

IBA Transaction Data – Level 3 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).

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, in mm/dd/yy format.

IBA member?

Select **Yes** if the person submitting the transaction data is an IBA member. Select **No** if he is not.

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.

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.

Company type

Legal organization of the company. The available answers are:

- C Corp
- S Corp
- LLC (Limited Liability Company)
- LLP (Limited Liability Partnership)
- Sole Proprietorship
- Other

Income

Date of Income Statement

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.

Operating Profit = Gross Profit – 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:

Net Income = Operating Profit – Owners Compensation – Non-Business Related Expenses + Net Interest Income/(Expense) – Income Taxes

Assets & Liabilities

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.

Cash & Equiv

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

All short-term assets not otherwise categorized above.

Total Current

Total short-term assets.

Total Current Assets = Cash & Equiv + Trade Receivables + Inventory + Other Current

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

All long-term assets not otherwise categorized above.

Total Assets

Total short- and long-term assets.

Total Assets = Total Current Assets + Fixed Assets + Real Estate + Intangibles + Other Non-Current

Long-Term Liabs

Liabilities that are not payable within one year, such as notes payable with a maturity of more than one year. Typical long-term obligations include:

- Debentures
- Mortgage loans
- Bank loans

Total Liabilities

Total obligations owed by the business, both short- and long-term.

Date of Balance Sheet

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

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, in mm/dd/yy format.

Date sold

Date that the sale agreement was signed, in mm/dd/yy format.

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?

If there is a purchase price allocation for the transaction, select **Yes**, then use the values from the allocation to answer the questions in this section of the form. If there is no purchase price allocation, select **No**, then use the values from the balance sheet.

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 3

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

Company type (check one): C Corp S Corp LLC LLP Sole Proprietorship Other

Income (\$000)

Date of Income Statement (mm/dd/yy) | |

Fiscal Year End Date (mm/dd/yy) | |

Income data is for a full year Yes No

If no, enter number of months

1. Sales
2. Cost of Goods Sold
3. Gross Profit (=1-2)
4. Depreciation & Amortization
5. Other Non-Cash Charges
6. Yearly Rent
7. Salaries Excluding Owners Compensation
8. Other Operating Expenses
9. Total Operating Expenses (=4+5+6+7+8)
10. Operating Profit (=3-9)
11. Owners Compensation
12. Non-Business Related Expenses
13. Net Interest Income/(Expense)
14. Income Taxes
15. Net Income (=10-11-12+13-14)

	Current Year	Previous Year	2 Years Prior
	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
	<input type="text"/> <input type="text"/> <input type="text"/>		
	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	<input type="text"/>		
1. Sales	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Cost of Goods Sold	<input type="text"/>	<input type="text"/>	<input type="text"/>
3. Gross Profit (=1-2)	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Depreciation & Amortization	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Other Non-Cash Charges	<input type="text"/>	<input type="text"/>	<input type="text"/>
6. Yearly Rent	<input type="text"/>	<input type="text"/>	<input type="text"/>
7. Salaries Excluding Owners Compensation	<input type="text"/>	<input type="text"/>	<input type="text"/>
8. Other Operating Expenses	<input type="text"/>	<input type="text"/>	<input type="text"/>
9. Total Operating Expenses (=4+5+6+7+8)	<input type="text"/>	<input type="text"/>	<input type="text"/>
10. Operating Profit (=3-9)	<input type="text"/>	<input type="text"/>	<input type="text"/>
11. Owners Compensation	<input type="text"/>	<input type="text"/>	<input type="text"/>
12. Non-Business Related Expenses	<input type="text"/>	<input type="text"/>	<input type="text"/>
13. Net Interest Income/(Expense)	<input type="text"/>	<input type="text"/>	<input type="text"/>
14. Income Taxes	<input type="text"/>	<input type="text"/>	<input type="text"/>
15. Net Income (=10-11-12+13-14)	<input type="text"/>	<input type="text"/>	<input type="text"/>

Assets & Liabilities (\$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.

1. Cash & Equiv		6. Fixed Assets		Long-Term Liabs	
2. Trade Receivables		7. Real Estate		Total Liabilities	
3. Inventory		8. Intangibles		Date of Balance Sheet (mm/dd/yy)	
4. Other Current		9. Other Non-Current			
5. Total Current		Total Assets			

Total Current Assets = 1+2+3+4 Total Assets = 5+6+7+8+9

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

Date sale initiated		Asking price		Amount paid for any acquired real estate	
Date sold		Sale price *		Market value of any assumed receivables	
Days on market		Down payment		Number of years sellers owned the business	

Transaction basis Asset 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		5. Payables		8. Employ/Consult	
2. Fixed (FF&E)		6. Notes Assumed		9. Noncompete	
3. Intangibles		7. Other Liabilities		10. Other Contracts	
4. Imputed Goodwill		Total Liabilities		11. Adjustments	
5. Other Assets		Total Liabilities = 5+6+7		Total Other	
Total Assets				Total Other = 8+9+10+11	

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	
Seller's note had personal guarantee	<input type="checkbox"/> Yes <input type="checkbox"/> No	Seller's note interest rate	
Existing leases assumed by buyers	<input type="checkbox"/> Yes <input type="checkbox"/> No	Seller's note term in months	
Noncompete clause	<input type="checkbox"/> Yes <input type="checkbox"/> No	Months remaining on assumed lease(s)	
Employment or consulting agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No	Length in months of noncompete clause	

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):