

Checklist for Closing Your Business: 20 Things You Need to Do

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Closing your business often requires more steps than starting it.

1. Vote to close the business following the procedures set out in your organizational documents or your state's business statutes. (This doesn't apply to sole proprietors.) Record the decision.
2. Dissolve your business officially: Obtain a "tax clearance" if necessary and file the required forms, such as a "certificate of dissolution."
3. Cancel state or county permits and licenses, including your seller's permit, business license, and fictitious or assumed business name.
4. Cancel your lease and insurance policies. Give your landlord the required notice stated in your lease -- at least 30 days.
5. Collect outstanding accounts receivable (before you notify customers you're going out of business).
6. Notify your employees and plan to pay them their last paychecks within the amount of time required by state law, and if your state requires it, the value of accrued, unused vacation days as well.
7. Notify your customers and fulfill any contractual obligations, if possible. Return any deposits or payments for goods not delivered or services not rendered.
8. If you're sitting on saleable inventory, consider a "going out of business" sale.
9. Make your final federal and state payroll deposits.
10. Submit final sales tax forms and funds due up to the closeout date.
11. Notify your creditors: suppliers, lenders, service providers, and utilities
12. Comply with "bulk sales laws," if required. (If you plan on selling off the majority of your inventory and your business is retail, wholesale, or manufacturing, you may need to notify your creditors a specific number of days before you close your business, and in some states, to publish a notice of your impending closure in a local newspaper.)
13. Settle or pay all of your business debts -- money owed to your landlord, bank, suppliers, utilities, and service providers.
14. Ask for letters indicating that your bills are paid in full as you pay off each creditor.
15. Cancel your business credit cards.
16. Close your business bank account.
17. File your final employment-related tax returns:
 - IRS Form 940
 - IRS Form 941
 - state tax withholding and wage reporting forms.
18. File your final income tax returns, checking the box stating that this is your final return.
19. If you sell business assets, file IRS Form 4797, *Sales of Business Property* or, if you sell the bulk of your business assets to one buyer, file IRS Form 8594, *Asset Acquisition Statement*.
20. Leave contact information with former business contacts, colleagues, and employees.