

Does Your Farm Have the Right Business Entity to Succeed?

Case Study Worksheet

In our session, we have discussed various factors to consider when selecting a business entity. There considerations include:

- Liability
- Taxes
- Ownership and Management
- Authority and Formalities
- Capitalization
- Transfer and Estate Planning
- Government Programs

For the workshop case study, we have the example of the brother, sister and sister's son. Without considerations and/or goals for the business entity, it is difficult to choose. We are going to do two discussions. Each discussion will include a different set of goals or considerations.

Discussion #1

For the first discussion, the goals/considerations of the farming group are (1) taxes, (2) personal liability, (3) the family does not mind dealing with extra record keeping or structure. And (4) The family is interested in setting something up to ease transfer of the farm to the next generation. Please select which entities listed below that would work for this situation. Also please note why.

- Sole Proprietorship
- Qualified Joint Venture
- General Partnership
- Limited Liability Company (LLC)
- Limited Liability Partnership (LLP)
- Limited Partnership (LP)
- Family Limited Partnership (FLP)
- C Corporation
- S Corporation

Discussion #2

For the second discussion, the goals/considerations of the farming group are (1) liability protection, (2) the ability to pool assets, and (3) the family wants to do something simple (record keeping and formalities are a challenge). Please select which entities listed below that would work for this situation. Also please note why.

- Sole Proprietorship
- Qualified Joint Venture
- General Partnership
- Limited Liability Company (LLC)
- Limited Liability Partnership (LLP)
- Limited Partnership (LP)
- Family Limited Partnership (FLP)
- C Corporation
- S Corporation