

How to complete a LLC Operating Agreement in Ohio

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

What this form is for

This form establishes the ownership structure, management rules, and operating procedures for your member-managed LLC in Ohio. You will use this when forming a new LLC or formalizing an existing one to show lenders you have clear governance and decision-making authority.

Before you start

- Complete business name and Ohio Secretary of State registration number for your LLC
- Full legal names, addresses, and ownership percentages for all members
- Each member's initial capital contribution amount (cash, property, or services with dollar values)
- Your LLC's federal Employer Identification Number (EIN) from the IRS
- Ohio business licenses or permits already obtained or pending for your industry

Step-by-step

1. Fill in the LLC legal name exactly as registered with Ohio and the formation date in the preamble section.
2. Complete the member information table with each owner's name, address, percentage interest, and capital contribution. These percentages must total exactly 100 percent.
3. In the capital contributions section, specify the form of each contribution (cash, equipment, intellectual property) and assign a dollar value. This establishes each member's initial equity stake.
4. Define voting rights and whether decisions require unanimous consent, majority vote, or another threshold. For member-managed LLCs, typically all members share management authority equally unless you specify otherwise.
5. Address profit and loss allocations. The default mirrors ownership percentages, but you can customize distributions if members agree to different arrangements.
6. Complete the management and authority section specifying which members can sign contracts, open bank accounts, or bind the LLC to obligations. Banks require clarity here.
7. Fill in transfer restrictions explaining whether members can sell their interest freely or need approval from remaining members. This protects all owners and shows lenders ownership stability.
8. In the Ohio-specific provisions section, confirm your LLC will comply with Ohio Revised Code Chapter 1706 and identify your statutory agent for service of process in Ohio.

9. Add dissolution terms describing what events trigger winding down the business and how assets will be distributed.

10. Have every member sign and date the signature page. Ohio does not require notarization for operating agreements, but some lenders prefer it, so consider getting signatures notarized anyway.

What lenders look for

- Banks scrutinize the capital contributions section to verify owners have real equity at risk, not just sweat equity promises. Document all non-cash contributions with appraisals or receipts.
- Lenders want clear authority provisions showing who can legally borrow on behalf of the LLC. Ambiguous management structures delay loan approvals or trigger declinations.
- Missing or inconsistent ownership percentages between this agreement and your Ohio Articles of Organization create red flags. Ensure both documents match perfectly before submitting loan applications.