

# VENDOR & SUPPLIER DUE DILIGENCE CHECKLIST

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	<b>What is their history and current status?</b>
	Ask for company history and bios of management & key personnel.
	Verify insurance & license documentation.
	Check complaint history with BBB, FTC, etc.
	<b>How financially stable are they?</b>
	You want suppliers that are going to be able to support your business as it grows.
	Ask for recent financial statements.
	<b>Do they follow generally accepted accounting practices?</b>
	And do they meet known standards such as SSAE 16 & SAS 70?
	<b>What quality and environmental management systems are in place?</b>
	Businesses may have management systems accreditation in place such as ISO 9001 / ISO14001 or something similar.
	If the supplier claims to meet these standards, check their registration.
	Learn about on the key obligations of each standard.
	<b>Is there a corporate social responsibility or ethical sourcing policy?</b>
	Your business reputation can be severely damaged by being associated with bad suppliers, so check their credentials.
	<b>How do they operate their business?</b>
	It's smart to have an understanding of how your potential supplier does business.
	Get an overview of their technology architecture and security controls, plus payment, delivery, and returns policies.
	Verify their legal & regulatory compliance.
	Review contract terms: renewal/notification requirements, service levels, etc.
	Does the company have a Data Breach Policy?
	During the past 5 years, has anyone been the subject of legal proceedings because of improper payments, bribes, misuse or misappropriation of public property, accounting fraud, or regulatory enforcement?
	During the past 5 years, has the supplier been the target of any lawsuits or investigations?
	<b>What do current and past customers say?</b>
	Ask for references.

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