

PARTNERSHIP AGREEMENTS

Listed below are several questions for business partners to answer before entering into a partnership. Partnerships can be the most difficult corporate structure to manage because each partner is 100% liable for the business, regardless of the business percentage owned. And, each partner can individually perform business transactions on the part of the company without the others' permission. Therefore a written agreement between the partners is essential. Using a lawyer can often be beneficial.

What is each partner's share in the business?

What is each partner's title?

Does each partner have a job description & responsibilities?

What is each partner's authority?

What is each partner required to invest?

What is each partner's weekly time requirement?

What is each partner's monthly distribution (profit, loss, depreciation)?

What happens if the business needs more investment?

What is each partner's responsibility for future investment?

What happens if a partner can not meet his time obligations?

What happens if a partner can not meet investment obligations?

What happens if a partner is injured: time, investment?

What happens if a partner dies: what happens to his share?

Can a partner's share be assigned to someone else?

How is each partners investment valued?

What happens if a partner wants to leave the partnership?

Should there be a non compete agreement between partners?

Is a partner allowed to invest in a similar business?

What is each partner's responsibility for any loans?

What business activities must be agreed to by all partners?

What business expenses must be agreed to by all partners?