



# Business Owner Fact Finder

Confidential

## Prepared by:

The information provided is not written or intended as specific tax or legal advice. MassMutual, its employees and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.

Individuals involved in the estate planning process should work with an estate planning team, including their own personal legal or tax counsel.

## Family data

Name: \_\_\_\_\_ DOB: \_\_\_\_\_

Spouse name: \_\_\_\_\_ DOB: \_\_\_\_\_

Child: \_\_\_\_\_ DOB: \_\_\_\_\_

Child: \_\_\_\_\_ DOB: \_\_\_\_\_

Child: \_\_\_\_\_ DOB: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Name and address of attorney: \_\_\_\_\_

\_\_\_\_\_

Name and address of accountant: \_\_\_\_\_

\_\_\_\_\_

## Business data

Business name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Web address: \_\_\_\_\_ Email: \_\_\_\_\_

Name and address of attorney: \_\_\_\_\_

\_\_\_\_\_

Name and address of accountant: \_\_\_\_\_

\_\_\_\_\_

## Business organization (under state law)

Sole partnership

General Proprietorship

Limited Partnership

Limited Liability Company

C Corporation

S Corporation

Professional Corporation

Professional Association

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

Date established/State of incorporation: \_\_\_\_\_



## Type of business

Agriculture, forestry and fishing      Mining      Construction      Manufacturing  
 Transportation and public utilities      Wholesale trade      Retail trade  
 Finance, insurance and real estate      Services      Other: \_\_\_\_\_

Description of main business activity: \_\_\_\_\_

**Accounting:**      Accrual      Cash Basis      Fiscal year ends

What separates your business from the competition? \_\_\_\_\_

## Number of employees/owners

Owner employees	Other Officers/ Key personnel	Other salaried	Non union	Union	Total
Stockholders: _____					
Partners: _____					

## Business ownership and income

Principal owners and position	Age	Ownership %	Relationship (family or non-family)	Annual salary (W-2 or K-1 distribution)	Bonus

Are there any restrictions on the transfer of stock? \_\_\_\_\_

## Business real estate (owned or leased)

Please list all real estate associated with the business. It is important to understand whether the real estate will be treated as part of the business in any sale or retained by you as a source of income. If the real estate is owned by a separate LLC or business, please note.

Location/Address	How owned?	Fair market value	Mortgage information	Rent paid	Retirement income?

What will happen to any real estate associated with the business once the business is transferred?

\_\_\_\_\_

# I.B.E.T.E.

## Five questions that business owners should be asking themselves.

**1. Income:** How would your family's standard of living be maintained in the event you die, become disabled or retire? \_\_\_\_\_

\_\_\_\_\_

**2. Business loans:** Many business owners have to personally guarantee business loans. What happens to these loans if you die, become disabled or retire? \_\_\_\_\_

\_\_\_\_\_

**3. Employees:** Many businesses depend on one or two key employees. What would happen to the business if your key employee(s) dies, became disabled, or just didn't show up at work? \_\_\_\_\_

\_\_\_\_\_

**4. Transfer:** You will eventually exit your business. What would you like to do with the business when that time comes? \_\_\_\_\_

\_\_\_\_\_

**5. Estate Planning:** Should you be concerned about Federal or State gift or inheritance taxes?

\_\_\_\_\_

## Income needs planning

What income will your spouse require in the event of your death to maintain a lifestyle he/she is comfortable with? \_\_\_\_\_

\_\_\_\_\_

What income will you require in the event you become disabled or retire? \_\_\_\_\_

Do you plan on liquidating the business upon your death, disability or retirement? If so, what plans do you have in place to maintain your lifestyle or the lifestyle of your spouse? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What income sources are available to meet your needs? \_\_\_\_\_

\_\_\_\_\_



Aside from your business, how are you saving for retirement? \_\_\_\_\_

Please tell me about your current retirement savings:

Retirement Assets	Current Value/Projected Benefit	Details
Defined Benefit Plans		
Profit Sharing/401(k)		
IRAs/SEP		
Annuities		
Life Insurance Cash Values		
Savings & Brokerage Accounts		
Real Estate		

### Business loans needs planning

How much long term debt does the business carry and for what term? Will these loans be called in the event of a death? \_\_\_\_\_

### Employee needs planning

How would your Business be impacted in the event a key employee became disabled, died or retired? \_\_\_\_\_

What would happen to the families of your key employees in the event they died or became disabled? \_\_\_\_\_

Provide the following information on your key employees

Name	Position	DOB	Benefits provided	Salary	Possible owner?

Is it important to receive an immediate tax deduction for the employee benefits provided?

Yes      No

Is it important for you to control the assets funding the benefits used to motivate the employee to stay with the business?      Yes      No

## Transfer of the business

How will the business be managed if you are unable to maintain your current position either through death, disability or retirement? \_\_\_\_\_

\_\_\_\_\_

If the business is family owned, how do you feel about keeping it in the family? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Who would you like to transfer your ownership interest to? \_\_\_\_\_

What steps have you taken to ensure the smooth transition/succession of your business? (A smooth transition will increase the chances of retaining key employees and clients and assure creditors that the business can continue) \_\_\_\_\_

\_\_\_\_\_

What key employee programs do you have in place to attract and/or assist potential buyers? \_\_\_\_\_

\_\_\_\_\_

Do you have a buy-sell agreement in place?      Yes      No

If yes, how is it structured?      Entity Purchase or      Cross Purchase

Does it address the following issues?

Death      Disability      Divorce      Departure      Disqualification

Do you have any special business concerns (government contracts, international customers/ agreements etc)? \_\_\_\_\_

\_\_\_\_\_



## Business plans/Valuation

What do you estimate is the fair market value of the business? How did you come up with this figure? Do you have a buyer in mind? \_\_\_\_\_

Does this estimate include an allowance for goodwill? If so, why and how many years will the goodwill last? \_\_\_\_\_

Has the business ever been professionally valued? If so, when and for how much? (Please attach a copy of the appraisal) \_\_\_\_\_

## Assets

What is the Fair Market Value of:

1) Land owned by the business \_\_\_\_\_

2) Building and equipment owned by the business \_\_\_\_\_

What percentage (%) would you expect to recover in asset values in the event of a forced liquidation (typically 30%–60%)? \_\_\_\_\_%

If Cash Basis accounting is used, what is the value of the Accounts Receivable at the end of the prior Fiscal Year? \$ \_\_\_\_\_

What percent of Accounts Receivable could be collected in the event of a forced liquidation (typically 30%–80%)? \_\_\_\_\_%

Does the business benefit from any special intellectual property rights (patents, copyrights etc)?  
What value have you assigned to these rights? \_\_\_\_\_

Have there been any material events since the last fiscal year that could have an impact on the value of the business (i.e., contingent liability, lawsuits, patents, new distribution partners)? \_\_\_\_\_

Explain any material fluctuations in income or value over the past 3 to 5 years (if applicable) \_\_\_\_\_

## Estate planning

What are your plans to help your family pay potential estate taxes? \_\_\_\_\_

What kind of long-term care plans do you have? \_\_\_\_\_

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If you intend to transition the business to your children, are there any who will not be a part of this transition? How do you intend to address issues of treating each child fairly and equitably? \_\_\_\_\_

Should assets being passed to your children be protected from divorce and other creditors? \_\_\_\_\_

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### Estate planning documents

Do you have a current will? If not, state intestate laws will determine who receives your property.

Will/Date of last review \_\_\_\_\_

Trust agreements/Date of last review \_\_\_\_\_

Do you have charitable intent? \_\_\_\_\_

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### Asset inventory

Asset	Value	Debt	Ownership
Home			
Vacation home			
Additional real estate			
401(k)/IRA			
Cash			
Investments			





## Existing insurance: Corporate

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

## Benefits to Business Owner

1. Pension contribution paid by business? \$ \_\_\_\_\_

2. Life insurance premium paid by business? \$ \_\_\_\_\_

3. Health insurance premiums paid by business? \$ \_\_\_\_\_

4. Company car, travel, meals, etc. paid by business? \$ \_\_\_\_\_

5. Other benefits (e.g., stock options, memberships, etc.)? \$ \_\_\_\_\_

## Existing insurance: Personal

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

## Existing insurance: Personal (continued)

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

Amount: \_\_\_\_\_ Company: \_\_\_\_\_

Product: \_\_\_\_\_ Premium: \_\_\_\_\_

Owner: \_\_\_\_\_ Beneficiary: \_\_\_\_\_ Recent audit?: \_\_\_\_\_

How do you feel about your personal life insurance coverage? \_\_\_\_\_

## Client's objectives

Where do you see your business in 5, 10, 15 years? \_\_\_\_\_

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

What would be the state of your affairs if you had died 90 days ago? \_\_\_\_\_

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

Does your current plan reflect your current objectives? \_\_\_\_\_

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



Do you understand the “real” value of your business and how it supports your family?  
(Utilize Business Value Diagnostic Tool – SB10215) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Are there any additional concerns we have not yet addressed? \_\_\_\_\_

\_\_\_\_\_

### Financial documents checklist

Copies of **business** financial documents (3 to 5 years) including tax returns, profit and loss statements and balance sheets

Copies of **personal** tax returns (3 to 5 years)

Personal Financial Statement

Copies of Buy-Sell Agreements (including insurance information if applicable and available)

Copies of Estate Planning documents (Wills, Trusts, Living Wills, Healthcare proxies, etc.)

Corporate and personally owned life insurance summary

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### Notes:

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