**SUGGESTIONS FOR COMPLETION OF BANKRUPTCY OFFICIAL FORM 425A**

**(PLAN OF REORGANIZATION FOR SMALL BUSINESS UNDER CHAPTER 11)**

**Page 1, Paragraph C**:

The projections must run for the life of the plan, i.e., if it is a 5-year plan the projections must run for five (5) years. All projections should be consistent with the plan’s treatment and payment of claims. Projections should include a separate line item for payment of each bankruptcy administrative claim and highlight any assumptions that are not in accord with past experience.

See Plan Projections template, next page.

**Page 2, Article 2:**

Each class should state the approximate amount of the claims contained in that class. Unless there is a reason to do otherwise, each secured creditor should be placed in its own separate class.

**Page 2, Article 3.02**:

The plan should contain an estimate of the administrative fees through confirmation and provide for how and when those fees will be paid.

**Page 3, Article 4 “TREATMENT”**:

Claim treatment should contain, at a minimum, the following information: when payments commence, the frequency of payment, the amount of each payment, and when it is projected that payments will terminate.

**PLAN PROJECTIONS**

PLAN MONTH[[1]](#footnote-1) 0 1 2 3

STARTING CASH[[2]](#footnote-2)

Cash Receipts

 Collections

 Additional borrowings

 Total Cash Receipts \_\_\_\_ \_\_\_\_ \_\_\_\_ \_\_\_\_

 Cash Disbursements

 Total Payroll

 Payroll - Gross

 Payroll - Employer Taxes

 Benefits

 Health Insurance

 Worker's Comp Insurance

 Insurance Property

 Insurance GL and Other

 Taxes

 Expenses

 Cost of goods

 IT & Telecom

 General Administrative

 Rent

 Professional Fees

 Contract Labor

 Office Expense

 Other G&A

Bankruptcy Administrative

 Total Operating Disbursements \_\_\_\_ \_\_\_\_ \_\_\_\_ \_\_\_\_

 Projected Disposable Income \_\_\_\_ \_\_\_\_ \_\_\_\_ \_\_\_\_

Required debt service[[3]](#footnote-3)

 CLASS 1-Administrative claims

 CLASS 2-Secured

 CLASS 3-Unsecured

Total Debt Service \_\_\_\_ \_\_\_\_ \_\_\_\_ \_\_\_\_

 Cash +/-

1. Must run for the life of the plan. [↑](#footnote-ref-1)
2. Starting estimated cash at confirmation in Month 0; every month cash balance carried forward to start the next month. [↑](#footnote-ref-2)
3. Revise to reflect actual number of Classes and Plan Payments. [↑](#footnote-ref-3)