

How to complete a LLC Operating Agreement in New York

Member-managed LLC operating agreement template with state-specific clauses.

What this form is for

This agreement establishes the internal governance rules for your New York LLC, defining member ownership percentages, profit distribution, management authority, and procedures for adding or removing members. Banks require it to verify who has authority to sign loan documents and pledge company assets as collateral.

Before you start

- Articles of Organization filing receipt and NY Department of State Division of Corporations file number
- Each member's full legal name, current address, Social Security number or EIN, and exact ownership percentage
- Initial capital contribution amount each member has made or will make (cash, property, or services)
- Federal Employer Identification Number (EIN) issued by the IRS for the LLC
- Decision on fiscal year-end date and whether you'll use cash or accrual accounting method

Step-by-step

1. Complete the header section with your LLC's exact legal name as registered with New York, the formation date, and the principal business address within New York State.
2. Fill in Article I with each member's information including full legal name, ownership percentage, and initial capital contribution. Verify percentages total exactly 100 percent.
3. In Article II (Management), indicate this is member-managed and list which members have authority to sign contracts, open bank accounts, and execute loan agreements. Banks need this spelled out explicitly.
4. Complete Article III (Capital Contributions) by documenting what each member contributed, the valuation method for non-cash contributions, and the deadline for initial contributions.
5. Address Article IV (Distributions and Allocations) by specifying how profits and losses will be allocated, whether distributions happen quarterly or annually, and the voting threshold required to approve distributions.
6. Fill out Article V (Meetings and Voting) with procedures for member meetings, notice requirements, quorum percentages, and what decisions require unanimous versus majority consent.
7. Complete the transfer restrictions section, which must address New York's requirements for member admission and whether remaining members have right of first refusal when a member wants to sell their interest.

8. In the dissolution section, specify events triggering dissolution and the winding-up process, including New York's statutory requirements for filing a Certificate of Dissolution.

9. Have every member sign and date in ink, then notarize if your bank requires it. New York doesn't mandate notarization for operating agreements, but many lenders do.

What lenders look for

- Banks scrutinize the signature authority section closely because they need certainty about who can legally bind the LLC to debt obligations, so be crystal clear about borrowing limits and whether one member or all members must approve loans.

- Undefined or inconsistent capital account tracking raises red flags during underwriting because lenders calculate debt-to-equity ratios from these figures, so maintain detailed records reconciling contributions, distributions, and each member's current capital balance.