

## PARTNERSHIP AGREEMENT CHECKLIST



- 1. Parties
- 2. Name of Partnership
- 3. Term of Years
- 4. Place of Business
- 5. Scope of Partnership — nature of business; change requiring consent?
- 6. Capital Contributions?
- 7. Division of net profits
- 8. Accounting and other records?
- 9. Name of Auditor/Accountant. Is auditor required? Fiscal Year
- 10. Bank
- 11. Restriction on encumbering Partnership interest
- 12. Devoting full time attention? Part time?
- 13. Management — roles in management
- 14. Partnership contracts — who signs? Parties bound? Indemnity re third parties where act outside partnership business?
- 15. Draws? How often? Limits?
- 16. Retirement, Bankruptcy , Death of Partner
  - Retirement, bankruptcy or death of partner results in dissolution?
  - Notice period, agreement that other partner has time to buy out etc.
  - Method of valuation? What done for the purchase?
  - Any mandatory retirement?
  - Right of first refusals?
- 17. Income tax issues re valuations now and in future?
- 18. Non-competition

- 19. Sale of Partnership interest to third parties**
  - Prohibition if not unanimously agreed
  - Right of first refusal
  
- 20. Addition of new partners? Expulsion of partner?**
  - Where more than one partner
  - Reasons can be same as cause — eg. theft, dishonesty, bankruptcy, losing license etc.
  
- 21. Dissolution of Partnership**
  - Unless agree to contrary, death, insolvency and notice of partner dissolves partnership. What does partner leave with?
  - Partnership Act — grounds for dissolution
  
- 22. Partnership Property**
  - Registered in firm name?
  - Registered in name of separate partners? Eg. customer lists owned by the individuals?
  
- 23. Liability**
  - Errors and omissions insurance?
  
- 24. Mediation/Arbitration clause. Best efforts to resolve disputes etc.?**
  
- 25. Name to be registered under Partnerships Registration Act?**