

## LP8 Farm or Ranch Transfer Signs Checklist

Farm and ranch transfers take time. The landowner must be willing to turn over control of the business, land and other assets, and you need to be ready to take over the operation. Below are concrete steps a landowner can take to help make this happen, however, many of these steps may not be applicable and/or happen at the same time. Directions: As a land seeker, either with or without the landowner, identify which transfer signs have been addressed, and which ones have not, in order to determine next steps and identify a timeline.

### Steps the landowner can take to plan for retirement and heirs

#### *Inventory financial assets*

- Review statements for checking/savings accounts
- Review life insurance policies
- Gather information about other business investments
- Review statements for pensions/IRAs/living expenses and other retirement accounts

#### *Plan to address heirs*

- Make gifts
- Buy life insurance
- Prepare and update wills/trusts
- Designated power of attorney and other beneficiaries
- Address any challenging family dynamics

### Steps the landowner can take to help you transition into management or take over the farm or ranch operation

#### *Define clear roles and set of responsibilities*

- Develop job descriptions for everyone involved in the operation
- Create standard operating procedures
- List you as an operator on all farm records (e.g. Farm Service Agency)

#### *Provide transparency and share information*

- Provide access to farm or ranch business accounts
- Provide access to financial and land records (easements, enrollment in federal conservation, programs, organic certification etc.)

#### *Share management responsibility*

- Include you in decision-making protocols
- Involve you in regular farm or ranch management meetings
- Enter into a written operating agreement

**Steps the landowner can take to transfer assets (land or operating)***Determine the value of important assets*

- Keep a current balance sheet
- Conduct an appraisal

*Establish a timetable for asset transfer*

- Set up a gifting schedule
- Execute a long-term lease or purchase contract
- Prepare a will that has been reviewed or updated in the last five years
- Enter into a written buy-sell agreement

*Transfer farm or ranch operating assets*

- Make gifts
- Determine clear title
- Agree to an owner-financed purchase
- Enter into a written buy-sell agreement
- Assemble a succession team (attorney, accountant, financial/estate/retirement planner, tax consultant, lender, insurance agent, land-use/conservation planner, mediator etc.)