	
Duty and tax handling: whose money it is, how it is held, how often reconciled	1m	☐	☐	☐	
CARM registration and posted financial security, per importer served	1m	☐	☐	☐	
Denied party and sanctions screening procedure, with evidence it runs	1m	☐	☐	☐	
Classification and valuation practices, and any binding rulings held	1m	☐	☐	☐	
AEO, C-TPAT or PIP status, with audit findings	1m	☐	☐	☐	
Customs audits, penalties and notices, with outcomes	1q	☐	☐	☐	
TRADE OPERATIONS					
Powers of attorney on file per importer, current and signed	1q	☐	☐	☐	
Importer of record arrangements, and where the liability actually sits	1m	☐	☐	☐	

Item	Prep	Have	Part	Miss	Owner and where it lives
Bond sufficiency reviews against the volumes handled	1m	☐	☐	☐	
Cargo insurance and errors and omissions policies, with limits	1w	☐	☐	☐	
AGENTS AND NETWORKS					
Overseas agent agreements, and network memberships with their obligations	1m	☐	☐	☐	
Agent balances outstanding, aged, with any reserve applied	1m	☐	☐	☐	
Co-loader and carrier contracts, rate agreements and space commitments	1m	☐	☐	☐	
VOLUME AND MIX					
File-level export: shipment, mode, revenue, direct cost, net revenue per file	1m	☐	☐	☐	
Volume by mode: air, ocean FCL, ocean LCL, ground, customs entries only	1m	☐	☐	☐	
Revenue by trade lane and by direction, three years	1m	☐	☐	☐	

6. Working capital and cash conversion

Item	Prep	Have	Part	Miss	Owner and where it lives
DSO by month for three years, with the calculation method stated	1m	☐	☐	☐	
Days payable outstanding on the same basis	1m	☐	☐	☐	
Factoring arrangements: receivables sold, advance rate, terms, fee history	1w	☐	☐	☐	
Borrowing base certificates and covenant compliance history	1w	☐	☐	☐	
Aged credits, unapplied cash and customer prepayments sitting on the AR ledger	1m	☐	☐	☐	
Seasonality analysis so the peg is not set on an unrepresentative month	1m	☐	☐	☐	
A written, consistently applied working capital definition	1w	☐	☐	☐	
Claims and bad debt reserve policy, with how it was applied in each year	1m	☐	☐	☐	

7. Operations, systems and people

Item	Prep	Have	Part	Miss	Owner and where it lives
SYSTEMS AND DATA					
Systems inventory: operating platform, accounting software, operational data stores	1w	☐	☐	☐	
Proof you can export your own data in full, without vendor help	1m	☐	☐	☐	
Software licence terms, and whether each transfers on a change of control	1m	☐	☐	☐	
Ownership of any custom code, integrations, dashboards and scripts	1m	☐	☐	☐	
Domain names, email domains, phone numbers and platform accounts, with registrant detail	1w	☐	☐	☐	
Documented procedures for billing, collections and onboarding	1q	☐	☐	☐	
Cyber incident, fraud and data loss history, and what changed after each	1w	☐	☐	☐	
PEOPLE					
Organization chart with roles and responsibilities	1w	☐	☐	☐	
Employment and contractor agreements, and any non-competes or non-solicits	1m	☐	☐	☐	
Worker classification: contractor versus employee, and any exposure that creates	1m	☐	☐	☐	
Compensation detail including commission structures	1w	☐	☐	☐	
Sales agent agreements, commission splits, and who owns the customer contractually	1m	☐	☐	☐	
Key person analysis: which relationships and knowledge sit with one person	1m	☐	☐	☐	
Customer relationship ownership: who the customer actually calls	1w	☐	☐	☐	
Retention or stay arrangements planned for key staff through close	1m	☐	☐	☐	

8. Corporate records

Item	Prep	Have	Part	Miss	Owner and where it lives
Formation documents and amendments, per entity	1w	☐	☐	☐	
Ownership and capitalization records, including past transfers	1m	☐	☐	☐	
Operating or shareholder agreements	1w	☐	☐	☐	
Board and member consents and minutes	1q	☐	☐	☐	

Item	Prep	Have	Part	Miss	Owner and where it lives
Material contracts: leases, equipment, software, financing	1m	☐	☐	☐	
Litigation history, open and closed, with counsel summaries	1m	☐	☐	☐	
Insurance policies in force, with limits, deductibles and named insureds	1w	☐	☐	☐	
Five years of loss runs from every carrier	1m	☐	☐	☐	
Regulatory correspondence, audits and findings	1m	☐	☐	☐	
Entity good standing and annual filings current, per jurisdiction	1w	☐	☐	☐	

9. Cross-border, Canada and United States

Skip this section if you move nothing across the border. If you do, buyers price cross-border capability separately, and they will want it evidenced separately.

Item	Prep	Have	Part	Miss	Owner and where it lives
Customs broker relationships and agreements	1w	☐	☐	☐	
PARS and PAPS process documentation, with shipment volumes by direction	1m	☐	☐	☐	
ACE and ACI eManifest compliance history, including rejects and penalties	1m	☐	☐	☐	
CARM registration status and posted financial security	1w	☐	☐	☐	
Duty, tax and disbursement handling, and who carries the exposure	1m	☐	☐	☐	
FX policy and currency exposure on CAD and USD receivables	1m	☐	☐	☐	
How the books translate currency, applied consistently across the period	1m	☐	☐	☐	
Cross-border revenue and margin stated separately from domestic	1m	☐	☐	☐	

10. Data room structure

01 Financial statements	02 Quality of earnings support
03 Revenue and customers	04 Licensing and customs compliance
05 Operations and systems	06 Corporate and legal
07 Tax, from your CPA	08 Insurance and claims

- Name files so the contents are obvious without opening them.
- Keep one index of what is in the room and what is not there yet. One person owns that index.

- Every file carries a date and a version. Re-issue the set rather than patching single documents.

Staging what you disclose, and when

- Phase one, before LOI: financial statements, operating metrics, and customer concentration with names masked as Customer A through E.
- Phase two, after LOI: customer names, signed contracts, employee detail, carrier and vendor terms.
- Decide the split before the room opens, not when the first request arrives.
- NDA executed before anything leaves your side, and an access log kept throughout.

Consistency check before the room opens

- [ ] Revenue for each year is identical in the P&L, the customer schedule and any marketing material.
- [ ] Adjusted EBITDA is identical everywhere it appears.
- [ ] Volume counts reconcile between the operating export and the revenue schedule.
- [ ] AR on the balance sheet ties to the aging total for the same date.
- [ ] Headcount matches across the org chart, the payroll register and the information memorandum.
- [ ] Inconsistency between documents does more damage to your credibility than a weak number does.

11. Readiness score

Count the lines marked Have, divide by the lines that apply to your business, and read across.

Under 60 percent	You are not ready to open a room. Expect diligence to find the gaps and reprice around them.
60 to 85 percent	Workable. Plan for a longer diligence period and be ready to defend the gaps before they are found.
Over 85 percent	You can open a room and hold your number.

Prefer the records kept this way year round?

ClearLane runs billing, AR, and bookkeeping as a dedicated team, and prepares owner, lender, and transaction reporting on your cadence. getclearlane.com/contact