

## Topic 13: Statement of Intent

A statement of intent to proceed or defer is designed to formalize and record a family's intent to complete, or not complete, a transition plan following their readiness assessment. It is important that everyone involved, or potentially involved, in the transition knows and understand where things are at from a planning perspective.

### Why is this relevant?

This statement creates accountability to the family's intentions and most importantly, puts a desired completion date on the plan. Too often families get started on the process of transition planning only to give up, get stuck or encounter difficulties they cannot overcome. In the event that difficulties are encountered and planning momentum is lost, the statement of intent gives families something to refer back to and reminds them that they are committed to this process. It can be used to build confidence that family members are committed to completing the process.

In the event that a family identifies they are **not** prepared to complete a transition plan, they would fill out a statement of intent to defer. This statement is equally powerful in that members of the family are aware they either have corrective actions to take or have decided that transition planning cannot or will not take place.

The reason for halting the plan is mentioned in the statement and most importantly a date to revisit the plan, if applicable, is included. Completing the statement to defer allows all generations to know where planning and transition is at.

### Instructions

1. From your Go/No Go Decision exercise, decide which statement (intent to proceed or defer) you will be filling out.
  - a. A **yes** answer to the final question from the Go/No Go exercise indicates you would fill out a statement of intent to defer.
  - b. A **no** answer to the final question indicates you would fill out a statement of intent to proceed.
2. Fill out the appropriate statement by filling in the blanks as indicated.



### EXAMPLE of Intent to Proceed

#### **Sample Farms Ltd. STATEMENT OF INTENT TO PROCEED**

Rob and Faye Sample of “*Sample Farms Ltd.*” intend to proceed with developing a transition plan for the purpose of transferring farm management and ownership. “*Sample Farms Ltd.*” intends to have the plan completed and ready for implementation by April 2014.



### EXAMPLE of Intent to Defer

#### **Sample Farms Ltd. STATEMENT OF INTENT TO DEFER**

Because we are not clear on everyone’s goals, the members of “*Sample Farms Ltd*” are unable to proceed with developing a transition plan for the purpose of transferring farm management and ownership to John and Rebecca. “*Sample Farms Ltd*” intends to readdress this issue on March 31, 2015.

#### **How does this apply?**

If you filled out a statement of intent to proceed, keep this document on file. It is your family’s commitment to the transition planning process. Schedule meetings and complete exercises in a timely fashion to meet the deadline you have created for yourself.

If you filled out a statement of intent to defer, keep this document on file. It indicates your family’s decision to halt the transition planning process. If you have halted the process due to corrective actions that need to be completed, schedule these actions and family meetings in accordance with meeting the deadline you set to revisit the plan.



#### **PLANNING POINTERS:**

- If a statement of intent to defer is used, remember to set a date to re-visit the process.
- There can be good reasons why a statement of intent to defer is used. It does not have to mean that there are unpleasant issues to work through.



### WHAT TO WATCH FOR:

- It's possible to be in a situation where every indication is that the farm and family is ready to proceed with the transition planning, but find out that one of the generations (usually the retiring generation) is not prepared to proceed. It is better to learn this now than later on.
- Setting a date to re-visit intentions helps to keep the process from completely falling off the rails.
- Time often helps people to get comfortable with the process and what they are committing to.
- Not wanting or willing to sign the statement of intent can be an indication that not all aspects of the readiness assessment have been dealt with in enough detail.
- Refer back to a completed statement of intent to proceed if you run into challenges, such as disagreements or lack of progress, as you work through the planning process.



**EXERCISE:** Go to the forms appendix pages 243-245 (at the back of this guide) for blank copies of the Statement of Intent forms.

### Next steps

Congratulations on completing this topic. You are now a step closer to having a transition plan for your farm. Please proceed to the next topic area on your Transition Plan, but don't forget to add any assigned tasks that were generated by working through this topic.

If you filled out a statement of intent to proceed, move on to the Challenges in Transition Planning topic.

If you filled out a statement of intent to defer you have completed all exercises necessary at this time. There is no need for further planning activities until family members are ready to proceed.

### Planning progress



# Statement of Intent to Proceed

## STATEMENT OF INTENT TO PROCEED

\_\_\_\_\_ of \_\_\_\_\_ intend to proceed with developing a transition plan for the purpose of transferring farm management and ownership. \_\_\_\_\_ intends to have the plan completed and ready for implementation by \_\_\_\_\_.

**Name**

**Signature**

**Date:**

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# Statement of Intent to Defer

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## STATEMENT OF INTENT TO DEFER

Because \_\_\_\_\_ the members of \_\_\_\_\_ are unable to proceed with developing a transition plan for the purpose of transferring farm management and ownership to \_\_\_\_\_. \_\_\_\_\_ intends to re-address this issue on \_\_\_\_\_.

**Name**

**Signature**

**Date:**

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