

Startup Buddy Investor Due Diligence Checklist

To secure funding quickly, investors will require a thorough due diligence process. Below is a list of essential and recommended documents, along with explanations of why they matter. Many of these documents have examples in our DataRoom. Once a Founder Club Member you can access these and amend them then upload them into the DataRoom for Investor inspection.

Corporate & Legal Documents

- **Articles of Incorporation / LLC Formation Documents** – Confirms the legal existence of the company.
- **Bylaws & Operating Agreement** – Defines the company's governance structure and operating procedures.
- **EIN Confirmation Letter (IRS SS-4)** – Verifies the company's tax ID number.
- **Cap Table & Equity Structure** – Shows ownership distribution, including investors, founders, and convertible notes.
- **Stockholder Agreements / Investor Agreements** – Outlines rights and responsibilities of shareholders and investors.
- **Board Resolutions & Meeting Minutes** – Demonstrates decision-making history and corporate compliance.
- **State & Federal Business Licenses & Registrations** – Confirms regulatory compliance and business legitimacy.
- **Trademark, Patent, or Copyright Filings** – Protects intellectual property and demonstrates competitive advantage.

Securities & Fundraising Documents

- **Pitch Deck & One-Pager Investor Summary** – Provides a quick overview of the business and investment opportunity.
- **Business Plan & Executive Summary** – Details the company's strategy, goals, and market opportunity.
- **5-Year Financial Projections** – Investors assess the company's financial potential and sustainability.
- **Break-even Analysis & Market Cap Projection** – Shows how long before profitability and potential valuation.
- **Investor Agreements (SAFE, Convertible Notes, Equity Agreements)** – Defines terms of investment and funding rounds.
- **Previous Funding Rounds & Valuation Reports** – Demonstrates financial history and prior investor interest.
- **SEC Filings (Reg D 506(b) or 506(c))** – Required for legally raising capital under certain exemptions.
- **Subscription Agreement & PPM (for Reg D 506(c) Raises)** – Essential for accredited investor participation.
- **Crowdfunding Compliance Docs (Form C, Financials, Campaign Summary)** – Required for Regulation CF fundraising.

Team & HR Documents

- **Founder Bios & Team Resumes** – Investors want to see leadership experience and relevant expertise.
- **Organizational Chart & Hiring Plan** – Shows current team structure and growth plans.
- **Employee Contracts & Independent Contractor Agreements** – Ensures legal employment structure.

- **Equity & Option Grants** – Demonstrates incentive structures for key employees.
- **Non-Disclosure Agreements (NDAs) & IP Assignment Agreements** – Protects proprietary business information and inventions.

Financial & Banking Records

- **Bank Statements (Last 6-12 Months)** – Verifies cash flow and financial health.
- **Tax Returns (Last 2-3 Years, if available)** – Shows compliance and financial history.
- **Profit & Loss Statement** – Essential for understanding revenue, expenses, and profitability.
- **Balance Sheet & Cash Flow Statements** – Investors assess financial stability and liquidity.
- **Accounts Payable & Receivable Reports** – Demonstrates financial obligations and incoming revenue.
- **Debt & Loan Agreements** – Investors need to see any outstanding liabilities.
- **Detailed Revenue Model & Monetization Plan** – Proves how the business generates revenue.

Market & Traction Metrics

- **Market Research & Competitor Analysis** – Investors assess market size and differentiation.
- **Customer Acquisition Cost (CAC) & Lifetime Value (LTV)** – Key growth and profitability indicators.

- **Key Traction Metrics (Users, Revenue, Growth Rate, Churn, etc.)** – Validates business traction.
- **Sales Pipeline & Customer Contracts** – Shows committed revenue and future sales potential.
- **Testimonials, Case Studies, or Press Mentions** – Establishes credibility and market impact.

Product & Technology Documents

- **Product Roadmap & Development Timeline** – Investors gauge future product vision.
- **Technical Architecture & System Infrastructure Overview** – Details how the technology works.
- **Prototypes, Wireframes, or MVP Screenshots** – Provides tangible proof of product development.
- **Intellectual Property Documentation** – Demonstrates proprietary technology or assets.
- **Security & Compliance Policies (SOC 2, GDPR, HIPAA, etc.)** – Shows adherence to industry regulations.

Regulatory & Compliance for MedTech & Healthcare Startups

- **Quality Systems Management (QSM) Documentation** – Required for FDA compliance, ensuring product safety and regulatory adherence.
- **FDA Clearance or Approval Process (510(k), PMA, De Novo)** – Critical for MedTech products seeking regulatory approval.
- **Clinical Trial Data & IRB Approvals** – Demonstrates safety, efficacy, and compliance with medical research standards.

- **HIPAA & Data Security Compliance** – Essential for any MedTech solution handling patient data.
- **Risk Management & ISO 13485 Certification** – Proves adherence to international medical device quality standards.
- **Medical Device Manufacturing & Supply Chain Documentation** – Shows traceability and compliance with Good Manufacturing Practices (GMP).

Grants, Accelerators & Crowdfunding Requirements

- **Grant Proposal & Budget Breakdown** – Needed for government or private funding applications.
- **Accelerator / Incubator Application Materials** – Helps secure startup program acceptance.
- **Crowdfunding/Investment Campaign Strategy & Marketing Plan** – Critical for successful fundraising campaigns.
- **Compliance Documents for Crowdfunding (SEC Form C, if Reg CF)** – Ensures legal adherence.
- **Community Engagement & Pre-Launch Marketing Strategy** – Builds momentum for fundraising efforts.

Bad Actor Reports

- **Bad Actor Reports** – Shows Investors everyone at C Level in the company has a history clear of Bankruptcy or Police Action.

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