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Subchapter V Confirmation Hearing: Financial Checklist

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The financial exhibits a Subchapter V confirmation hearing turns on, what each one needs to show, and the finding or objection it answers. The court must find the plan satisfies § 1191, which incorporates most of § 1129(a): feasibility under § 1129(a)(11), the best-interests test under § 1129(a)(7), and good faith under § 1129(a)(3).

EXHIBIT	WHAT IT NEEDS TO SHOW	FINDING IT SUPPORTS
☐ **Monthly operating reports, all filed**	• Every report due under Rule 2015(a)(6) since the order for relief is filed and current. • Figures agree with the projected-versus-actual comparison.	A delinquent report is cause for conversion or dismissal under § 1112(b)(4)(F).
☐ **13-week cash flow**	• Beginning cash, weekly collections, disbursements by category (payroll, rent, utilities, professional fees, plan payments), ending cash. • Reconciles to the bank statements and the most recent MOR; collection rate matches the case history. • Covers the items most often left out: quarterly tax deposits, insurance renewals, U.S. Trustee quarterly fees where they apply, seasonal dips. • Updated shortly before the hearing.	Ability to make the first plan payments (feasibility).
☐ **Profitability schedules**	• Gross profit margin against pre-petition margins. • Operating expenses by category: pre-petition average, average during the case, projected. • EBITDA less capital expenditures and debt service, arriving at cash available for plan payments.	Feasibility, § 1129(a)(11).
☐ **Liquidation analysis**	• Assets at what a chapter 7 trustee would realize, not going-concern value. • Less chapter 7 costs: trustee compensation capped by § 326(a), the trustee's professionals, costs of sale. • Prepared as of a recent date.	Best-interests test, § 1129(a)(7).
☐ **Projected versus actual revenue**	• Petition date through the month before the hearing: projected, actual, variance in dollars and percent. • A written explanation for each double-digit variance. • Actuals match the filed MORs.	Whether the post-confirmation projections can be believed.
☐ **Personal financial statement (individual debtor)**	• Assets, liabilities, monthly income and expenses. • Agrees with the schedules and the MORs; personal expenses reasonable.	Disposable-income test, § 1191(d), in a nonconsensual case.
☐ **Post-confirmation working capital**	• Bank statement, credit-line commitment letter, or working capital schedule. • Sources and uses for the first 90 days: opening cash, collections, disbursements, minimum balance. • Commitment letter read for conditions and covenants.	The debtor can operate after confirmation.
☐ **Plan projections and good-faith narrative**	• A written narrative for each key assumption, tied to trends, contracts, or changes already made. • A short memorandum walking each confirmation requirement to the exhibit that supports it.	Good faith, § 1129(a)(3); feasibility.

> Ask the Subchapter V trustee how far in advance they want the package. Practice varies by trustee and by court, and a trustee who has had time to review the numbers is far less likely to object at the hearing.

Condensed from "Subchapter V Confirmation Hearing Checklist: Financial Documents to Prepare," leerestructuring.com/blog. General information for professionals, not legal, tax, or investment advice. Confirm current requirements with the court and the U.S. Trustee.