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Confidential Business Planning Questionnaire

Date: _____

I. The Farm Business

Names, Email and Street Addresses of Partners/Members:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Check one:

New Entity New Partner/Member Entity Conversion Other

What name has been selected for the entity? Has a name registration (DBA) been filed with the Vermont Secretary of State's office been filed?

What is the address of the principal place of business?

II. Nature of the Business

What is the principal business activity?

Do you contemplate expanding into other activities in the future?

Do you want to restrict the rights of Partners/Members to engage in outside business activities that may compete with the entity?

Do you intend to seek outside investors to finance your business or to finance expansion?

How is the current operation taxed? Is it taxed as a partnership, a sole proprietorship or an S or C Corp? What is your fiscal year?

Do any Partners/Members reside in a state other than Vermont? Are all Partners/Members citizens of the United States?

III. Duration of the Business

On what date will the business begin? _____

Do you want the business to run for a particular term of years or until the Partners/Members decide to terminate the business?

IV. Contributions of Partners/Members

A. What items of personal property will each Partners/Members contribute to the business? Alternatively, please provide me with a balance sheet for the business or for each prospective Partner/Member indicating property to be contributed.

	Name:		Name:	
	Market Value	Cost Basis	Market Value	Cost Basis
Feed/Crops				
Livestock				
Machinery				
Other:				
Total				

	Name:		Name:	
	Market Value	Cost Basis	Market Value	Cost Basis
Feed/Crops				
Livestock				
Machinery				
Other:				
Total				

If any personal property owned by a Partner/Member will be leased to the business what are the terms of the lease? (Lease payment, lease period, maintenance/replacement, and insurance)

Will any personal property contributed by a Partner/Member be subject to debt? Will the debt be assumed by the business?

B. Real Property Contributions

1. Will any real property owned by Partners/Members be used by the business? If so, please describe the property and provide an estimate of its value.

2. How will the Partner/Member be compensated for the use of the real property? What are the fixed costs for the property? Is there a lease? What are the terms of use?

3. Will the business make improvements to real property owned by a Partner/Member? Who will own the improvement at the termination of the business?

4. If any real property is to be contributed outright to the business, please provide its legal description, market value and income tax cost basis. Is the real property subject to a mortgage?

C. Cash Contributions

1. What outright cash contributions will be made to the business and by whom?

2. What cash loans will be made to the partnership by a Partners/Members? What are the terms of the loan?

3. Will any Partners/Members contribute primarily services to the business? If services will be contributed will there be a service agreement? How will it be valued?

D. Future Capital Contributions

1. Can a Partners/Members make additional capital contributions? Under what conditions?

2. May Partners/Members reinvest profits in the business? Must reinvestments be in the same proportion as the initial capital contributions? Or may capital accounts change to reflect the additional investment?

E. Withdrawals of Capital

1. Can Partners/Members withdraw capital contributions? Under what conditions?

V. Labor Contributions

Name of Member/ Partner	Role in the business and percentage of time devoted to the business

Will guaranteed payments be made to Partners? Will a salary be paid? Please describe the payment terms for each Partner/Member.

Will the entity be taxed as a partnership or as an S Corp?

VI. Distributions of Income

Under what conditions may additional funds be withdrawn during the year as a drawing account or advance on ordinary income?

How will the income of the business be allocated among Partners/Members? Will it be allocated on the basis of capital share, share of units or some other basis?

How will decisions about the distributions of income allocations be made? By mutual agreement? By majority vote of outstanding units? By majority of capital ownership?

VII. Accounts and Records

Will records be kept on a cash or accrual basis? _____

Who will be responsible for keeping the books of the business?

Who will be responsible for the tax matters of the business?

Will the books be open for inspection by all members/partners? At what times? Are there types of information that should be withheld from Partners/Members?

Where will the funds of the business be deposited?

Who will have the authority to sign checks on the business account?

VIII. Management of the Business

Will any limitations be placed on a Partners/Member's authority to bind the business?

If partners/members are not to have an equal voice in management, how will management authority be divided?

How will decisions be settled? By mutual agreement? By majority vote? By arbitration? By majority of capital ownership? By one designated member?

How often will Partners/Members meet to discuss business progress or problems?

Should the management rights of those who receive an interest in the business as a result of divorce or bankruptcy be limited?

IX. Dissolution of the Business

In the event of premature death, disability or voluntary withdrawal of a partner/member will there be an agreement on the part of the remaining members to buy out the withdrawing member's share?

Will the buy-out be mandatory or voluntary? What will be the terms of the buyout agreement?

How will value be established? Will the business maintain life insurance to finance the buy-out?

Are there other events that should cause dissolution of the business?

X. Miscellaneous

Will the Partners/Members be covered under Worker's Compensation insurance?

Please list names, addresses and phone numbers of professionals providing tax, accounting, cash flow analysis or business planning assistance. For each professional, please indicate whether I may discuss with him or her aspects of your case even if it requires sharing confidential information.

/s/ Partner/Member

/s/ Partner/Member

/s/ Partner/Member

/s/ Partner/Member