

SMOOTH HANDOFFS

HR CHECKLIST FOR PRACTICE TRANSITIONS

Policy, Payroll, & PTO Questions for the Seller

Wages & Payroll

- What is the current payroll cycle? (Every other week, 2x per month, monthly)
 - What are the published paydays? (Day of the week OR monthly dates)
 - What are the pay periods paid on each payday?
 - How many days between the end of the pay period and the payday?
 - When does the 7-day week used to calculate overtime begin and end? (Check the timekeeping software setup)
 - Are any employees paid on a different schedule or through a different method? (Bonuses, reimbursements, etc.)
 - How are team members paid? (Hourly, salary, production)
 - Are any team members classified as exempt under the Fair Labor Standards Act?
 - Are there any wage garnishments, loans, or deductions currently in place?
 - What is the pay date for the seller's final payroll and what days will it cover for that pay period?
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Paid Time Off (PTO), Vacation & Sick Leave

- What is the benefit year? (Calendar year, employment year, etc.)
- Is time off combined (PTO) or separated into Vacation/Sick Leave?
- How is time off accrued? (Per pay period, annually, hours worked, etc.)



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- Are there any maximum accrual caps?
- Do accrual rates change based on tenure? If so, at what intervals and by how much?
- Are there any other types of paid or unpaid leave available? (Bereavement leave, jury duty, etc.)
- Who is eligible for each type of PTO?
- When does PTO eligibility start?
- Is there a waiting period before accrual or usage begins?
- What are the current PTO/Vacation/Sick balances for each employee?
- Does the current PTO/Vac/Sick Leave policy allow carryover into the next benefit year, payout at the end of the benefit year, or is it a use-it-or-lose-it policy?
- Are there any traditionally scheduled practice closures? (ex: between Christmas and New Year)
- Who is financially responsible for paying out accrued, unused PTO at the time of or after the transition date? Buyer or seller?
- If buyer assumes PTO liability, will it be paid to the employees directly, reimbursed at closing, or on an ongoing basis?

Holidays

- How many paid holidays are provided annually?
 - Which holidays are observed?
 - Are holidays paid for all every team member, or only full-time employees?
 - How many hours are paid for each holiday? (Set number or based on hours scheduled that day)
 - Does the practice pay for holidays that fall on a day not regularly worked?
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Benefits

- Are health insurance/stipends, dental, vision, retirement, disability, or other benefits offered?
 - Who is the plan provider and broker?
 - What are the eligibility rules for each benefit? (See plan docs)
 - What is the renewal date of each policy?
 - Is COBRA or state continuation coverage currently in effect for any employees?
 - What portion of the premiums is employer-paid?
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Employee Status & Records

- Can the seller provide a complete and updated list of all current employees with:
 - Position/title
 - Employment status (full-time, part-time, temp)
 - Date of hire
 - Hourly rate or weekly salary
 - FLSA Classification (exempt/non-exempt)
 - Are there any independent contractors? Are there formal agreements in place? Are the agreements transferable to the buyer?
 - Are there any former employees with reinstatement rights or pending legal matters?
 - Are any employees currently on extended leave for any reason?
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Employee Handbook & HR Compliance

- Is there a written employee handbook? If yes...
 - How was it originally obtained?



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- When was it last updated, and by whom?
 - Were employees required to sign an acknowledgment of the handbook?
 - Are there any unique or non-standard HR policies in place? (e.g., dress code, cellphone use, social media, etc.)
 - Are there existing progressive discipline or grievance procedures?
 - Are all required labor law posters up-to-date and visibly posted?
 - Are there cameras anywhere in the practice or recorded phone lines? If so, have employees been notified?
 - Have there been any recent DOL, EEOC, or state labor investigations or audits? Are there any open HR-related claims? (harassment, retaliation, wage & hour, etc.)
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Performance Management

- Are there job descriptions for each role?
 - Are performance reviews conducted? If so, how often? When was the last one?
 - Do employees typically receive pay increase when performance reviews are conducted?
 - Are any employees currently involved in a performance improvement plan or internal investigation?
 - Are there recent write-ups, coaching plans, or disciplinary actions?
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Transition Communication

- How will the transition be communicated to the team?
- Who will be responsible for communicating the HR compliance requirements (new hire documents, any changes in pay/timekeeping, etc.) to the team?
- Are there any team member(s) who will not be included in transition? If so, who will handle communication with those team member(s) and who will inform the rest of the team?



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