



# Protecting from the Unknown: How to Plan for Uncertainty and Help Secure Your Future

## Action plan checklist

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### Succession plan:

- Identify successors (family, partners, or external)
- Outline roles and responsibilities for key personnel in the event of the owner's death

### Buy-sell agreements:

- Draft or review agreements to support smooth ownership transition
- Fund buyouts with life insurance policies, if necessary

### Estate planning:

- Update wills and establish trusts to reduce tax exposure and prevent disputes
- Confirm business assets are included in the estate plan
- Create a clear directive for the executor of the estate

### Life insurance:

- Review coverage to confirm it provides adequate protection for heirs and business continuity
- Consider key-person insurance to provide financial stability to the business

### Document storage:

- Confirm all estate planning documents (wills, trusts, insurance policies) are stored securely and accessible to key individuals

### Disability insurance:

- Secure both personal disability income insurance and business overhead insurance
- Consider key-person disability insurance to cover revenue losses or cost of hiring a replacement

### Delegation of responsibilities:

- Identify and train key employees who can step into leadership roles
- Create a chain of command and clearly document temporary or permanent decision-making authority

### Business continuity plan:

- Draft a written plan for how the business will operate during an owner or key employee's disability

### Partnership/Operating agreements:

- Verify all agreements are up to date and clearly outline decision-making authority, profit sharing, and roles

### Conflict resolution clauses:

- Include mediation or arbitration clauses to resolve disputes quickly without litigation





### Emergency fund:

- Establish a business reserve fund (3 – 6 months of operating expenses) to weather downturns or cash flow interruptions

### Stress-test your business:

- Regularly run financial stress tests to assess how your business will handle various downturn scenarios (economic recessions, supply chain issues, etc.)

### Cost reduction plans:

- Identify nonessential expenses that can be reduced or eliminated during financial distress

### Legal and financial advisors:

- Maintain ongoing relationships with advisors who can guide you through financial or operational distress

### Ownership structure:

- Review the business structure (LLC, S corp., etc.) and adjust it to limit exposure of personal assets during divorce proceedings

### Valuation of business:

- Regularly conduct a business valuation to facilitate transparency in the event of asset division during divorce

### Operating agreements:

- Include clauses that protect the business in the event of a divorce (e.g., prohibiting the transfer of business shares to a spouse)

### Recommend engaging qualified professional advisors:

- Estate planning attorney
- Business attorney
- Insurance advisor
- Certified Financial Planner™ (CFP®)
- Certified Public Accountant (CPA)





## IT/Cybersecurity

### IT contingency:

- Business continuity plan — how to operate business when technology is unavailable
- Disaster recovery plan — how to quickly recover IT systems
- Incident response plan — how to respond to cyber incidents

### Security testing:

- Evaluate and actively test IT security controls in the organization to identify gaps and vulnerabilities (penetration testing, vulnerability assessments, social engineering tests)

### Controls to mitigate payment fraud:

- Implement technical controls to secure access to your email system and help avoid malicious emails
- Implement procedural controls for employees related to securing payment channels (ACH, wires, checks, etc.)

### Controls to mitigate ransomware:

- Keep systems patched regularly, enforce strong passwords and multi-factor authentication, keep backups off the network/safe from intrusion