

## What to send first

Before you reply to the auditor, agent, or diligence team, send us the items below. Don't respond to the requesting party until we've reviewed the notice and set the privilege posture. If a deadline is at risk, mark the email URGENT and attach only the notice itself — we'll request the rest after the partner call.

### SEND FIRST — REGARDLESS OF AUDIT TYPE

#### The notice + the basics

- The full notice, letter, email, or DD request list — every page, including the envelope or header.
- Any prior correspondence with the requesting party (emails, IDRs, prior responses).
- Stated deadline, response date, and any extension already requested or granted.
- Your legal entity name, EIN/tax ID, state(s) of registration, and fiscal year-end.
- Last 3 years of filed federal returns (or since inception if newer).
- Most recent year-end financial statements (audited or reviewed if available; internal otherwise).
- Current cap table and a one-line description of any related-party entities.
- Name and contact for your current CPA, bookkeeper, and outside counsel (if any).

### IRS EXAM

#### Federal tax audit — correspondence, office, or field

- IRS notice (CP2000, Letter 566, Letter 2205, Form 4564 IDR, etc.) — every page.
- Federal return for the year(s) under exam, with all schedules, K-1s, and elections.
- General ledger and trial balance for the year(s) under exam (Excel preferred).
- Bank and credit card statements for the audit period, plus reconciliations.
- Support for any item flagged in the notice: invoices, contracts, board minutes, valuations.
- Depreciation schedules, fixed asset register, and any §174 / R&D credit workpapers.
- Prior Form 2848 (Power of Attorney) on file, if any.

### STATE & MULTI-STATE

#### Sales/use, franchise, payroll, nexus, residency

- State notice or assessment, plus the agency's portal login (or screenshots).
- State returns filed for the period(s) under review.
- Sales by state and by product/SKU for the audit period (Excel).
- Exemption and resale certificates collected from customers.
- Payroll registers and W-2/1099 detail by state, if payroll or residency is in scope.
- List of physical locations, remote employees, inventory locations, and contractor states.

### VC / SERIES DUE DILIGENCE

## **Quality of earnings, ARR, financial diligence**

- Term sheet and current draft of the SPA / disclosure schedules.
- DD request list from the lead investor or their advisors.
- Monthly P&L, balance sheet, and cash flow for the last 24–36 months.
- ARR / MRR bridge with new, expansion, churn, and contraction by month.
- Top-25 customer detail: contract value, start date, renewal date, billing terms.
- Revenue recognition policy memo and sample contracts (largest, smallest, most unusual).
- Cap table (fully diluted), option ledger, 409A, and SAFE/note schedule.
- Cohort retention data and any KPI deck previously shared with investors.

### **ANGEL & SEED DILIGENCE**

#### **Pre-Seed / Seed checks — lighter but still real**

- Pitch deck and any data room link previously shared.
- SAFE or convertible note documents to date, plus the cap table reflecting them.
- Founder employment agreements, IP assignments, and vesting schedules.
- Bank statements for the last 6 months and a simple cash runway model.
- Any revenue contracts, LOIs, or signed pilots — even if unbilled.
- Founder expense detail for the last 12 months (to flag personal expenses).

### **LENDER & BANK REVIEW**

#### **Covenant compliance, borrowing base, MAC review**

- Current loan agreement, all amendments, and the most recent compliance certificate.
- Borrowing base certificates filed in the last 12 months.
- Aged A/R and A/P as of the most recent month-end.
- Inventory rollforward and any third-party appraisals.
- Monthly internal financials since the last covenant test date.
- Any default, waiver, or reservation-of-rights letter received from the lender.

### **EXTERNAL FINANCIAL AUDIT**

#### **PCAOB / AICPA — supporting your auditor of record**

- Audit engagement letter and the PBC (prepared-by-client) list.
- Trial balance and adjusting journal entries through the audit date.
- Revenue contracts sample requested by the auditor, with billing/collection support.
- Stock comp, lease, and complex accounting memos (or note the absence).
- Prior-year audit report, management letter, and uncorrected misstatements (SUM/PAJE).
- Open items / disputes with the audit team from prior years.

## HOW TO SEND

### Channel, format, and what not to do

- Email [audit@jiesen.ai](mailto:audit@jiesen.ai) with the notice attached. Subject line: URGENT + your company name if a deadline is inside 7 days.
- Prefer PDF for notices and signed documents; Excel for ledgers, ARR bridges, and cap tables.
- Do not forward the auditor's email thread with your reply already drafted — send us the notice first.
- Do not upload to a shared drive accessible to the requesting party until we've reviewed scope.
- If documents are large, we'll send a secure upload link on the first call.

Privilege note. Accountant-client privilege under IRC §7525 covers federal tax advice — not state proceedings, not criminal matters, and not promoter activity. For litigation-bound or criminal-adjacent matters we work under a Kovel arrangement so attorney-client privilege attaches. Don't send sensitive analysis or admissions over unsecured channels before the first call.

jiesen li & partners · [audit@jiesen.ai](mailto:audit@jiesen.ai) · 24-hour partner response, weekends included.