

CHECKLIST ESTATE PLANNING: FAMILY OWNED BUSINESSES

KNOW that the best way to prevent a family business from becoming a catalyst for future conflict is to put a succession plan in place.
COMMIT to implementing the legal and financial strategies necessary to keep the peace and effectively transfer the business.
THINK about whether the company could thrive after your death or whether a lifetime sale might be most appropriate.
CONSIDER, for estate planning purposes, that your business is just another asset class in your portfolio.
CONVENE your heirs to uncover their views about the business; communication is a critical component to the successful transfer of a business.
DISCUSS the importance of family, your values, and the need to maintain business profitability throughout the transition.
EXPLORE your heirs' goals and aspirations for the business.
DECIDE whether any heirs prefer cash versus an ownership interest.
GAUGE whether the heirs who want to run the business have the capacity to do so.
CONSIDER whether a business appraisal will help in the planning process.
RESIST the temptation to leave the business in equal shares to your children.
DETERMINE the role other assets may play in your distribution plan for heirs not involved with the business, including insurance proceeds.
CONSULT with experts to address estate implications for heirs and to develop the legal framework.
CONSIDER how your involvement with the company will dissipate or decline over time as the next

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