

# Business Planning



## Personal Information

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Registered Business Name \_\_\_\_\_  
DBA or Affiliated Entities (If Applicable) \_\_\_\_\_  
Business Address \_\_\_\_\_ City \_\_\_\_\_ State/Zip \_\_\_\_\_  
Business Phone \_\_\_\_\_ Business Email \_\_\_\_\_

## Business Structure & Industry

Type of Business

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> S Corp                                | <input type="checkbox"/> LLC - Taxed as: |
| <input type="checkbox"/> Partnership     | <input type="checkbox"/> Nonprofit Organization                | <input type="radio"/> Partnership        |
| <input type="checkbox"/> Joint Venture   | <input type="checkbox"/> Professional Corporation/ Association | <input type="radio"/> Corporation        |
| <input type="checkbox"/> C Corp          |  | <input type="radio"/> Self-Employed      |

What is the nature of the business? \_\_\_\_\_  
\_\_\_\_\_

How long have you been in business? \_\_\_\_\_ How did you get started? \_\_\_\_\_  
\_\_\_\_\_

What is the industry or profession outlook in the future? \_\_\_\_\_  
\_\_\_\_\_

What do you value about your business? \_\_\_\_\_  
\_\_\_\_\_

What are some day to day problems you are faced with? \_\_\_\_\_  
\_\_\_\_\_

If you were to start your business all over again, what would you change? \_\_\_\_\_  
\_\_\_\_\_

Do you have any family members involved in your business?  Yes  No

How do you foresee family member involvement in the future? \_\_\_\_\_  
\_\_\_\_\_

## Business Event Checklist

In the past five years, check all that apply:

- |   |  |
|---|--|
| <input type="checkbox"/> Have you expanded or downsized your business?    | <input type="checkbox"/> Have you had changes with key employees?  |
| <input type="checkbox"/> Have business sales increased or decreased?      | <input type="checkbox"/> Has employee turnover increased?  |
| <input type="checkbox"/> Have there been changes with family involvement? | <input type="checkbox"/> Have you implemented any management model changes?                              |
| <input type="checkbox"/> Have you taken in or lost a business partner?    | <input type="checkbox"/> Have your retirement goals shifted (i.e., when and how you will retire?)        |
| <input type="checkbox"/> Have you changed your business structure?        | <input type="checkbox"/> Have there been changes in your personal life such as marriage, divorce, death? |

Are you concerned about having enough retirement income?  Yes  No

Do your retirement goals rely upon the sale of your business?  Yes  No

Do you have a benefit package (health, life or disability)?  Yes  No

What were your prior year

Gross Sales: \_\_\_\_\_ Taxable Income: \_\_\_\_\_ Tax Bracket \_\_\_\_\_

## Existing Life Insurance

Do you currently own a life insurance policy?  Yes  No

What was the original reason for purchasing this policy? \_\_\_\_\_

Is this reason still valid?  Yes  No

How was the amount of coverage determined? \_\_\_\_\_

Is this still appropriate?  Yes  No

What type of policy do you own? (UL, Whole, Term, etc.) \_\_\_\_\_

Who is the beneficiary? \_\_\_\_\_ Is this still appropriate?  Yes  No

## Retirement Planning

What have you done to plan for your retirement? \_\_\_\_\_

Do you have a qualified plan?  Yes  No

Are you satisfied with the contributions you are receiving?  Yes  No

Do you have concerns about the cost to cover employees?  Yes  No

Are you satisfied with the plan administration and fees?  Yes  No

Would you be interested in hearing about methods for saving for retirement in a tax-efficient way?  Yes  No

## Employee Information

How many employees currently work for your business? \_\_\_\_\_

Does employee turnover impact business operations and success?  Yes  No

If yes, how so? \_\_\_\_\_

Do you classify any employees as "key" employees?  Yes  No

How do you make this distinction? \_\_\_\_\_

Why are they important to the success of your company? \_\_\_\_\_

Would your company suffer if they left?  Yes  No

Do you think your key employee(s) are satisfied with their role(s) within your organization?  Yes  No

Have you done anything to protect your business from the possible loss of a key employee?  Yes  No

Have you ever done anything in the past for certain important employees?  Yes  No

Would you like to do something special for any of your employees to help keep them committed?  Yes  No

How important is attracting new talent to your business? \_\_\_\_\_

What about making sure that talent stays within your organization? \_\_\_\_\_

Are you currently hiring?  Yes  No

Have you had employees express concern about the taxes they pay today?  Yes  No

## Transitioning Out of Business Ownership

What are your plans for your business? \_\_\_\_\_

Do you plan to sell?  Yes  No

Do you have plans to leave any business interest to family members involved with the business?  Yes  No

Do you want to benefit family member who have no active involvement in your business?  Yes  No

Do you have a formal agreement such as a Buy-Sell?

**If yes:**

When was the last time the agreement was reviewed? \_\_\_\_\_

When was the last time you had a business valuation? \_\_\_\_\_

Is your plan funded?  Yes  No      With Life Insurance?  Yes  No

**If no:**

If you are planning to sell, will you:  Sell outright  Help fund the purchase

How far in the future do you think you will want to sell? \_\_\_\_\_

Do you know what the value of your business is today? \_\_\_\_\_

If you became disabled today, how would that impact your business and your family?

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Do you own any type of disability coverage?  Yes  No

If you were to die prematurely, how would that impact your business and your family?

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### Key Areas of Concern

Please indicate your top four area(s) of priority:

- 1 Protection from the loss of a key employee
- 2 Exploring tax-efficient ways to save for retirement
- 2,3 Providing reward benefits to key employees
- 2,3 I am concerned about having enough retirement income for myself
- 3 I would like to know more about programs that allow me to provide retirement benefits for selected key employees
- 3 Attracting and retaining top talent
- 4 Continuation of business at retirement, disability or death
- 4 Family receiving business value in the event of you disability or death
- 4 Leaving business interest to involved family members
- 4 Equalizing inheritance so that those uninvolved also benefit

After identifying areas of primary concern for the business owner, proceed to the appropriate fact finder(s) to determine specific data.

- 1 = Key Person Protection
- 2 = Qualified Retirement Planning
- 3 = Non-qualified Plans
- 4 = Business Transition

# Business Planning

## Key Person Protection

### Key Employee Data

Please identify all key employees.

	Key Employee 1	Key Employee 2	Key Employee 3	Key Employee 4
Name				
Title				
Gender				
Owner (Yes or No)				
Date of Birth / Age				
Annual Compensation				
Number of years needed to hire & train replacement				
Costs incurred in recruiting, hiring, & training replacement				
Estimated cost to replace key employee using replacement cost method  (Annual Compensation x Number of Years) + Costs Incurred				

# Business Planning

## Qualified Retirement Planning

### Additional Company Information

Is the business tax year from January 1 to December 31?  Yes  No

If not, please explain \_\_\_\_\_

Do you have ownership in any other businesses? \_\_\_\_\_

### Determining The Type Of Plan For Your Business Goals

Do you currently have a qualified plan?  Yes  No

If yes, please indicate the type of plan:

Profit Sharing  401(k)  Defined Benefit  SEP-IRA

Other: \_\_\_\_\_

### Factors To Consider

- 1 My business income is variable.
- 1 I would like to have flexibility while making contributions.
- 1 I would like to contribute \$50,000 or less for myself.
- 1 My total budget that I would contribute to the plan is \$100,000 or less.
  
- 2 My business income is constant.
- 2 I am comfortable making fixed contributions.
- 2 I would like to contribute \$50,000 or more for myself.
- 2 My total budget that I would contribute to the plan is \$100,000 or more.
  
- 3 I am interested in allowing employees to make before-tax contributions to the plan.

Besides yourself, is there anyone else you would like to favor?

Name & Title \_\_\_\_\_

Name & Title \_\_\_\_\_

If your choices include mostly:

1 = Consider a profit sharing plan

3 = Consider a 401(k) Plan

2 = Consider a defined benefit plan



# Business Planning

## Non-qualified Plans

### Factors to Consider

- 1,2 I want a plan that can provide a current deductible expense for the business.
- 3 I am looking for the ability to recover plan expenses.
- 1,2 I want tax-favorable distribution from the plan during lifetime and at death.
- 1 I am looking for a flexible funding program.
- 4 My key employee wants to delay income tax to a future tax year.
- 1,2,4 The primary design should be to provide supplemental retirement income.
- 3 The primary design should be to provide death benefit protection.
- 4 My key employee wants current tax benefit.

If your choice include mostly:

- 1 = Consider an Executive Bonus Plan
- 2 = Consider a Section 79 Plan
- 3 = Consider a Split Dollar Plan
- 4 = Consider a Non-Qualified Deferred Compensation

	<b>Participant 1</b>	<b>Participant 2</b>	<b>Participant 3</b>	<b>Participant 4</b>
Name				
Title				
Gender				
Ownership Interest				
Tax Bracket				
Date of Birth / Age				
Annual Compensation				
Dollar Amount of Employer Contribution				
Life Insurance Death Benefit Amount				
Type of Plan				



# Business Planning

## Business Transition

### General Information

Owner's Name	Ownership %	Actively Working in the Business?	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No

### Buy-Sell Agreements

Do you have a buy-sell agreement that outlines the terms and conditions of the transition plan?

Yes  No – If no, skip to **Currently No Transition Plan in Place**, on page 6

Have there been any significant changes to your business since the agreement was established?

Do you believe your current agreement is still relevant?  Yes  No

Type of Agreement:

- Cross purchase Agreement                       One-way agreement                       Wait and see agreement  
 Trusteed cross purchase agreement                       Stock Redemption/entity purchase agreement

If trusteed cross purchase agreement, who is the trustee? \_\_\_\_\_

Triggering events for sale of business:

- Death                       Retirement                       Divorce                      Termination of Employment  
 Disability                       Bankruptcy                       Other? \_\_\_\_\_                       Voluntary                       Involuntary

Determination of valuation/purchase price:

How was value determined? \_\_\_\_\_

When was value determined? \_\_\_\_\_ Agreed upon value? \_\_\_\_\_

Terms of Sale:

- Installment \_\_\_\_\_                       Lump Sum \_\_\_\_\_  
 Term \_\_\_\_\_ Years                       Interest Rate \_\_\_\_\_%

How is the existing buy-sell agreement funded? \_\_\_\_\_

If the existing agreement is funded with life insurance, have you determined disposition of contracts in the event of:

Termination of Agreement \_\_\_\_\_

Termination of Employment \_\_\_\_\_

Death or Departure of Owner \_\_\_\_\_

Provisions governing termination of agreement \_\_\_\_\_

Does the existing agreement have the ability to accommodate new owners?  Yes  No

Life insurance policy funding provisions:

Insured	Owner	Beneficiary	Face Amount	Who pays the premium?

What planning have you done to equalize inheritance between family members who will acquire the business and family members who will not?

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### Family In The Business

Will a family member be able to take ownership in the business?  Yes  No

Do you fear they may be inexperienced and possibly interfere with management?  Yes  No

Have you discussed the treatment of children with your spouse?  Yes  No

Would you like to treat children in the business equally?  Yes  No

Are there children who are not involved in the business?  Yes  No

How would you like to treat children who are not in the business?

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What planning have you done to equalize inheritance between family members who will acquire the business and family members who will not?

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### Currently No Transition Plan In Place

Who should acquire the interest of a departing owner?

- Remaining share holder(s)     
  Outside Buyer     
  Owner's family member(s)  
 Business     
  Combination

How should ownership interests be allocated after the sale? \_\_\_\_\_

How will the buyer fund the purchase?

- Cash flow from Business     
  Establishing sinking fund     
  Bank loan     
  Life Insurance  
 Other \_\_\_\_\_

Is a basis step-up important to the remaining owners? \_\_\_\_\_

Are the departing owner(s) and proposed new owner(s) related (will family attribution rules be an issue)?  Yes  No

Will the sale of your business provide your retirement income?  Yes  No

If yes, what percentage of your retirement income is dependent on the sale of your business? \_\_\_\_

Triggering events for sale of business:

- Death     
  Retirement     
  Divorce     
 Termination of Employment  
 Disability     
  Bankruptcy     
  Other? \_\_\_\_\_     
 Voluntary     
 Involuntary

Do you intend to fund the disability buyout provision with a disability income policy?  Yes  No

With respect to each triggering event, should buyout be mandatory or optional?

- Owners or shareholders required to sell     
 Owners or shareholders required to buy

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\_\_\_\_\_

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\_\_\_\_\_  
 \_\_\_\_\_