Alon Capital

A FIELD GUIDE
US Finance Operations for Israeli Tech Companies

— THE CHECKLIST

23 US Finance Setup *Checklist*

Every box Israeli startups need to close before, during, or after expanding to the United States.

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Here's what I see over and over: Israeli founders arrive in the US with great products, real traction, and a Delaware C-Corp they set up in twenty minutes online. Then the finance infrastructure catches up with them. Payroll penalties, sales tax notices, audit prep nightmares. This checklist won't prevent every problem, but it will make sure you're not leaving the obvious stuff undone. Work through it section by section. Every unchecked box is a risk.

i ENTITY & LEGAL STRUCTURE

four items

- 01 ☐ Delaware C-Corp is properly formed and in good standing with a registered agent
- 02 ☐ Parent-subsidiary relationship is documented with a formal intercompany agreement
- 03 ☐ 83(b) elections filed (if applicable) within 30 days of equity grants
- 04 ☐ EIN obtained and linked to a US business bank account

ii PAYROLL & HR COMPLIANCE

five items

- 05 ☐ US payroll provider selected (Gusto, Rippling, ADP) and fully configured
- 06 ☐ State-level employer registration completed for every state where employees work
- 07 ☐ W-4 and I-9 forms collected for all US employees
- 08 ☐ Employee vs. contractor classification reviewed, misclassification is a major audit risk
- 09 ☐ Benefits (health, 401k) plan selected and compliant with ACA requirements

iii SALES TAX & REVENUE

four items

10 ☐ Economic nexus thresholds reviewed for each state where you have customers

11 ☐ Sales tax registration completed in all nexus states

12 ☐ Sales tax collected at point of sale (or exemption certificates on file)

13 ☐ Revenue recognition policy documented (ASC 606 for SaaS)

iv ACCOUNTING & REPORTING

four items

14 ☐ US books maintained in a US-GAAP-compatible accounting system (QuickBooks, NetSuite, etc.)

15 ☐ Chart of accounts structured to support board reporting and investor KPIs

16 ☐ Monthly close process defined with clear ownership

17 ☐ Intercompany transactions recorded and reconciled monthly

v TAX & CROSS-BORDER COMPLIANCE

four items

18 ☐ Transfer pricing policy in place between US entity and Israeli parent

19 ☐ R&D tax credit eligibility assessed (federal and state)

20 ☐ Foreign bank account reporting (FBAR / FinCEN 114) obligations identified

21 ☐ 1042-S / withholding obligations reviewed for any Israel-to-US payments

vi AUDIT READINESS & CONTROLS

two items

22 ☐ Supporting documentation organized and accessible for all major transactions

23 ☐ Approval workflows in place for vendor payments and expense reimbursements

READ YOUR SCORE

What to do *with your results*

0 *You checked everything*

You're ahead of most Israeli companies at your stage. Keep the close discipline, and revisit this list at every funding round.

5+ *Five or more open boxes*

Pick the top three by risk and fix them this quarter. Don't try to boil the ocean. Sequence by what hurts most if it shows up in due diligence.

10+ *Ten or more open boxes, and you're past Series A*

This is an emergency, not a backlog item. You're carrying material risk that can derail your next round or an exit. Bring in a finance leader this month.

Questions? Reach out at **Alon-Capital.com** *or find me on LinkedIn.*