

Planning for Business Succession Checklist

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General information	Yes	No	N/A
1. Has relevant personal information been gathered? <ul style="list-style-type: none"> • Personal details • Family details • Name of other participants in the business 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Has personal financial situation been assessed? <ul style="list-style-type: none"> • Income • Expenses • Assets • Liabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. If business is a separate entity, has its financial situation been assessed? <ul style="list-style-type: none"> • Type of entity (e.g., corporation, partnership) • Income • Expenses • Assets • Liabilities • Owners' equity 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Has professional team been assembled? <ul style="list-style-type: none"> • Accountant • Attorney • Insurance professional 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Notes:			
Business succession planning basics	Yes	No	N/A
1. Are there other owners of the business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is there a legal, written business succession plan in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Has a short-term contingency plan been prepared that maps out procedure for the continuation of business operations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Has a successor management team been chosen?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Have methods of retaining key employees during transition been discussed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Has plan been discussed with family members and key employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Has equalizing estate distributions to children been discussed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. If no business succession plan is in place, have various strategies and goals been discussed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Notes:

Selling a business interest**Yes No N/A**

1. Is selling the business to family an option?

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2. If selling the business to family is an option, have financing options been considered?

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- Private annuity
- Installment sale
- Self-canceling installment note
- Buy-sell agreement
- Coordinate sale with gifts
- Family limited partnership

3. Is selling the business to nonfamily an option?

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- Selling shares or assets
- Using a buy-sell agreement to sell to nonfamily
- Selling to another corporation
- Selling to an employee stock ownership plan (ESOP)

Notes:

Lifetime gifting**Yes No N/A**

1. Has transferring the business with lifetime gifts been considered?

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- Outright gifts
- Trusts
- Charitable remainder trusts
- Transfer using another entity

Notes:

Other strategies**Yes No N/A**

1. Have other transfer strategies been discussed?

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- Grantor retained trusts
- Retained interest

Notes:

Buy-sell agreements

Yes

No

N/A

1. Is a buy-sell agreement an option?

- Entity purchase
- Cross purchase
- Wait and see
- Section 302 stock redemption
- Section 303 stock redemption
- One-way
- Trusteed cross purchase

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2. If a buy-sell agreement is an option, have ways to fund the agreement been discussed?

- Life insurance
- Disability insurance
- Cash
- Borrowings

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Notes:

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