

# Delaware C-Corp Dissolution Checklist

STEPS	GOV FEES	INKLE FEES
<p><b>1 Inform your investors</b> Write to them informing them of your decision.</p>	-	-
<p><b>2 Annual bookkeeping cleanup</b> Ask inkle to start preparing your books. The cleanup will take time, so start this first. And get all personal expense claims paid.</p>	-	-
<p><b>3 Pay final Delaware Franchise Tax</b> Your entity will owe the annual Delaware Franchise Tax for this calendar year. Normally, you'd pay it in February of the following year, but you need to pay it now, or the Secretary of State of Delaware will not give you a Dissolution Certificate. Call the following number and ask what your company owes in franchise taxes (call 302-739-3073, option 3). It will be a pro rated amount for the year and there are two ways of calculating it. Make them explain both ways because the second way is cheaper (you should only pay \$400 in the second way). Or ask Inkle to file this for you.</p>	\$450	\$100
<p><b>4 US entity board consent authorising the dissolution</b> Inkle will send all Directors this resolution via HelloSign. Please provide the names and emails of all Directors.</p>		
<p><b>5 US entity stockholder consent authorizing the dissolution</b> Inkle will send all Directors this resolution via HelloSign. Please provide the names and emails of all Directors.</p>		
<p><b>6 Secretary of State dissolution certificate</b> Inkle will send all Directors this resolution via HelloSign. Please provide the names and emails of all Directors.</p>	\$200	\$350
<p><b>7 IRS Dissolution Notice - Form 966</b> Within 30 days of filing the State Dissolution, file this <a href="https://www.irs.gov/pub/irs-pdf/f966.pdf">https://www.irs.gov/pub/irs-pdf/f966.pdf</a> IRS Form 966 which is mandatory. You will need to attach some documents with this form, and certify those documents using a secretary certificate, which we can provide.</p>		
<p><b>8 US entity employees</b> Inform any US entity employees and end employment contracts and contractor contracts</p>	-	-
<p><b>9 Send out stamped Dissolution Certificate</b> To all shareholders, Directors etc.</p>	-	-
<p><b>10 Foreign Qualified in California or elsewhere?</b> If you ever filed a Foreign Qualification in California (or other state), you will need to file a certificate of surrender in that state (eg. for California, see here: <a href="http://www.sos.ca.gov/business/corp/pdf/foreign/corp-surr.pdf">http://www.sos.ca.gov/business/corp/pdf/foreign/corp-surr.pdf</a>)</p>	-	-
<p><b>11 US Payroll</b> If you have been paying payroll using any US payroll provider, you will need to inform them, and they will file final payroll returns with the state and IRS.</p>	-	-
<p><b>12 Pension or Benefit Plans</b> Terminate any retirement plan or Health Savings Account and such programs.</p>	-	-

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<p><b>13 Claims</b> If you think there are debts you owe, give 60 days to allow claimants to claim on your company. Possible newspaper filings required. Review and resolve the claims, and lawsuits if any.</p>	-	-
<p><b>14 Liquidate illiquid assets</b> After dissolution, you start by selling all hard assets like furniture and all illiquid assets like IP and domains. Selling to yourself is also fine, but your duty is to maximise liquidation recovery for the shareholders. Consult your lawyer (or ask us for an intro) for selling off subsidiary shareholdings and IP etc.</p>	-	-
<p><b>15 Liquidate liquid assets</b> Send out all the remaining funds in order of seniority: 1) Creditors (including convertible note holders) until fully satisfied, and then 2) Shareholders in proportion to their shareholding</p>	-	-
<p><b>16 Close bank accounts</b> Close bank account when balance is zero.</p>	-	-
<p><b>17 Close other accounts</b> Close all other 3rd party gateways, PayPal etc.</p>	-	-
<p><b>18 IRS Form 1120 - final annual tax return and pay taxes</b> Ask Inkle to help you file a final IRS Corporate Tax return (Form 1120), and we will check the "Final Return" box. This filing must be done by the 15th day of the 3rd month after dissolution date. Since the bookkeeping cleanup will take time, get working right at the start of your decision making process. After this is done, your account with the IRS will get closed.</p>	-	<b>See quote</b>
<p><b>19 IRS Form 1099s / W2s</b> File any final 1099s by 31st Jan after your last year.</p>	-	<b>See quote</b>
<p><b>20 Send out stamped Dissolution Certificate</b> To all shareholders, Directors etc.</p>	-	-
<p><b>21 Cancel Your EIN and Close Your IRS Business Account</b> We can prepare the template letter to the IRS Cincinnati office, and attach your EIN issuance letter. The IRS will not process this until your taxes are paid and returns are filed.</p>	-	-
<p><b>22 USPS redirection</b> If you have been paying payroll using any US payroll provider, you will need to inform them, and they will file final payroll returns with the state and IRS.</p>	-	-
<p><b>23 Inform all</b> Inform all parties that the dissolution is finished. Inform Dun &amp; Bradstreet to remove the entity from their DUNS register.</p>	-	-
<p><b>24 All done!</b> Archive all documents digitally and keep these records for 7 years.</p>	-	-