

## **PARTNERSHIP AGREEMENT**

### **A Planning Checklist**

1. Name of the Partnership.
2. Duration of the Partnership -Number of years or "Until Dissolved".
3. Location of office.
4. Capital contribution of each Partner.
5. Whether Partners may make additional contributions.
6. The level at which Capital Accounts of the Partners must be maintained.
7. Participation of each Partner in profits and losses.
8. The amounts of any regular Drawings against profits.
9. Duties, responsibilities, and sphere of activities of each partner.
10. Amount of time to be contributed by each Partner.
11. Prohibition of outside business activities by Partners that would be in competition with the Partnership business.
12. Who is to be the managing Partner and whose decision will prevail in case of a tie or a dispute?
13. Procedure for admitting new Partners.
14. Methods of admitting Junior Partners without capital, if such a procedure is to be considered desirable.
15. Method of determining the value of Goodwill in the business, in case of death, incompetence, or withdrawal of a. Partner or dissolution of the Partnership for any other reason.
16. Annually determine the value of the business to serve as the legal basis in case of separation or death of a partner.
17. Method of liquidating the interest of deceased or retiring Partner.
18. Age of which a Partner must withdraw from active participation, and arrangements for adjusting his salary and equity.
19. Whether or not surviving Partners shall have the right to continue using the name of a deceased Partner in the Partnership Name.
20. Period of time in which retiring or withdrawing Partners may not engage in a competing business.
21. Basis for expulsion of a Partner, method of notification of expulsion, and the disposition of any losses that arise from the delinquency of such a Partner.
22. How will the event of protracted disability of a Partner be handled?

- 23. Whether the Accounts are to be kept on a Cash or Accrual basis, and if on the Cash basis, the method of compensating Partners who withdraw or retire for income realized on services rendered, but not invoiced, at the time of their withdrawal or retirement.**
- 24. The Fiscal Year of the Partnership.**
- 25. Whether or not Interest is to be paid on the debit and credit balances in the Partner's accounts.**
- 26. Where the Partnership cash is to be deposited and who may sign checks.**
- 27. Whether or not all Partners shall have access to the Books of Account.**
- 28. Under what conditions Limited Partners may be accepted into the firm, and, if so, who shall be designated as the General Partner.**
- 29. Prohibition of the Partners pledging, selling, hypothecating, or in any manner transferring their interest in the Partnership except to other Partners.**
- 30. Identification of material contracts or agreement affecting liability or operation of the partnership.**