

DENTAL STRATEGIC

SELLER PRACTICE BROKERAGE ROADMAP & CHECKLIST

What happens next, who is responsible, and how the transaction reaches closing

PREPARE	VALUE	MARKET	LOI	DILIGENCE	CLOSE	TRANSITION
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Purpose of this tool

Use this guide to understand the normal stages of a dental-practice sale, organize the information your advisors will need, track open items, and estimate the cash you may retain after commissions, professional fees, debt payoff, and taxes. Every transaction is different; the broker, attorney, lender, and CPA should tailor the process to the actual deal.

Prepared for Dental Strategic seller clients

Planning ranges are illustrative, not guaranteed closing dates. This guide is educational and is not legal, tax, accounting, or lending advice.



HOW TO USE THIS ROADMAP

A practice sale is not one task. It is a coordinated sequence of valuation, financial preparation, confidential marketing, buyer qualification, negotiation, lender underwriting, legal documentation, closing mechanics, and transition. The steps overlap, and a delay in one workstream can affect every other workstream.

- 1. Start with the At-a-Glance Timeline to understand the major phases.
- 2. Use the phase checklists during regular calls with your Dental Strategic broker.
- 3. Assign each open item to the seller, broker, attorney, CPA, buyer, lender, or another advisor.
- 4. Update the Net Proceeds Estimate as the purchase price, allocation, debt payoff, patient credits, and tax assumptions become clearer.
- 5. Do not make major operational changes, announce the sale, or share confidential information without coordinating with the broker and attorney.

The key seller objective

Continue operating the practice normally while the transaction team handles the sale process. A sudden decline in production, staff turnover, unexplained distributions, deferred maintenance, or loss of key referral relationships can affect underwriting, buyer confidence, and the final value delivered at closing.

WHO DOES WHAT?

PARTY	PRIMARY ROLE	WHAT THE SELLER SHOULD EXPECT
Seller	Provide accurate information, maintain operations, make decisions, and complete assigned closing items.	Timely requests, document review, approvals, signatures, and continued attention to patients and staff.
Dental Strategic Broker	Value, position, market, qualify, negotiate, coordinate, troubleshoot, and drive the transaction calendar.	A central point of contact and a practical bridge among the seller, buyer, attorneys, CPA, and lender. Your Broker should also help structure the transaction to keep your Taxes Owed from the sale as low as possible with your CPA
Seller Attorney	Protect the seller legally and negotiate definitive transaction documents.	Review of the Asset Purchase Agreement, restrictive covenants, representations, indemnities, lease, employment, and closing documents.
Seller CPA / Tax Advisor	Estimate taxes and advise on entity-specific and personal tax consequences.	Review of allocation, basis, depreciation recapture, capital gains, state tax, installment treatment, and estimated payments.
Buyer and Buyer Advisors	Complete diligence, obtain financing, negotiate documents, and prepare to operate the practice.	Questions, lender requests, site visits, legal drafts, and pre-closing operational planning.
Lender	Underwrite the buyer and practice and coordinate funding conditions.	Requests for updated financials, explanations, insurance, appraisals, lease or real-estate documents, and closing confirmations.

PRACTICE SALE TIMELINE AT A GLANCE

Most well-prepared transactions follow this sequence, although phases can overlap and buyer financing can materially affect the schedule.

PHASE	TYPICAL RANGE	MAJOR MILESTONE	SELLER FOCUS
1. Readiness & Valuation	2-6 weeks	Value, goals, and likely transaction structure established	Accurate records and realistic expectations
2. Engagement & Preparation	2-4 weeks	Confidential marketing package and data room ready	Complete information without disrupting operations
3. Confidential Marketing	1-6+ months	Qualified buyer identified	Maintain performance and confidentiality
4. Offer & LOI	1-4 weeks	Letter of Intent executed	Evaluate the entire economic package, not price alone
5. Due Diligence,	45-90 days	Financing approval and definitive documents substantially complete	Fast, accurate responses and disciplined communication
6. Pre-Closing	2-3 weeks	Schedules, payoffs, wires, insurance, and closing statement finalized	Resolve last-mile details
7. Closing	1 day plus funding mechanics	Ownership transfers and sale proceeds are disbursed	Confirm funds and execute approved documents
8. Transition & Post-Closing	30-180+ days	Patient, employee, and operational handoff completed	Honor transition obligations and protect goodwill

What can extend the timeline?

Incomplete financial records, unrealistic pricing, buyer financing changes, real-estate issues, lease assignment, credentialing, lien releases, unresolved patient credits, equipment leases, staff changes, material declines in revenue, rural prolonged legal negotiations are common sources of delay. Keep in mind that Rural offices generally take longer to market.

YOU ALREADY HAVE A BUYER - WHY A BROKER IS STILL NEEDED

Finding a person who says they want to buy the practice is only the beginning. A buyer is not the same as a qualified buyer, an executable transaction, or a funded closing. The seller still needs an experienced transaction manager who can protect value, maintain leverage, coordinate the advisors, and keep the parties moving through the difficult portions of the deal.

1. CONFIRM THE PRACTICE VALUE BEFORE NEGOTIATING THE PRICE

A known buyer may be a trusted associate, partner, colleague, or local dentist. That relationship can make a seller more willing to accept an informal price or favorable terms without testing whether the economics are fair. The broker provides an objective valuation framework, explains the transferable cash flow, and demonstrates why the purchase price is supportable to the buyer and lender.

- The buyer may have sophisticated legal, banking, and accounting advisors even when the relationship feels informal.
- A price that appears acceptable can become unfavorable after the allocation, seller financing, working-capital adjustments, or transition requirements are included.
- A broker helps separate friendship, loyalty, and succession goals from the financial terms of the sale.

2. QUALIFY THE BUYER AND THE FINANCING

A buyer may be clinically qualified but not financially prepared. The broker helps determine whether the buyer has the credit, liquidity, experience, lender support, and personal cash flow needed to complete the transaction. Early lender involvement reduces the risk that the seller spends months negotiating with a buyer who cannot obtain approval.

3. NEGOTIATE MORE THAN THE HEADLINE PRICE

The economic value of the transaction includes much more than the stated purchase price. A broker helps the seller evaluate and negotiate:

- Cash at closing versus seller carryback or earnout

- Purchase-price allocation and resulting tax character
- Accounts receivable and collection responsibility
- Patient credits, prepayments, work in progress, re-work, and warranty claims
- Real-estate sale or lease terms
- Transition period, post-closing employment, compensation, and schedule
- Restrictive covenant and non-solicitation terms
- Equipment, software, contracts, leases, supplies, and excluded assets
- Indemnification, escrows, holdbacks, offsets, and survival periods
- Closing conditions, deadlines, and consequences if the buyer does not perform

4. PRESERVE LEVERAGE AND REDUCE EMOTIONAL NEGOTIATION

The broker acts as a filter and sounding board between the parties. This is especially valuable when the buyer is an associate or long-time colleague who will continue interacting with the seller and team. The broker can communicate difficult positions, test alternatives, explain market norms, and keep a disagreement from becoming personal.

5. COORDINATE DUE DILIGENCE WITHOUT LETTING IT CONTROL THE PRACTICE

Buyer and lender requests can become repetitive, unorganized, or broader than necessary. The broker organizes the data room, tracks requests, identifies what has already been provided, separates reasonable diligence from unnecessary intrusion, and helps the seller respond without neglecting patient care or alarming the team.

6. TURN THE LOI INTO A CLOSING

After the Letter of Intent, the workload usually increases. The broker coordinates the Asset Purchase Agreement schedules, financing requests, payoff statements, wire instructions, insurance, lease or real-estate items, employee information, equipment lists, patient credits, accounts receivable, and closing-statement adjustments. Many transactions fail because deadlines drift, assumptions are not documented, or no one owns the full calendar.

7. KEEP AN ALTERNATIVE PATH AVAILABLE

Even when the seller prefers a specific buyer, the buyer may withdraw, lose financing, request material concessions, or fail to meet deadlines. A broker can preserve backup interest and advise when the seller should extend time, restructure the deal, or return to the market. Without that option, the seller can become dependent on one buyer and lose negotiating leverage.

8. PROTECT THE VALUE OF THE PRACTICE THROUGH CLOSING

The sale is not complete until the transaction funds and the documents are signed. The broker monitors operational trends, keeps the process confidential, helps manage timing with staff and patients, and addresses issues before they threaten lender approval or buyer confidence.

Broker, attorney, and CPA are complementary - not substitutes

The broker manages the business transaction and negotiation process. The attorney provides legal advice and drafts or negotiates legal documents. The CPA analyzes tax consequences and the seller's personal circumstances. A strong sale requires all three disciplines to work together.

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PHASE 1

SELLER READINESS, GOALS AND VALUATION

Typical planning range: 2-6 weeks

Establish value, seller objectives, likely timing, and the condition of the practice before entering the market.

What happens in this phase

Dental Strategic reviews the practice's financial performance, provider production, patient base, facility, equipment, payer mix, staffing, growth or decline, and transferable cash flow. The seller identifies retirement timing, desired transition role, real-estate objectives, confidentiality concerns, and financial needs.

Seller checklist

☐ Identify the desired closing window and any hard retirement or personal deadlines.	Seller	Week 1
☐ Provide three years of tax returns and profit-and-loss statements plus current year-to-date financials.	Seller/CPA	Week 1
☐ Provide production, collection, provider, procedure, patient, payer, and accounts-receivable reports.	Seller	Week 1-2
☐ Provide payroll, employee census, benefits, lease, equipment debt, and real-estate information.	Seller	Week 1-2
☐ Discuss the desired post-closing transition, work schedule, and real-estate plan.	Seller/Broker	Week 1-2
☐ Review the valuation, likely price range, marketability, risks, and recommended pre-sale actions.	Seller/Broker	Week 2-6
☐ Consult the CPA about likely tax basis, depreciation, entity structure, and planning opportunities.	Seller/CPA	Before pricing

Decision gate

Ready to proceed?

The seller should understand the likely value, estimated net proceeds, expected timeline, confidentiality plan, and major transaction risks before signing the brokerage engagement and launching the practice.

PHASE 2

BROKER ENGAGEMENT AND SALE PREPARATION

Typical planning range: 2-4 weeks

Create the confidential sale package, organize supporting documents, and prepare the practice for buyer review.

What happens in this phase

The broker prepares the confidential teaser, offering materials, financial summary, valuation support, buyer profile, nondisclosure process, and data room. Identifying information is limited until a buyer is qualified and has signed the required confidentiality documents.

☐ Execute the brokerage engagement and confirm the scope, commission, exclusions, and seller responsibilities.	Seller/Broker	Start
☐ Approve confidential marketing language and determine what location details may be disclosed initially.	Seller/Broker	Week 1
☐ Assemble licenses, entity documents, insurance, lease, equipment, contracts, and material vendor information.	Seller/Broker	Week 1-3
☐ Create an initial equipment list and identify personal items or assets excluded from the sale.	Seller	Week 1-3

☐ Resolve obvious bookkeeping inconsistencies and prepare explanations for unusual expenses or trends.	Seller/CPA	Week 1-4
☐ Establish secure data-room access and rules for releasing information.	Broker	Week 1-2
☐ Confirm how staff, patients, referral sources, and vendors will be handled before closing.	Seller/Broker	Before launch

PHASE 3

CONFIDENTIAL MARKETING AND BUYER QUALIFICATION

Typical planning range: 1-6+ months

Generate interest, protect confidentiality, and identify buyers who are clinically, financially, and operationally capable of closing.

What happens in this phase

Dental Strategic markets the opportunity without publicly identifying the practice, obtains confidentiality agreements, screens buyer interest, coordinates information release, and helps buyers engage lenders. The timeline depends heavily on geography, specialty, price, cash flow, real estate, and the depth of the buyer pool.

☐ Continue normal hours, staffing, marketing, and patient care.	Seller	Ongoing
☐ Direct all buyer inquiries through Dental Strategic.	Seller	Ongoing
☐ Do not disclose the sale to employees, patients, or vendors without an approved plan.	Seller	Ongoing
☐ Review periodic buyer activity and market feedback with the broker.	Seller/Broker	Regular calls
☐ Approve qualified site visits and maintain discretion during visits.	Seller/Broker	As needed
☐ Provide updated financial and practice-management reports when requested.	Seller	Monthly/ quarterly
☐ Notify the broker promptly of material staffing, revenue, legal, lease, or equipment changes.	Seller	Immediately

Protect the operating trend

Buyers and lenders commonly request updated results. The practice should remain stable through closing. Large discretionary withdrawals, abrupt schedule reductions, unplanned staff changes, or declining collections can change the underwriting and negotiation.

PHASE 4

OFFER REVIEW AND LETTER OF INTENT

Typical planning range: 1-4 weeks

Convert buyer interest into a negotiated framework covering price, structure, timing, and major business terms.

The LOI is a framework - not the closing document

The Letter of Intent usually summarizes the principal economic and operational terms so both sides can decide whether to invest in detailed diligence and legal documentation. Although many provisions are nonbinding, confidentiality, exclusivity, access, and expense provisions may be binding. The seller's attorney should review the LOI before signature.

LOI terms to evaluate

☐ Purchase price and assets included	Broker/Seller/ Advisors	LOI
☐ Cash at closing, buyer equity, lender financing, and any seller note	Broker/Seller/ Advisors	LOI
☐ Treatment of accounts receivable	Broker/Seller/ Advisors	LOI

☐ Purchase-price allocation or process for agreeing to it	Broker/Seller/ Advisors	LOI
☐ Patient credits, prepayments, and work in progress	Broker/Seller/ Advisors	LOI
☐ Transition period and seller compensation	Broker/Seller/ Advisors	LOI
☐ Real-estate purchase or lease terms	Broker/Seller/ Advisors	LOI
☐ Noncompete and nonsolicitation framework	Broker/Seller/ Advisors	LOI
☐ Due-diligence period and exclusivity	Broker/Seller/ Advisors	LOI
☐ Target closing date and financing contingency	Broker/Seller/ Advisors	LOI
☐ Employee and benefit handling	Broker/Seller/ Advisors	LOI
☐ Conditions that permit termination or price adjustment	Broker/Seller/ Advisors	LOI



**PHASE
5**
DUE DILIGENCE, FINANCING AND DEFINITIVE AGREEMENTS
Typical planning range: 45-90 days

Complete the buyer's review, secure financing, and negotiate the Asset Purchase Agreement and related documents.

Three workstreams run at the same time

WORKSTREAM	KEY ITEMS	BROKER FUNCTION
Buyer Due Diligence	Financials, patients, providers, staff, contracts, equipment, compliance, operations, and trends	Organize requests, track responses, explain the business, and prevent duplicate or unmanaged requests
Lender Underwriting	Buyer credit, practice cash flow, appraisal, lease or real estate, insurance, equity, and closing conditions	Help the buyer and lender obtain accurate information and resolve underwriting questions
Legal Documentation	APA, bill of sale, assignments, lease, employment, noncompete, indemnities, schedules, and closing statement	Translate business terms, track open items, and coordinate decisions with counsel

Seller diligence checklist

☐ Respond to organized diligence requests accurately and promptly.	Seller/Broker	Ongoing
☐ Provide updated monthly financials and practice reports through closing.	Seller	Monthly
☐ Review lender questions and supply explanations for trends, addbacks, or unusual transactions.	Seller/Broker/ CPA	As requested
☐ Review each APA draft with the attorney and broker; identify business and legal issues separately.	Seller/Attorney/ Broker	Each draft
☐ Confirm who will prepare each schedule and exhibit.	Broker/Attorneys	Early
☐ Coordinate real-estate sale or lease documentation.	Seller/Attorney/ Broker	Parallel
☐ Coordinate transition employment or independent-contractor documents if the seller will remain.	Seller/Attorney	Parallel
☐ Keep a written open-items list with responsible party and due date.	Broker	Weekly

POST-LOI SCHEDULES AND INFORMATION CHECKLIST

The schedules to the Asset Purchase Agreement are not clerical attachments. They define exactly what transfers, what remains with the seller, what obligations the buyer assumes, and what facts support the seller's legal representations. Incomplete schedules can delay the attorneys, lender, and closing statement.

SCHEDULE / LIST	WHAT TO INCLUDE	WHY IT MATTERS
Practice Equipment	Major equipment by room or category; brand, model, and purchase year when reasonably available	Defines the tangible assets included in the sale and supports lien and insurance review
Practice Software	Practice-management, imaging, accounting, diagnostic, cloud, and other licensed systems	Determines transferability, data access, subscriptions, and vendor notices
Assumed Contracts	IT, waste, biohazard, phone, internet, merchant services, payroll, maintenance, utilities, and other service contracts	Allows the buyer to accept, reject, or replace ongoing obligations
Assumed Leases	Real estate, equipment, copier, postage meter, routers, or other leased items	Identifies consent, payoff, assignment, and continuing payment obligations
Excluded / Personal Assets	Artwork, degrees, personal effects, furniture, cash, cash equivalents, and any specific equipment retained	Prevents disputes over what the buyer reasonably expected to receive
Purchase-Price Allocation	Goodwill, equipment, supplies, restrictive covenant, and other agreed categories	Affects the seller's tax character and the buyer's tax basis
Patient Credits and Prepayments	Credit balances and payments received for incomplete treatment	Determines refunds, offsets, closing adjustments, and post-closing care obligations
Accounts Receivable	A/R aging immediately before closing and agreed collection method	Determines whether A/R is retained, sold, discounted, or collected by the buyer as agent
Work in Progress	Incomplete treatment where payment has been received or laboratory work is pending	Allocates clinical responsibility, expense, patient communication, and revenue
Employees and Benefits	Name, role, tenure, pay, schedule, PTO, bonus, insurance, retirement, and other benefits	Supports buyer staffing decisions and prevents misunderstandings at transition
Pending or Threatened Claims	Known litigation, board complaints, employment claims, or material disputes	Supports accurate representations, insurance notice, and negotiated risk allocation

Two-week payoff rule

Request payoff statements for every loan or lease that must be satisfied at closing at least two weeks before the target date. The payoff should be valid beyond the anticipated closing date, state the daily interest accrual, and confirm that the lien will be released after payment.

PHASE 6

PRE-CLOSING COORDINATION

Typical planning range: 2-3 weeks

Resolve schedules, payoffs, wires, closing adjustments, insurance, signatures, and all conditions required for funding.

☐ Provide secure wire instructions using the approved verification process; never rely solely on emailed changes.	Seller/Bank/ Broker	2-3 weeks
☐ Request payoff statements valid through at least one week after the anticipated closing.	Seller/Broker	At least 2 weeks
☐ Confirm daily interest and lien-release language on every payoff.	Broker/Attorney	Upon receipt
☐ Finalize equipment, excluded assets, contracts, leases, software, employees, benefits, credits, WIP, and litigation schedules.	Seller/Broker/ Attorneys	1-2 weeks
☐ Produce the final accounts-receivable report in the agreed format.	Seller	Day before closing
☐ Confirm patient-credit and prepayment amount used in the closing statement.	Seller/Broker/ CPA	Final week

☐ Review the final purchase-price allocation with the CPA before signing.	Seller/CPA/Attorney	Before closing
☐ Review the estimated seller net proceeds and closing statement.	Seller/Broker/CPA	Final week
☐ Coordinate employee and patient communications for the approved time.	Seller/Buyer/Broker	Final days
☐ Confirm licenses, insurance, banking, merchant services, utilities, data access, keys, passwords, and vendor handoff.	Transaction team	Final week

Wire fraud warning

Closing proceeds are a high-value target for fraud. Wire instructions and any changes should be verified by calling a trusted telephone number already on file. Do not use a phone number contained only in a new email requesting a change.

**PHASE
7****CLOSING DAY**

Typical planning range: One day plus funding mechanics

Execute the final documents, satisfy liens and adjustments, transfer the practice assets, and confirm receipt of funds.

☐ Sign only the final documents approved by the seller's attorney.	Seller	Closing
☐ Confirm the final closing statement matches the negotiated price and adjustments.	Seller/Broker/ CPA	Closing
☐ Confirm debt and lease payoffs, brokerage fee, attorney fees, credits, and other deductions.	Seller/Broker	Closing
☐ Verify sale proceeds are received in the correct account.	Seller/Bank	Closing
☐ Transfer keys, access, records, equipment, contracts, and other assets as directed.	Seller/Buyer	Closing
☐ Retain a complete copy of signed documents and the final closing statement.	Seller/Attorney	Closing

**PHASE
8****TRANSITION AND POST-CLOSING**

Typical planning range: 30-180+ days

Protect patient goodwill, support the buyer, complete retained obligations, and close out seller financial and tax matters.

☐ Complete the agreed transition schedule and patient introductions.	Seller/Buyer	Per agreement
☐ Follow the agreed process for re-work, warranties, and work in progress.	Seller/Buyer	Per agreement
☐ Track collection of retained accounts receivable and buyer remittances.	Seller/Buyer/ CPA	Monthly
☐ Terminate or transfer vendor agreements, software, utilities, licenses, and insurance as required.	Seller/Broker	Post-close
☐ Confirm lien releases and loan satisfaction.	Seller/Attorney	Post-close
☐ Provide the final allocation and closing documents to the CPA.	Seller	Immediately
☐ Make estimated tax payments and complete entity wind-down or continuation steps as advised.	Seller/CPA/ Attorney	Tax calendar
☐ Comply with restrictive covenant, confidentiality, and non-solicitation obligations.	Seller	Ongoing

WHAT WILL THE SELLER ACTUALLY TAKE HOME?

The purchase price is not the same as the seller's spendable cash. The closing statement may deduct brokerage commission, legal fees, debt and lease payoffs, patient credits, escrow or holdback amounts, and other adjustments. Taxes may be paid through estimated payments rather than withheld at closing, but the seller should reserve the cash immediately.

BASIC SELLER NET PROCEEDS FORMULA

Estimated net cash retained

Purchase price + A/R or other amounts paid to seller - brokerage commission - legal and advisory fees - debt and lease payoffs - patient credits and other closing adjustments - estimated federal, state, and local taxes = estimated cash retained by seller.

ILLUSTRATIVE \$1,000,000 PRACTICE SALE

The following example assumes a typical asset sale of the dental practice only, with no real estate. It uses the requested 7% brokerage commission and \$10,000 attorney cost. The tax amount is a general planning estimate, not a tax opinion.

ITEM	DEBT-FREE PRACTICE	\$150,000 DEBT REMAINING
Gross practice purchase price	\$1,000,000	\$1,000,000
Less: Brokerage commission at 7%	(\$70,000)	(\$70,000)
Less: Illustrative attorney fees	(\$10,000)	(\$10,000)
Cash before debt and taxes	\$920,000	\$920,000
Less: Practice debt payoff	-	(\$150,000)
Less: Illustrative tax reserve	(\$220,000)	(\$220,000)
Illustrative estimated cash retained	\$700,000	\$550,000

Important: debt payoff usually does not reduce the taxable gain dollar-for-dollar

The outstanding practice loan reduces the cash the seller receives, but paying off the loan is generally not itself a deduction from the taxable gain on the asset sale. Tax gain is determined from the sale allocation, selling expenses, and the seller's adjusted tax basis in the assets. This is why the estimated tax reserve is shown as the same in both examples. The CPA must calculate the actual result.

HOW THE \$220,000 ILLUSTRATIVE TAX RESERVE WAS FRAMED

A dental-practice asset sale is allocated among separate assets. The tax character can differ by category. Goodwill may qualify for long-term capital-gain treatment, while depreciation recapture on equipment and amounts allocated to a restrictive covenant may be taxed as ordinary income. The seller's tax basis, prior depreciation, holding period, entity type, state of residence, state where the practice operates, other annual income, available losses, and possible Net Investment Income Tax can materially change the result.

ILLUSTRATIVE ALLOCATION	GROSS ALLOCATION	EXAMPLE TAX CHARACTER
Goodwill / going-concern value	\$800,000	Generally modeled as long-term capital gain, subject to facts and entity structure
Furniture, fixtures, and equipment	\$150,000	Gain may be ordinary income to the extent of depreciation recapture
Supplies / inventory	\$20,000	Generally ordinary income or loss based on tax basis
Restrictive covenant	\$30,000	Generally ordinary income to the seller
Total	\$1,000,000	Buyer and seller normally report the agreed allocation on Form 8594 when applicable

For planning purposes, the example reserves approximately \$220,000, or 22% of the purchase price. Under one illustrative set of assumptions, the estimated federal tax could fall roughly between \$196,000 and \$224,000 before state and local tax,

depending in part on ordinary-income rates and whether the 3.8% Net Investment Income Tax applies. A seller in a state with income tax, a seller with a different entity structure, or a seller with very low remaining tax basis may need a larger reserve.

ITEMS THAT CAN INCREASE OR REDUCE FINAL CASH

POTENTIAL ADDITION	POTENTIAL DEDUCTION / HOLD
Accounts receivable purchased by the buyer	Patient credits and prepayments assumed by the buyer
Real-estate sale proceeds	Mortgage or real-estate debt payoff
Supplies purchased separately	Equipment leases or lien payoffs
Prorated rent, deposits, or prepaid expenses due to seller	Escrow, holdback, earnout, or seller-financing amount not paid at closing
Working-capital reimbursement	CPA, appraisal, filing, transfer, or other professional costs
Seller-note principal received later	State, local, entity-level, and federal taxes

Seller planning rule

Do not commit the entire wire to retirement, debt reduction, investments, or personal purchases until the CPA has calculated the expected taxes and required estimated-payment dates. Keep the tax reserve segregated from normal spending.

SELLER NET PROCEEDS WORKSHEET

Complete this worksheet at valuation, again when the LOI is signed, and a final time when the closing statement is available.

LINE ITEM	PLANNING AMOUNT	FINAL AMOUNT / NOTES
Practice purchase price	\$ _____	\$ _____
Real-estate proceeds, if any	\$ _____	\$ _____
Accounts receivable purchased	\$ _____	\$ _____
Other cash payable to seller	\$ _____	\$ _____
TOTAL GROSS PROCEEDS	\$ _____	\$ _____
Brokerage commission	(\$ _____)	(\$ _____)
Attorney fees	(\$ _____)	(\$ _____)
CPA / tax advisory fees	(\$ _____)	(\$ _____)
Practice debt and lease payoff	(\$ _____)	(\$ _____)
Real-estate debt payoff	(\$ _____)	(\$ _____)
Patient credits / prepayments	(\$ _____)	(\$ _____)
Escrow, holdback, or deferred proceeds	(\$ _____)	(\$ _____)
Other closing adjustments	(\$ _____)	(\$ _____)
Estimated federal taxes	(\$ _____)	(\$ _____)
Estimated state / local / entity taxes	(\$ _____)	(\$ _____)
ESTIMATED CASH RETAINED	\$ _____	\$ _____

Tax calculation reminder: ask the CPA to provide a written estimate showing the assumed purchase-price allocation, tax basis by asset, depreciation recapture, capital gain, ordinary income, installment treatment, state tax, entity-level tax, and estimated-payment deadlines.

SELLER TRANSACTION DASHBOARD

MILESTONE	TARGET DATE	STATUS / OWNER
Valuation and readiness review complete		
Brokerage engagement executed		
Marketing package approved		
Qualified buyer identified		
LOI executed		
Due diligence substantially complete		
Lender approval received		
APA substantially agreed		
Schedules and exhibits complete		
Payoffs and wire instructions verified		
Closing statement approved		
Closing completed		
Transition completed		

WEEKLY OPEN-ITEMS LOG

OPEN ITEM	RESPONSIBLE PARTY	DUE DATE	STATUS / NEXT STEP

QUESTIONS SELLERS SHOULD ASK BEFORE SIGNING THE LOI

☐ Is the buyer financially qualified, and has a dental lender reviewed the opportunity?	Seller/ Advisors	Before LOI
☐ What is the actual cash at closing versus seller financing, holdback, earnout, or escrow?	Seller/ Advisors	Before LOI
☐ How does the proposed purchase-price allocation affect my estimated taxes?	Seller/ Advisors	Before LOI
☐ What happens to accounts receivable, patient credits, and work in progress?	Seller/ Advisors	Before LOI
☐ Am I required to work after closing, and what are my duties, schedule, compensation, and liability?	Seller/ Advisors	Before LOI
☐ What are the noncompete radius, duration, and exceptions?	Seller/ Advisors	Before LOI
☐ What happens if financing is delayed or denied?	Seller/ Advisors	Before LOI
☐ What information can the buyer share with employees or third parties before closing?	Seller/ Advisors	Before LOI

☐ Who bears the risk of equipment failure or a material decline before closing?	Seller/ Advisors	Before LOI
☐ What circumstances permit the buyer to reduce the price or terminate?	Seller/ Advisors	Before LOI
☐ When and how will employees and patients be told?	Seller/ Advisors	Before LOI
☐ What personal guarantees, indemnities, escrows, or post-closing obligations remain with me?	Seller/ Advisors	Before LOI

COMMON SELLER MISTAKES TO AVOID

Assuming a buyer equals a closing

Interest is not financing approval. The buyer must complete diligence, legal documentation, lender underwriting, and closing conditions.

Negotiating price without the full structure

Allocation, seller financing, transition work, A/R, credits, real estate, and indemnities can materially change the economic result.

Telling employees too early

Premature disclosure can create turnover, patient concern, or leverage for the buyer. Use an agreed communication plan.

Reducing hours or production before closing

Lenders and buyers review current performance. A decline can affect cash flow, value, and financing.

Waiting until closing to calculate taxes

The allocation and entity structure can change after-tax proceeds. Engage the CPA before final terms are locked.

Using unsecured email for wire changes

Always verify wire instructions using a trusted telephone number and documented process.

Ignoring patient credits and WIP

Unresolved balances and incomplete treatment can delay schedules, cause closing adjustments, or create post-closing disputes.

Treating the broker as only a marketer

The broker's most important work often occurs after the buyer is found: qualification, negotiation, diligence, coordination, problem-solving, and closing execution.

IMPORTANT NOTICES AND SOURCE NOTES

This tool is designed for Dental Strategic seller education and transaction management. It is not a contract and does not replace the Asset Purchase Agreement, brokerage engagement, attorney advice, CPA advice, lender requirements, or transaction-specific closing checklist. Every transaction is its own unique case, there is no such thing as a boiler plate transaction. Always confirm tax details with your CPA. Always confirm legal details and questions with your attorney. Your broker can help with those questions, but is not qualified to give legal or tax advice.

INTERNAL DENTAL STRATEGIC GUIDANCE USED

- “You Have a Buyer - But You Still Need a Broker!” - framework for valuation, negotiation, buyer qualification, diligence management, legal coordination, and seller protection.
- “Directions for the Schedules to APA and Final Steps” - payoff timing, wire preparation, APA schedule instructions, equipment, software, contracts, leases, excluded assets, allocation, credits, A/R, litigation, employees, and benefits.
- “Post LOI Seller Checklist” - concise post-LOI seller action list.

FEDERAL TAX REFERENCES

IRS, Sale of a Business: <https://www.irs.gov/businesses/small-businesses-self-employed/sale-of-a-business>

IRS Publication 544, Sales and Other Dispositions of Assets: <https://www.irs.gov/publications/p544>

IRS Form 8594 and Instructions, Asset Acquisition Statement: <https://www.irs.gov/forms-pubs/about-form-8594>

IRS Topic No. 409, Capital Gains and Losses: <https://www.irs.gov/taxtopics/tc409>

IRS, Net Investment Income Tax: <https://www.irs.gov/individuals/net-investment-income-tax>

Tax rates, thresholds, and interpretations can change. The seller's CPA should use the rules in effect for the year of closing and the seller's specific facts.

THE PRACTICE SALE IS A PROCESS - NOT A SINGLE AGREEMENT

Dental Strategic helps the seller understand the value, organize the information, qualify the buyer, negotiate the business terms, coordinate the advisors, and keep the transaction moving until the proceeds are received and the transition is complete.

Your next step

Review this roadmap with your Dental Strategic broker and identify the current phase, the next three deadlines, and any information that could delay the transaction.

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