

CRITICAL PATH TO THE DEVELOPMENT OF A GI SINGLE FAMILY OFFICE

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FAMILY OFFICE FORMATION ACTIVITIES

- ▶ Selection of type of entity – considerations in choosing a C corp to avoid investment related expense issues
- ▶ Ownership of entity
- ▶ Naming of entity
- ▶ Entity formation – what state should it be formed in
- ▶ Selection of officers and directors
- ▶ Obtain employer identification number
- ▶ Family and non-family member clients
- ▶ Estate Planning Coordination



INVESTMENTS

- ▶ Investment return and risk determination
- ▶ Selection of investment consultant
- ▶ Governance – investment role: active vs. passive
- ▶ Family investment selection: customized allocation and investment selection
- ▶ SEC registration considerations
- ▶ Investment committee
- ▶ Outsourced vs. internal CIO



QTVV	9.13	-0.01	-1.32%	0.01	9
HYOS	21.61	-0.05	-1.34%	-0.35	5
PLUG	26.37	-0.11	-0.54%	-0.67	8
ESLR	62.20	-0.04	-0.94%	0.11	11
LMT	21.77	-0.01	-0.19%	-0.01	3
CD	26.6	0.53	0.04%	0.0	7
IOC	19.59	0.13	0.86%	0.07	6
TM	49.06	-0.35	-0.6%	0.0	3
	19.59	0.09	0.46%	-0.11	26
	49.06	-0.16	-0.33%	0.0	4
	19.46	0.27	1.60%	0.06	5

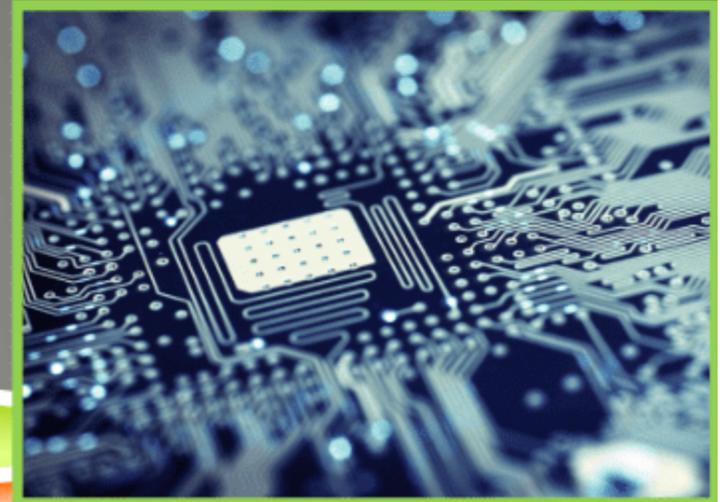
OFFICE FACILITIES AND ADMINISTRATION

- ▶ Office location and lease (lease vs. sublease, term, guarantees)
- ▶ Office design and furniture
- ▶ Business cards and stationery
- ▶ Establish filing system - paper, paperless and offsite
- ▶ FedEx, credit cards and other office services
- ▶ Petty cash
- ▶ Purchase insurance coverage for office



SYSTEMS AND TECHNOLOGY

- ▶ Accounting and bookkeeping software/system
- ▶ Evaluate account aggregation and custom reporting of assets
- ▶ Performance reporting software/system
- ▶ Determine hardware and software needs (remote access – cloud computing)
- ▶ Computer system servicing needs
- ▶ Technology training
- ▶ Telephone system
- ▶ Obtain telephone and fax numbers
- ▶ Obtain domain name and email addresses
- ▶ Security of computers



FINANCE AND ACCOUNTING

- ▶ Funding and budget
- ▶ Banking relationships - authorized signers list
- ▶ Custodial/prime brokerage relationships
- ▶ Brokerage account relationships
- ▶ Develop expenditure authorization and bill approval policy
- ▶ Review procedure and reconciliation process for intercompany transfers
- ▶ Cash and brokerage account reconciliation process
- ▶ Prepare operations manual
- ▶ Chart of accounts
- ▶ Reporting capabilities and online interface with financial institutions
- ▶ Determine risk metric and analytic needs



FINANCIAL REPORTING NEEDS

- ▶ Evaluate CPA firms – compliance and advice
- ▶ Internal audit process
- ▶ External audit process
- ▶ Household staffing and payroll reporting



HUMAN RESOURCES

- ▶ Develop job descriptions and compensation ranges
- ▶ Conduct search - use of relationships and recruiters
- ▶ Interview process
- ▶ Offer letters
- ▶ Payroll administration, payroll tax and insurance registration
- ▶ HR policies and manual
- ▶ Health insurance and other fringe benefits
- ▶ Receptionist hiring
- ▶ Executive assistant hiring
- ▶ Senior Controller hiring
- ▶ 401 (k) and profit sharing



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