

# IBA Transaction Data – Level 2 Field Definitions

**Please Note:** The transaction data submission form appears on the final pages of this document. Please refer to the field definitions below when you are completing the form. You only need to return the form itself. The definitions are provided for your convenience.

**Dollar Amounts:** Enter all dollar amounts in thousands (\$000).

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## About You

This section of the data collection forms pertains to the person submitting the transaction data.

### First name

First name of the individual submitting the transaction data.

### Last name

Last name of the individual submitting the transaction data.

### Phone

Telephone number of the individual submitting the transaction data.

### Email

Email address of the individual submitting the transaction data.

### Location

City and/or state of the individual submitting the transaction data.

### Today's date

Date the form was completed.

### IBA member?

IBA membership status of the individual or firm submitting the transaction data.

### Member #

IBA membership number of the individual or firm submitting the transaction data.

### Firm name

Firm employing the individual submitting the transaction data.

### May we publish your name and firm with this transaction information?

Answering **Yes** gives the IBA permission to publish the name and firm of the individual submitting the transaction data in any and all electronic and print publications produced or licensed by the IBA that contain the transaction data.

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## About the Business

This section of the data collection forms pertains to the business that was sold.

## Industry, Location, Employees etc.

### SIC

Standard Industrial Classification code for the business that was sold.

### NAICS

North American Industry Classification System code for the business that was sold.

### City/State

City and/or state where the firm conducts business.

### Description of products/services

Description of the products and/or services produced or provided by the business.

### Years in business

Length of time in years that the company has been in business.

### Full time employees

Number of full time workers employed by the business.

### Part time employees

Number of part time workers employed by the business.

### Financial data is

Refers to the income statement and balance sheet data provided in subsequent sections. The available answers are:

- **Audited**— Financial statements were prepared and certified by a Certified Public Accountant.
- **From tax returns** — Data is from federal income tax returns filed by the business.
- **Compiled but not audited**— A Certified Public Accountant prepared the financial statements but did not audit them.
- **Other**—None of the above.

## Income

### Date of Income Stmt

Date of the income statement that is the source of the year's data, in mm/dd/yy format.

### Fiscal Year End Date

Closing date of the company's fiscal year, in mm/dd/yy format.

### Income data is for a full year

Select **Yes** if the year's income data is for an entire fiscal year. Select **No** if the data is for less than an entire year.

### If no, enter number of months

If you answered **No** to the previous question, enter the number of months that are included in the current year's income data. For example, if the data is for January through September, enter "9".

### Sales

Total invoice value of sales, minus customers' discounts, returns, and allowances.

### Cost of Goods Sold

Direct costs attributable to the production of the goods sold. Also called **Cost of Sales**.

## **Gross Profit**

The difference between revenue and the cost of producing goods or providing services, before deducting overhead, payroll, taxation, and interest payments.

$$\text{Gross Profit} = \text{Sales} - \text{Cost of Goods Sold}$$

## **Depreciation & Amortization**

The loss in value of long-term assets. These are non-cash expenses.

- **Depreciation** is generally used for physical property, such as vehicles and equipment.
- **Amortization** is generally used for intangible assets, such as goodwill.

## **Other Non-Cash Charges**

Expenses other than depreciation and amortization (see the preceding field) that do not require an outlay of cash. Depletion is a typical expense that would qualify for this field.

## **Yearly Rent**

Total annual rent paid for the business's facilities.

## **Salaries Excluding Owners Compensation**

Salaries paid to employees. Exclude compensation paid to owners as a return on their investment.

## **Other Operating Expenses**

On-going expenses not otherwise categorized above. Typical accounts and expenses:

- Sales and Administration
- Research and Development
- Uninsured Casualty Losses
- Travel and Entertainment
- Training
- Bad Debt Losses
- Insurance Premiums

## **Total Operating Expenses**

Total on-going expenses.

$$\text{Total Operating Expenses} = \text{Depreciation \& Amortization} + \text{Other Non-Cash Charges} + \text{Yearly Rent} + \text{Salaries Excluding Owners Compensation} + \text{Other Operating Expenses}$$

## **Operating Profit**

Earnings from ongoing operations.

$$\text{Operating Profit} = \text{Gross Profit} - \text{Total Operating Expenses}$$

## **Owners Compensation**

Compensation paid to the owners of the business.

## **Non-Business Related Expenses**

Expenses that did not pertain to the business, such as providing the owner with a car for personal use.

## **Net Interest Income/(Expense)**

Interest the business received as income minus any paid on loans or notes.

## **Income Taxes**

Federal and state income taxes paid by the business.

## **Net Income**

Defined as follows:

$$\text{Net Income} = \text{Operating Profit} - \text{Owners Compensation} - \text{Non-Business Related Expenses} + \text{Net Interest Income/(Expense)} - \text{Income Taxes}$$

## **Assets**

**Please Note:** If the current year's income statement data is for less than nine months, please enter the prior year end balance sheet data.

### **Date of Balance Sheet**

Date of the balance sheet that is the source of the assets and liabilities data, in mm/dd/yy format.

### **Cash & Equivalents**

Cash plus short-term assets that can easily be converted into cash. Cash equivalents are generally defined as highly liquid securities with maturities of less than three months. These assets can be sold easily with little or no loss of value.

### **Trade Receivables**

Amounts owed by customers, prepayments to suppliers, and other similar short-term assets.

### **Inventory**

Goods and materials held available in stock.

### **Other Current Assets**

All short-term assets not otherwise categorized above.

### **Total Current Assets**

Total short-term assets.

$$\text{Total Current Assets} = \text{Cash \& Equivalents} + \text{Trade Receivables} + \text{Inventory} + \text{Other Current Assets}$$

### **Fixed Assets**

Long-term, tangible assets used in business activities. Also known as Property, Plant, and Equipment (PP&E).

### **Real Estate**

Land along with anything permanently affixed to the land, such as buildings. Property that is fixed in location.

### **Intangibles**

Assets that cannot be physically touched, such as brands, franchises, trademarks, patents, and goodwill.

### **Other Non-Current Assets**

All long-term assets not otherwise categorized above.

### **Total Assets**

Total short- and long-term assets.

$$\text{Total Assets} = \text{Total Current Assets} + \text{Fixed Assets} + \text{Real Estate} + \text{Intangibles} + \text{Other Non-Current Assets}$$

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## About the Transaction

This section of the data collection forms pertains to the specifics of the sale transaction.

### Date, Basis, Price etc.

#### Date sale initiated

Date that the business was placed on the market and made available for purchase.

#### Date sold

Date that the sale agreement was signed.

#### Days on market

Total number of days that the business was on the market. Difference between **Date sold** and **Date sale initiated**.

#### Transaction basis

The buyer can either acquire the assets of the business or the stock of the company.

#### Asking price

Price for which the business was originally offered for sale. Total consideration (cash, liabilities assumed, etc.) excluding real estate and receivables.

#### Sale price

Total consideration (cash, liabilities assumed, etc.) excluding the amount paid for any real estate acquired and the market value of any assumed receivables.

#### Down payment

Amount of sale price paid in cash at the time of the transaction. The cash the seller receives at closing.

#### Amount paid for any acquired real estate

The price paid for any real estate acquired in the transaction.

#### Market value of any assumed receivables

The market value of any receivables assumed in the transaction. Market value is defined as the amount that could be collected in a reasonable time period.

#### Number of years sellers owned the business

Number of years that transpired between the sellers starting or acquiring the business and the date of sale.

### Values Included in Sale Price

**Please Note:** Total Assets plus Total Liabilities plus Total Other should equal the Sale Price.

#### Is the transaction data below based on a purchase price allocation?

Select **Yes** if the data about the values included in the sale price come from a purchase price allocation. If the data does not come from a purchase price allocation, select **No**.

#### Inventory

The value assigned in the sale price to inventory.

**Fixed (FF&E)**

The value assigned in the sale price to fixed assets.

**Intangibles**

The value assigned in the sale price to intangible assets other than imputed goodwill.

**Imputed Goodwill**

The value assigned in the sale price to goodwill.

**Other Assets**

The value assigned in the sale price to other assets.

**Total Assets**

The total value assigned in the sale price to assets.

$$\text{Total Assets} = \text{Inventory} + \text{Fixed (FF\&E)} + \text{Intangibles} + \text{Imputed Goodwill} + \text{Other Assets}$$

**Payables**

The value assigned in the sale price to payables.

**Notes Assumed**

The value assigned in the sale price to notes assumed.

**Other Liabilities**

The value assigned in the sale price to other liabilities.

**Total Liabilities**

The total value assigned to liabilities.

$$\text{Total Liabilities} = \text{Payables} + \text{Notes Assumed} + \text{Other Liabilities}$$

**Employ/Consult**

The value assigned in the sale price to an employment and consulting agreement.

**Noncompete**

The value assigned in the sale price to a noncompete clause.

**Other Contracts**

The value assigned in the sale price to other contracts.

**Adjustments**

The value assigned in the sale price to adjustments.

**Total Other**

The total value assigned to contracts and adjustments.

$$\text{Total Other} = \text{Employ/Consult} + \text{Noncompete} + \text{Other Contracts} + \text{Adjustments}$$

**Contracts****Seller's note included**

Select **Yes** if a seller's note was part of the transaction financing. Select **No** if the financing did not include a seller's note.

**Seller's note had personal guarantee**

Answer this question if a seller's note was part of the transaction financing. Select **Yes** if the note had a personal guarantee. Select **No** if it did not.

**Existing leases assumed by buyers**

Select **Yes** if the buyers assumed any existing leases. Select **No** if they did not.

**Noncompete clause**

Select **Yes** if the transaction included a noncompete clause. Select **No** if it did not.

**Employment or consulting agreement**

Select **Yes** if an employment or consulting agreement was included in the transaction. Select **No** if the transaction did not include such an agreement.

**Seller's note amount**

Answer this question if a seller's note was part of the transaction financing. Enter the value of the note.

**Seller's note interest rate**

Answer this question if a seller's note was part of the transaction financing. Enter the interest rate on the note.

**Seller's note term in months**

Answer this question if a seller's note was part of the transaction financing. Enter the duration of the note in months.

**Months remaining on assumed lease(s)**

Answer this question if the buyers assumed any existing leases. Enter the total number of months remaining on the assumed lease(s).

**Length in months of noncompete clause**

Answer this question if the transaction included a noncompete clause. Enter the duration of the noncompete clause measured in months.

**Describe seller's note (balloon payment, etc.)**

Answer this question if a seller's note was part of the transaction financing. Describe the details of the note, such as whether there was a balloon payment, etc.

**Describe terms of assumed lease(s)**

Answer this question if the buyers assumed any existing leases. Describe of the terms of the lease(s).

**Describe employment and/or consulting agreement**

Answer this question if an employment or consulting agreement was included in the transaction. Enter a description of the agreement.

**Comments**

Any additional comments you may have about the transaction. These comments are optional.

# IBA Transaction Data Submission Form – Level 2

About You

First name  Last name

Phone -- Email

Location (city and/or state)

Today's date (mm/dd/yy)  |  |  IBA member?  Yes  No Member #

Firm name  May we publish your name and firm with this transaction information?  Yes  No

About the Business

## Industry, Location, Employees etc.

SIC  NAICS  City/State

Description of products/services:

Years in business  Full time employees  Part time employees

Financial data is (check one):  Audited  From tax returns  Compiled but not audited  Other

## Income (\$000)

**Please Note: If the current year's data is for less than nine months, please enter the prior year's data.**

|                                 |  |   |                      |
|---------------------------------|--|---|----------------------|
| Date of Income Stmt (mm/dd/yy)  | <input type="text"/>   <input type="text"/>   <input type="text"/> | 7. Salaries Excluding Owners Compensation | <input type="text"/> |
| Fiscal Year End Date (mm/dd/yy) | <input type="text"/>   <input type="text"/>   <input type="text"/> | 8. Other Operating Expenses               | <input type="text"/> |
| Income data is for a full year  | <input type="checkbox"/> Yes <input type="checkbox"/> No           | 9. Total Operating Expenses (=4+5+6+7+8)  | <input type="text"/> |
| If no, enter number of months   | <input type="text"/>   | 10. Operating Profit (=3-9)               | <input type="text"/> |
| 1. Sales                        | <input type="text"/>   | 11. Owners Compensation                   | <input type="text"/> |
| 2. Cost of Goods Sold           | <input type="text"/>   | 12. Non-Business Related Expenses         | <input type="text"/> |
| 3. Gross Profit (=1-2)          | <input type="text"/>   | 13. Net Interest Income/(Expense)         | <input type="text"/> |
| 4. Depreciation & Amortization  | <input type="text"/>   | 14. Income Taxes                          | <input type="text"/> |
| 5. Other Non-Cash Charges       | <input type="text"/>   | 15. Net Income (=10-11-12+13-14)          | <input type="text"/> |
| 6. Yearly Rent                  | <input type="text"/>   |   |                      |

## Assets (\$000)

**Please Note: If the current year's income statement data is for less than nine months, please enter the prior year end balance sheet data.**

|                                    |  |                             |                      |
|------------------------------------|--|-----------------------------|----------------------|
| Date of Balance Sheet (mm/dd/yy)   | <input type="text"/>   <input type="text"/>   <input type="text"/> |                             |                      |
| 1. Cash & Equivalents              | <input type="text"/>   | 6. Fixed Assets             | <input type="text"/> |
| 2. Trade Receivables               | <input type="text"/>   | 7. Real Estate              | <input type="text"/> |
| 3. Inventory                       | <input type="text"/>   | 8. Intangibles              | <input type="text"/> |
| 4. Other Current Assets            | <input type="text"/>   | 9. Other Non-Current Assets | <input type="text"/> |
| 5. Total Current Assets (=1+2+3+4) | <input type="text"/>   | Total Assets (=5+6+7+8+9)   | <input type="text"/> |

**Date, Basis, Price etc. (\$000)**

|                     |   |              |   |  |   |
|---------------------|---|--------------|---|--|---|
| Date sale initiated | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> | Asking price | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> | Amount paid for any acquired real estate   | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> |
| Date sold           | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> | Sale price * | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> | Market value of any assumed receivables    | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> |
| Days on market      | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> | Down payment | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> | Number of years sellers owned the business | <input style="width: 100px; height: 20px; border: 1px solid black;" type="text"/> |
| Transaction basis   | <input type="checkbox"/> Asset <input type="checkbox"/> Stock                     |              | * Sale price is net of real estate and receivables.                               |  |   |

**Values Included in Sale Price (\$000)**

For each of the following items included in the sale, enter the values assigned in the sale price from the purchase price allocation, if there is one, and from the balance sheet if no allocation exists.

Is the transaction data below based on a purchase price allocation?     Yes     No

**Please Note: Total Assets + Total Liabilities + Total Other should equal Sale Price.**

|                         |  |                          |  |                        |  |
|-------------------------|--|--------------------------|--|------------------------|--|
| 1. Inventory            | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | 5. Payables              | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | 8. Employ/Consult      | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| 2. Fixed (FF&E)         | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | 6. Notes Assumed         | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | 9. Noncompete          | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| 3. Intangibles          | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | 7. Other Liabilities     | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | 10. Other Contracts    | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| 4. Imputed Goodwill     | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | Total Liabilities        | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | 11. Adjustments        | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| 5. Other Assets         | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> | Total Liabilities =5+6+7 |  | Total Other            | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| Total Assets            | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |                          |  | Total Other =8+9+10+11 | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| Total Assets =1+2+3+4+5 |  |                          |  |                        |  |

**Contracts (\$000)**

|                                      |  |                                       |  |
|--------------------------------------|--|---------------------------------------|--|
| Seller's note included               | <input type="checkbox"/> Yes <input type="checkbox"/> No | Seller's note amount                  | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| Seller's note had personal guarantee | <input type="checkbox"/> Yes <input type="checkbox"/> No | Seller's note interest rate           | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| Existing leases assumed by buyers    | <input type="checkbox"/> Yes <input type="checkbox"/> No | Seller's note term in months          | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| Noncompete clause                    | <input type="checkbox"/> Yes <input type="checkbox"/> No | Months remaining on assumed lease(s)  | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |
| Employment or consulting agreement   | <input type="checkbox"/> Yes <input type="checkbox"/> No | Length in months of noncompete clause | <input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/> |

Describe seller's note (balloon payment, etc.):

Describe terms of assumed lease(s):

Describe employment and/or consulting agreement:

**Comments**

Please share any additional comments you may have about the transaction (optional):