

PARTNERSHIP AGREEMENT ON FINANCIAL BOOKKEEPING AND REPORTING

This Partnership Agreement on Financial Bookkeeping and Reporting (the "Agreement") is entered into on this _____ day of _____, 20____, by and between the following Partners:

Partner 1: _____, residing at _____

Partner 2: _____, residing at _____

Partner 3: _____, residing at _____

WHEREAS, the Partners have entered into a partnership business operating under the name of _____ (the "Partnership"); and

WHEREAS, the Partners desire to establish clear guidelines and procedures regarding the partnership's financial records, accounting practices, and financial reporting requirements;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Partners agree as follows:

SECTION 1: ACCOUNTING METHOD AND FISCAL YEAR

1. **Accounting Method:** The Partnership's books of account shall be kept and maintained on the _____ basis of accounting, in accordance with _____.
2. **Fiscal Year:** The fiscal year of the Partnership shall begin on the _____ day of _____ and end on the _____ day of _____ of each calendar year.

SECTION 2: MAINTENANCE OF BOOKS AND RECORDS

1. **Location:** The books of account and all financial records of the Partnership shall be kept and maintained at the principal place of business located at _____, or at such other location as the Partners may mutually agree upon.
2. **Access:** Every Partner, or their designated representative, shall have access to, and the right to inspect and copy, any and all books, records, and financial documents of the Partnership at any reasonable time during business hours.
3. **Bookkeeper/Accountant:** The Partners designate _____ as the primary bookkeeper/accountant responsible for maintaining the daily financial ledger.

SECTION 3: FINANCIAL REPORTING AND STATEMENTS

1. **Periodic Reports:** The Partnership shall prepare and distribute to each Partner the following financial statements on a _____ basis:
 - a. Balance Sheet;
 - b. Income Statement (Profit and Loss Statement);
 - c. Statement of Cash Flows.
2. **Annual Report:** Within _____ days after the close of each fiscal year, an annual financial statement showing the assets, liabilities, and net worth of the Partnership, and the transactions of the fiscal year, shall be prepared and delivered to each Partner.

SECTION 4: CAPITAL ACCOUNTS AND DISTRIBUTIONS

1. **Capital Accounts:** An individual Capital Account shall be maintained for each Partner. Each Partner's Capital Account shall be credited with their capital contributions and their share of partnership profits, and debited with their share of partnership losses and distributions.
2. **Distribution of Profits and Losses:** Net profits and net losses of the Partnership shall be allocated and distributed to the Partners according to the following percentages:

Partner 1: _____%

Partner 2: _____%

Partner 3: _____%

SECTION 5: AUDITS AND INSPECTIONS

1. **Right to Audit:** Any Partner may request an independent audit of the Partnership's financial books and records.
2. **Costs of Audit:** The cost of such independent audit shall be borne by _____, unless the audit reveals a material discrepancy of more than _____%, in which case the cost shall be borne by the Partnership.

SECTION 6: TAX RETURNS AND REPORTING

1. **Tax Filings:** The Partnership's annual tax returns (including Schedule K-1s) shall be prepared by _____.
2. **Delivery:** Draft copies of the federal, state, and local tax returns shall be provided to each Partner for review at least _____ days prior to the filing deadline.

SECTION 7: MISCELLANEOUS

This Agreement may be amended or modified only by a written instrument executed by all Partners. This Agreement shall be governed by and construed in accordance with the laws of the State of _____.

IN WITNESS WHEREOF, the Partners have executed this Agreement as of the date first written above.

PARTNER 1:

PARTNER 2:

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

PARTNER 3:

Signature: _____

Printed Name: _____

Date: _____