

# Partnership Contract

Are you thinking of doing a partnership? If so, there are several things you need to discuss with your business partner.

This will be a partnership, meaning the two of you must operate as a team. You need to be aware that some friendships may be put to the test. If you want to take that chance, then go for it.

At the very beginning you and your partner must sit down together and talk about everything that will concern you about the business. To be successful you must establish some ground rules that both you and your partner not only agree on but you must also follow through with them.

- Can you work together effectively as a team?
- Do I want to share my ideas and manage money with this person?
- Can I discuss problems and find solutions with this person? Or do we end up arguing?
- Can we share responsibilities equally? Or will one of us end up doing most of the work?

Remember that if you and your partner have agreed and signed the contract then you must continue with that partner through the sale dates. Be aware that problems may occur at any time and we are here to help guide you.

Once you have decided to join in a partnership here are some general concerns you need to work out;

- **Parental OK for plan?** When and where will you work to make your product?
- **Product:** What will you sell? How will you make it?
- **Materials:** How will you buy supplies? Will you split the cost? You will need to keep track of all of your expenses to determine who owes who money and what profits (or losses) you have made.
- **Pricing:** Can you agree on a price? What if you need to reduce the price at the sale if it's not selling?
- **Booth set-up:** Who will provide, bring and set up the decorations and signs?
- **Money box:** Who will bring the money box and starting cash? Who is responsible for the box and cash until the end of the sale?
- **Sales:** Will you both share the sales responsibilities? Will you take turns at the booth or will you both at the booth the entire time?
- **Booth clean-up:** Who is responsible for clean-up at the end of the sale?
- **Profit division:** When and how will you split the profits (if any)?

# Partnership Contract

Both partners must understand and agree on the factors listed below. Each partner and parent must sign the contract. Each partner will then keep a copy of the contract.

We, _____ and _____ (Owner A, print first and last name) (Owner B, print first and last name)
_____ (Parent of Owner A, signature) (Parent of Owner B, signature)
_____ (Date) (Date)
have discussed and agreed to the conditions and terms listed below.

Where/when do we work: \_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

Materials: \_\_\_\_\_

\_\_\_\_\_

Pricing: \_\_\_\_\_

\_\_\_\_\_

Booth set-up: \_\_\_\_\_

\_\_\_\_\_

Money box: \_\_\_\_\_

\_\_\_\_\_

Sales: \_\_\_\_\_

\_\_\_\_\_

Booth clean-up: \_\_\_\_\_

\_\_\_\_\_

Profit division: \_\_\_\_\_

\_\_\_\_\_