






Ag Legacy

Legacy Binder: Documents Needed for a Successful Ag Legacy

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Welcome to another AG LEGACY recording.

AG LEGACY is a series of presentations and other online materials intended to assist rural families in creating their own legacy by beginning the thought process and opening the lines of communication.

Today's recording will address the topic Legacy Binder: Documents Needed for a Successful Ag Legacy

Today's speaker

John Hewlett

Ranch/Farm Management Extension Specialist
UW Department of Ag & Applied Economics



I'm John Hewlett Ranch/Farm Management Extension Specialist
in the University of Wyoming Department of Agricultural & Applied Economics

I will be your speaker for today's AG LEGACY presentation

Legacy Binder: Documents Needed for a Successful Ag Legacy

John P. Hewlett – Farm/Ranch Management Extension Specialist
UW Department of Ag & Applied Economics



Thank you for joining this discussion on the Documents Needed for a Successful Ag Legacy

Have you ever wondered what documents are needed to preserve your legacy for the future?
You're not alone—many families struggle with this.

Today, we'll explore how pulling together the right documents can help you move forward together.



Most of us in agriculture have the best of intentions when it comes to passing the ranch or farm to the next generation, but intentions aren't enough to protect what you've built.

This presentation is a practical guide designed for families who are ready to reduce conflict and secure the next generation's future. The concepts we will discuss today are based on the University of Wyoming Extension Ag Legacy Project. Our goal is to move from 'handshake' understandings to clear, written agreements that protect your family, your farm, and your future.

The Ranch Ran on Routine—Until It Didn't

Meet the Wilson Family.

Emma: The daughter handling grazing and payroll, but her name isn't on any paperwork.

Luke: The brother living out of state who assumes the land will be split evenly.

The Sister: Away at college, completely in the dark about ranch operations.

The Parents: Keeping deeds in a shoebox and avoiding hard conversations.



The Incident: When Grandpa died, they found wills from the 1930s, no operating agreement, and no plan for day-to-day management.



To understand why this matters, let's look at the Wilson family. On the surface, the ranch runs fine, but beneath the surface, there are major cracks. Emma is the daughter on the ranch; she handles the grazing plans and payroll, yet her name appears on no paperwork. Her brother, Luke, lives out of state and just assumes the land will eventually be split evenly. There is also a sister away at college who is completely in the dark.

Meanwhile, the parents keep the deeds in a shoebox and avoid having the hard conversations. The 'Key Insight' here is a common one: when Grandpa died, the family found wills from the 1930s, no operating agreement, and no plan for day-to-day management. Routine works—until a crisis happens and you realize there is no foundation.

Why Missing Paperwork Destroys Trust

For the Wilsons, stress levels rose and trust plummeted. Small misunderstandings grew into huge blow-ups because nothing was written down.

The Core Truth: A simple set of written documents keeps everyone focused on the ranch's future, rather than fighting about yesterday's arguments.

Defining Ag Legacy



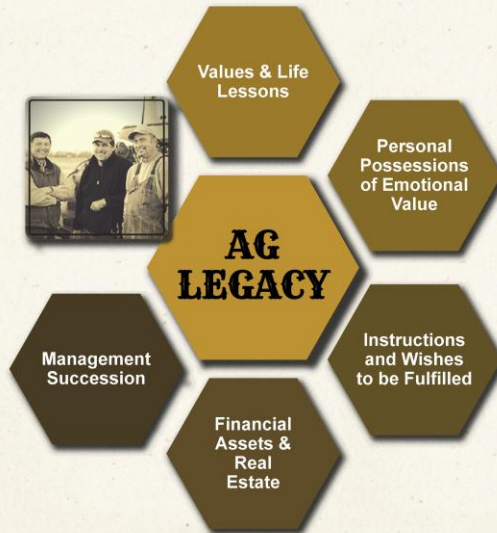
An Ag Legacy is more than just dollars or land. It includes:

- The operating business.
- How the family makes decisions.
- How know-how is passed to the next generation.

In the case of the Wilsons, stress levels rose and trust plummeted because nothing was written down. Small misunderstandings quickly grew into huge blow-ups because there was no record of what was actually agreed upon. The Core Truth we must accept is that a simple set of written documents keeps everyone focused on the ranch's future, rather than fighting about yesterday's arguments.

When we talk about an Ag Legacy, we mean more than just money or land. It includes the operating business, the way the family makes decisions, and how know-how is passed to the next generation. Ultimately, good documentation turns hopes into clear agreements.

A Complete Legacy Covers Five Parts



A complete legacy is like a wheel with five essential spokes. First are Values and Life Lessons, or 'what you believe'. Second are Personal Possessions, which are often items of high emotional value. Third are Instructions and Wishes, which provide the roadmap for your family. Fourth are the Financial Assets and Real Estate, representing the land and money. Finally, the fifth part is Management Succession, which answers the critical question of 'who runs the show'. If any of these parts are missing, the wheel won't turn smoothly.

The Big Confusion: Ownership vs. Management

A successful plan answers two different questions. If you mix them up, conflict happens.



Question 1: Ownership

Who owns the assets? (The land, the cows, the equipment).



Question 2: Management

Who runs the business? (The daily decisions, the labor, the strategy).

Key Insight: Ag Legacy modules emphasize management tools because these are what reduce stress and build trust in the daily grind.

One of the biggest sources of conflict is mixing up two different questions. Question 1 is Ownership: Who owns the assets, like the land, cows, and equipment?. Question 2 is Management: Who runs the business day-to-day, making decisions on labor and strategy?.

If you mix these up, conflict is inevitable. The Ag Legacy modules emphasize management tools specifically because these are the documents that reduce stress and build trust during the daily grind of ranching.

Different Papers for Different Jobs

Papers That Prove Who OWNS What

- ✓ - Personal Legal Documents (Wills, trusts).
- ✓ - Property Records (Deeds, brands, mineral rights).
- ✓ - Financial Documents (Balance sheets, tax returns).

Papers That Show Who RUNS What

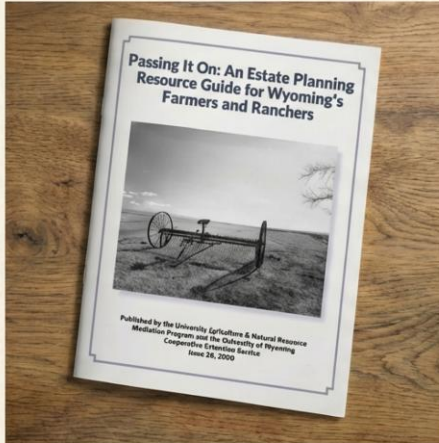
- ✓ - Roles & Decision Rights (The "One-Page" list).
- ✓ - Operating Procedures (Grazing plans, safety protocols).
- ✓ - People Systems (Compensation rules, mentoring plans).

Let's look at the specific papers required for Ownership. These include Personal Legal Documents like wills, trusts, and powers of attorney. They also include Property Records such as deeds, titles, and water or mineral rights. You also need Business Entity Documents—think articles of organization and operating agreements—as well as Financial Documents like balance sheets and tax returns. Finally, you need a Transfer Plan, which is a written timeline for when ownership changes and a 'letter of instruction' for your professional advisors.

Now, let's look at the Management side. These papers show how the business actually functions. This includes Governance documents like meeting agendas and voting rules. It includes a list of Roles and Decision Rights—a one-page 'who decides what' for things like cattle or equipment repairs. You also need written Operating Procedures for grazing plans or safety. Don't forget People Systems, such as job descriptions and compensation rules, and Continuity records, which include vendor lists and even passwords for digital asset access.

Tool 1: 'Passing It On' Guide

An Estate Planning Resource for Getting Organized.



What It Does: Uses nine short chapters to help families start the conversation and gather records.

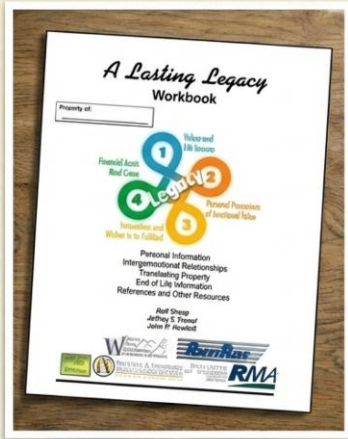
Key Pieces to Capture:

- A family inventory of people, roles, and goals.
- A checklist of essential records and where each one is stored (Deeds, titles, insurance).
- Clear next steps for wills, titling, and trusts.

To help you gather these records, we use three main tools. The first is the 'Passing It On' Estate Planning Resource Guide. This guide uses nine short chapters to help families start the conversation and begin gathering records. It helps you capture a family inventory of people and goals, provides a checklist of essential records, and sets out clear next steps for wills and titling. While written for Wyoming, it serves as an excellent model for families in any state to check against their local rules.

Tool 2: The Lasting Legacy Workbook

Capturing Values and Instructions



- ✓ **What It Does:** A workbook the family fills out together to document values and responsibilities.

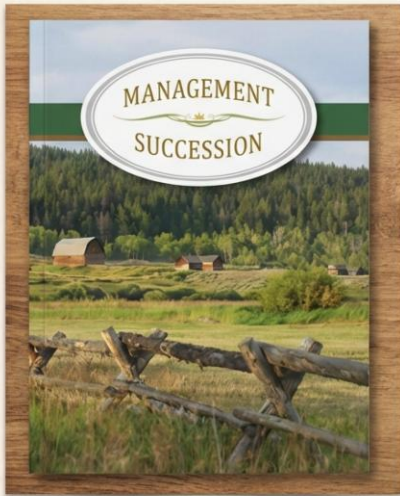
Use it to:

- ✓ • Record family values and goals in writing.
- ✓ • List key documents, where they live, and who has copies.
- ✓ • Capture renewal dates for leases, insurance, and loans.
- ✓ • Create a calendar for reviews and updates.

The second tool is 'The Lasting Legacy Workbook'. This is a workbook the family fills out together to document values and responsibilities. You use it to record your family goals in writing and list exactly where key documents live and who has copies of them. It is also a practical tool for capturing renewal dates for things like leases, insurance, and loans, allowing you to create a formal calendar for reviews and updates.

Tool 3: Management Succession Workbook

Planning the Hand-Off of Decisions



What It Does:

Helps the family map who learns what, how success is measured, and how compensation works.

Key Components:

- ✓ **Skills Map:** For the next manager and their mentors.
- ✓ **Timeline:** For handing off key decisions like grazing or marketing.
- ✓ **Budget:** A clear plan for retirement and buy-in or buy-out math.
- ✓ **Agendas:** Templates that separate “family matters” from “business matters”.

The third tool is the Management Succession Workbook, which focuses on the hand-off of decisions. It helps the family map out who is learning what, how success is measured, and how compensation works. Key components include a Skills Map for the next manager and their mentors, a Timeline for handing off decisions like marketing or grazing, and a Budget for the math behind retirement and buy-ins. It even provides Agenda templates that help you keep 'family matters' separate from 'business matters'.

The Power of the “One-Pager”

You don't need a 50-page contract to stop an argument.
You need a simple “Decision Rights” sheet.



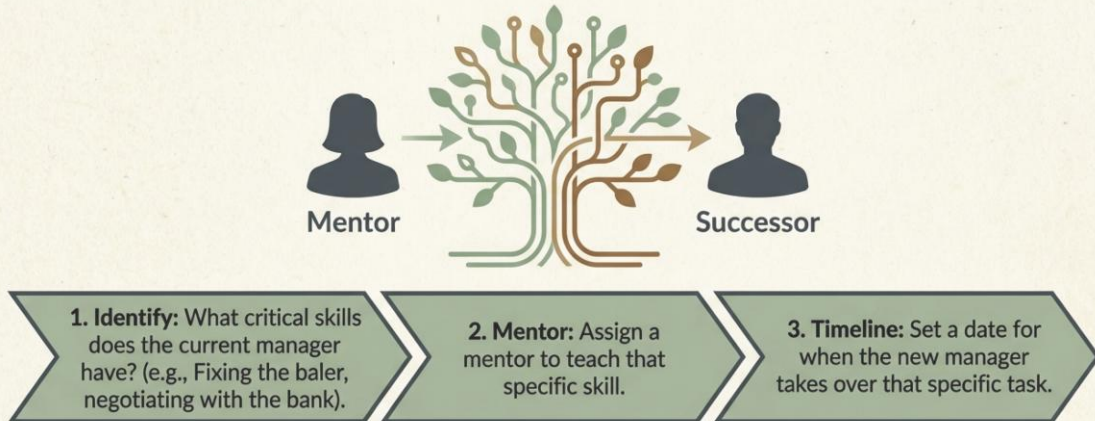
✓ **Why it works:** It clarifies authority before a crisis hits.

One of the most powerful tools in management is the 'One-Pager'. You don't always need a 50-page legal contract to stop an argument; often, you just need a simple Decision Rights sheet.

This sheet answers questions like: Who decides when to rotate pastures? Who authorizes repairs over \$500? Who sets the sale price for marketing?. It works because it clarifies authority before a crisis hits, preventing the 'too many cooks in the kitchen' syndrome.

Transferring the Know-How (The Skills Map)

Don't just assume they know what you know.
Create a deliberate Skills Map.



Looking at the diagram on the slide, the process of passing knowledge from the mentor to the successor breaks down into three actionable steps:

1. **Identify:** First, you need to take inventory of the critical skills the current manager actually uses. This means writing down everything from the mechanical, such as fixing the baler, to the administrative, like negotiating with the bank or managing the grazing plans. Often, current managers perform these tasks on autopilot, so taking the time to explicitly identify them is vital.

2. **Mentor:** Second, you must assign a specific mentor to teach that skill. This ensures that training is intentional. The mentor and the next manager work together to transfer the institutional knowledge that keeps the ranch or farm running smoothly.

3. **Timeline:** Finally, and perhaps most importantly, you need to set a concrete timeline. You must establish a firm date for when the new manager officially takes over that specific task. Whether it's handing off grazing decisions, marketing strategies, or capital purchases, having a set timeline removes ambiguity and ensures the transition actually happens rather than being perpetually delayed.

By deliberately mapping the transfer of knowledge, you reduce stress, lower conflict, and ensure your successor is fully equipped to run the business long before they are forced to do it alone.

Phase 1: Get Organized (Steps 1–3)

1



Appoint a Captain

Choose one person to track checklists, due dates, and copies.

2



Hold Two Short Meetings

Meeting A: Family meeting for values/roles.
Meeting B: Business meeting for documents.
(Tip: Keep them to 60 mins)

3



Gather Core Records

Use the "Passing It On" guide to collect deeds and titles, then set appointments with your attorney and CPA.

So, how do you start? We've broken it down into a simple path. Step 1: Appoint a Captain. Choose one person to be responsible for tracking the checklists and due dates.

Step 2: Hold Two Short Meetings. Meeting A should be a family meeting about values and roles; Meeting B is a business meeting for documents and deadlines. Keep them to 60 minutes with a clear agenda.

Step 3: Gather Core Records. Use the 'Passing It On' guide to collect your deeds and titles, and then set appointments with your attorney and CPA.

Phase 2: Write It Down (Steps 4-6)

4



Record Values

Fill out "Lasting Legacy" worksheets to document family goals and exactly where documents are stored.

5



Map the Future

Work through "Management Succession" tools to map decision rights and mentoring plans.

6



Do the Math

Create a clear budget for the older generation's retirement and the younger generation's buy-in (or buy-out).

Moving forward: Step 4 is to Record Values. Use the 'Lasting Legacy' worksheets to document those family goals and where everything is stored.

Step 5: Map the Future. Use the 'Management Succession' tools to specifically map out decision rights and mentoring plans.

Step 6: Do the Math. You must create a clear budget that accounts for the older generation's retirement and the younger generation's ability to buy-in or buy-out.

Phase 3: Keep It Alive (Steps 7–9)

7



Set a Review Calendar

Revisit the plan every 12 months, or sooner after a major life change (marriage, death, birth).

8



Skills Transfer

Execute the skills map—actively teach the next manager the job.

9



Store Safely

Keep digital files in one shared location with a simple index and clear access rules.

Finally, the closing steps: Step 7: Set a Review Calendar. Revisit the plan every 12 months, or sooner if there is a major life change like a marriage, death, or birth.

Step 8: Skills Transfer. Create a skills map for the next manager; never assume they already know everything you know.

Step 9: Store Safely. Keep digital files in one shared location with a simple index and clear rules about who has access.

The Result: Trust and Clarity

A strong Ag Legacy does two things well:

1. It names who **OWNS** the business.
2. It names who **RUNS** the business.

Ag Legacy

*"The point of documentation is to turn good intentions into actions the **whole family** can follow."*



Download the bulletins and workbooks at AgLegacy.org

The result of all this work is Trust and Clarity. A strong Ag Legacy does two things exceptionally well: it names who OWNS the business and who RUNS the business. As the Ag Legacy project reminds us, the whole point of documentation is to turn good intentions into actions the whole family can follow.

Think of your Ag Legacy like a well-maintained fence line. Good intentions are like wanting to keep the cattle in, but without the physical posts (the written documents) and the wire (the clear communication), the fence of your family business will eventually fail when pressure is applied. Documentation provides the structure that keeps everyone where they need to be and protects the integrity of the entire operation.



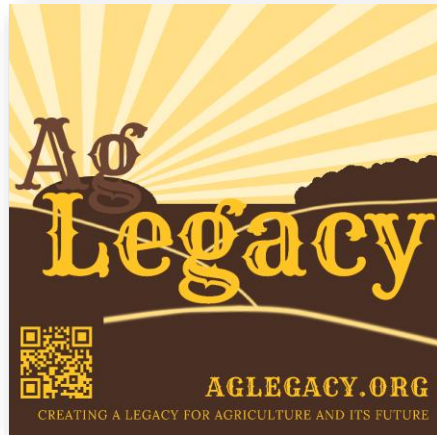
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And while you are there, be sure to check out our other materials including modules, newsletters, and additional materials to help you in creating your own Ag Legacy.

THANK YOU!



Thank you for tuning in!