TRUST, ESTATE, AND SUCCESSION PLANNING VALUATION

weaver
Assurance • Tax • Advisory

Owners should be prepared to share the following planning goals, financial records, and corporate documentation:

OUTLINING THE PLAN

- ☐ Who are your advisors organizing this planning?
- ☐ What is going to be gifted?
- ☐ What are the objectives of the estate planning exercise (e.g., succession planning, wealth transfer)?
- ☐ Is there a draft assignment document available for review?

Corporate formation documents and most recent amendments/restatements. Are the following documents readily accessible and optimized for gifting?

- ☐ LLC agreement, incorporation agreement or partnership agreement
- ☐ Ownership history and amended/restated capitalization table or ownership schedule
- ☐ Expected post transfer ownership. Details for any prior sales or transfers of equity interests
- ☐ Corporate bylaws
- ☐ Where within these documents can we find the rights/preferences/limitations of the subject interest articulated?
- ☐ Buy-sell agreements

Financial reporting should answer the following questions:

- ☐ Are current, high-quality financial statements available?
- ☐ Are tax returns available?
- ☐ Are budgets and multi-year forecasts available?

Have real estate, securities and any fixed assets been valued by qualified appraisers? Do you have access to these?

Are contingent or off-balance sheet items involved? Should they be resolved prior to the gift transfer?

What are the distribution policies and plans to distribute assets?

Does the corporation hold life insurance on owners?

What are the long-term plans for the enterprise?

Governance summary: Detailed summary of corporate officers, managers, executives and general partners, etc.

Contact information for management representatives who will assist in the valuation.

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PLANNING AHEAD WITH WEAVER

A closely held business owner may choose to gift minority interests in their company for various reasons. Gifting minority interests can be a strategic estate planning tool, allowing the owner to transfer assets to their heirs while minimizing potential estate taxes. Additionally, gifting minority interests can promote a sense of ownership and involvement among family members or key employees, fostering a stronger commitment to the business's long-term success.

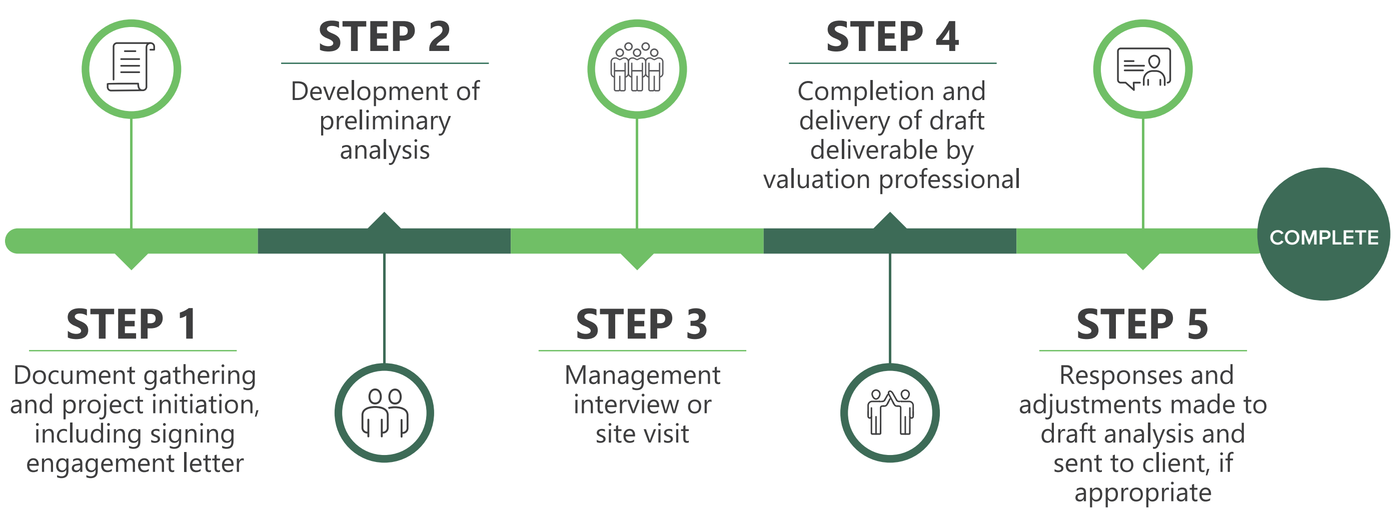
This gesture can also serve to reward and retain talented individuals by providing them with a stake in the company's future growth and profitability. Overall, gifting minority interests can be a thoughtful and effective way for small business owners to pass on their legacy, promote engagement and cultivate a dedicated team.

A valuation of the intended gift is required for tax compliance purposes. To promote an efficient transfer process, business owners should prepare carefully for the valuation.

Weaver's valuation team has decades of collective experience working with closely held business owners to successfully transfer ownership through tax efficient gifts. We are always happy to discuss your project, and we hope to collaborate with you and your clients in the near future.

VALUATION TIMELINE

The valuation timeline varies from four to six weeks depending on the complexity of the company and purpose of the valuation.



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