

# PARTNERSHIP AGREEMENT CHECKLIST

*Conflict Resolution BEFORE the conflict*

## BASICS

Name and type of Partnership  
Duration: a fixed date or until dissolved?  
Location of office

## FINANCIAL DETAILS

Capital contribution of each partner  
Fiscal year of partnership  
Where partnership account is held,  
    Who may sign checks, and approvals required  
Accounts kept on a CASH or ACCRUAL basis  
Salaries of each partner: treated as expense, or profit distribution  
Participation of each partner in losses and profits: %? - Time input?  
Whether or not interest is to be paid on partner's debit and credit balances?  
Additional contributions to capital allowed or required  
    The same for withdrawal of capital.  
Minimum levels of capital to be maintained  
Full access by all partners to financial statements  
Formal Income statements required on a regular basis  
Valuation of assets every year  
Required meetings per year (with minutes?)

## RESPONSIBILITIES

Duties and responsibilities of each partner  
    And designated areas of activities (plus shared areas)  
Time given to partnership work: FT or  
    PT with salary/benefit adjustments  
Restrictions on outside activities, competitive or otherwise  
Levels of authority: who is Managing partner? Final decision maker  
    In event of a tie

## ADMINISTRATION AND MANAGEMENT

Dispute resolution: how handled?  
Prohibition to selling, pledging, transferring partnership interests  
    To outsiders (Buy/sell)  
Protracted disability of a partner: Salary/benefit adjustments.  
    For what length of time? Funded by insurance or . . . ?

### Admissions

Admitting new partners with, and without, capital. What procedure?  
Admitting limited partners under what conditions, if allowed at all?  
    Who shall be the general partner?  
Non-compete agreement required – length of time, details?

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### Departures

Withdrawal of partner: resignation, death, lack of performance . . .  
Expulsion of partner: bases for it; and allocation of losses due to it  
Method of buying out the interest of a departing partner: valuation and  
Accrued services/debt pro-rated  
Right to use name/LOGO by surviving partner  
Mandatory retirement (age?), and buyout procedures

## RESOURCES

The Partnership Book: How to write a Partnership Agreement (with CD-ROM)  
By Denis Clifford and Ralph E. Warner

How to Prepare Your Own Partnership Agreement and Avoid Unnecessary Legal Fees  
And Expenses (Law for the Layman Series) by John Cotton Howell

Partnership Agreement, Do It Yourself by Timothy J Smith

How to Prepare Your Own Partnership Agreement by Harper Hamilton

Prototype Limited Liability Partnership Agreement: Working Group on the Prototype Ltd  
Liability Partnership Agreement Formed Under the Uniform Partnership Act (1997)  
by Werner Krabs

Partnership: Small Business Startup Kit by Dan Sitarz, Nova Publishing Co

Structuring Your Business by Michelle Cagan, STREETWISE Adams Media

Legal Guide for Starting and Running a Small Business by Fred Steingold, Nolo Press

Search **GOOGLE** for forms and more ideas!

*The above references provide ideas and samples only. They are a starting point to an agreement between you and a partner. Under no conditions are they to be used without reference to a qualified attorney within your state, and without addressing the needs and special circumstances of your business and its individual participants.*