

Owner/Officer Compensation

Use this worksheet to organize information regarding owner's compensation

<i>Primary Owner</i>	2023	2022	2021
Total Annual Comp.			
Avg # of weekly hours			

In multi-owner businesses, the "primary owner" is typically the individual most likely to be replaced by a hypothetical buyer and may also be identified by reviewing factors such as ownership percentages, historical compensation, and total work effort. Please include ALL compensation, benefits and perks paid to the primary owner above. This can include items such as W-2 wages, insurance, discretionary expenses, etc.

<i>Top Emp./Manager</i>	2023	2022	2021
Total Annual Comp.			
Replacement Cost			

If the primary owner is absentee or semi-absentee, some or all the compensation paid to the employee covering the day-to-day operations may be "added back" to reach the level of cash flow available to a hypothetical buyer. Please enter the historical compensation paid to the company's top manager or employee above.

<i>Second Owner</i>	2023	2022	2021
Total Annual Comp.			
Replacement Cost			

<i>Third Owner</i>	2023	2022	2021
Total Annual Comp.			
Replacement Cost			

When there are two or more owners, an adjustment must be made involving the comparison of what the second (and third, fourth, etc.) owner is actually paid versus what a hypothetical buyer would have to pay for a replacement employee at a market cost. Please include ALL compensation, benefits and perks paid to the owners and identify the possible market salary that would be necessary to cover this owner's work effort if they were to be replaced with a manager/employee. If there are more than three owners, please provide their annual comp and replacement cost separately.

<i>Non-Owners</i>	2023	2022	2021
Total Annual Comp.			
Replacement Cost			

A company may also employ related parties (such as spouses, children, family members, etc) to provide services to the business. In some cases, the related parties may be overpaid or underpaid for their services. A hypothetical buyer would need to pay a market wage for these same services. If any family members/related parties receive compensation, please include the total amount here. If there are multiple related members, please total all compensation paid to all related members. Identify market salaries for each related member. Combine each of these annual market salaries and enter into the line above.