

HELPING YOU ADDRESS YOUR FAMILY OFFICE NEEDS



OUR FAMILY OFFICE PRACTICE

RSM family office professionals have a long history serving as strategic advisors to affluent families throughout the country. Our team of professionals, focused on the needs of high net worth individuals, has the depth of understanding and resources to meet the specific needs of each family and family office that we serve. Our clients include:

- First-generation to sixth-generation family businesses
- Owner-operated businesses in all stages of the life cycle—from growth and expansion to maturity to exit transition
- Families whose wealth is concentrated in a private business or a single stock
- Families that have recently experienced sudden liquidity from the sale of their business or large stock position
- Families whose wealth is invested in public securities and that passively invest in private ventures
- Families that are active private investors and that are building a portfolio of private companies, real estate or other assets
- Families with substantial wealth in excess of multigenerational needs
- Families who have a charitable focus and have formed or are considering forming a private foundation

Our practice model

- A significant multidisciplinary professional service provider of family office services
- A strategic advisor to newly formed and mature family offices advising many of the wealthiest families around the world
- A completely confidential and independent advisor who does not manage assets or earn commissions
- A focused family office practice with the depth of resources to customize our services to meet the special needs of each affluent family or family office that we serve

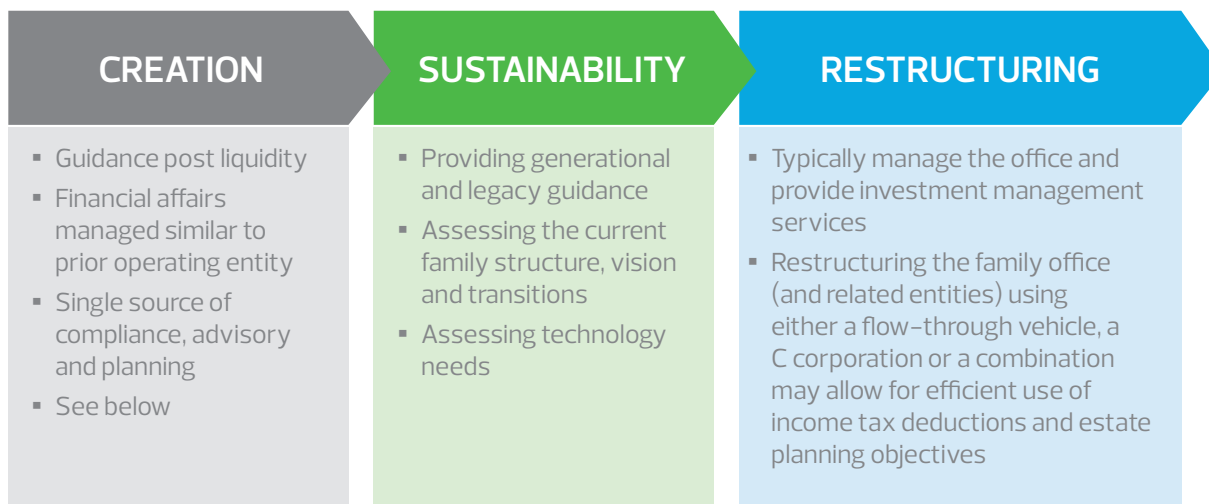
SETTING UP A FAMILY OFFICE AND MAINTAINING IT ARE COMPLEX EFFORTS.

HOW DO YOU KNOW WHEN YOU ARE READY TO FORM A FAMILY OFFICE? HOW WILL YOUR FAMILY WEIGH IMPORTANT DECISIONS? WHAT STEPS MUST YOU TAKE TO SECURE YOUR FINANCIAL LEGACY? ARE YOU CONFIDENT THAT YOUR PERSONAL AND INVESTMENT DATA ARE SAFE? DO YOU HAVE TOOLS TO ACCESS FINANCIAL REPORTING AND PROVIDE INVESTMENT OVERSIGHT? WE CAN HELP YOU NAVIGATE THESE QUESTIONS AND MORE.

THE LIFE CYCLE OF A FAMILY OFFICE

RSM's family office professionals work not only with existing family offices but also help families consider whether establishing a family office makes sense for their specific situation.

RSM professionals work with families in three key areas:



When does it make sense to create a family office?

Families that could or should consider a family office due to the following:

- Issues in managing wealth become more complex
- More focus on financial, investment and tax issues
- Risk management concerns
- Time demands are increasing
- Alignment of interests among family members
- Oversight and focus to sustain successful wealth management over several participating generations



UNDERSTANDING THE STRATEGY AND NEEDS OF THE FAMILY

The concerns of many family offices fall into the following key areas:

Risk management and coordination

- Centralization and coordination of key functions
- Tax return preparation
- Expense payment
- Record keeping
- Charitable contribution administration
- Foundation administration
- Cash flow planning
- Estate/gift and nuptial planning
- Tax planning
- Creation of detailed financial information
- Security needs (cyber/physical)
- Internal controls
- Technology
- Centralized insurance (property/casualty/life)
- Regulatory matters (SEC registration/reporting)
- Pending IRS/state tax controversy

Understanding current financial/investment strategy

- Current operating business
- Current investment portfolio
- Real estate/private equity

Family meetings (understanding and communication)

- Family vision/goals
- Next generation understanding of the family business/investments
- Financial education
- Conflict resolution

Vehicle for family governance

- Execution of income tax and wealth transfer strategies
- Succession planning
- Philanthropic activities
- Financial reporting

Lifestyle and care services

- Concierge services
- Medical services
- Pets/livestock
- Airplanes/boats



INTEGRATION WITH OUR TEAMS

The following illustration explains the various levels of integration with which RSM teams work with established family offices.

RSM FAMILY SERVICES

FAMILY 1

No family office



Family is served by our family office professionals who work directly with family members addressing all of their family office needs.

FAMILY 2

Small family office



Family is served by our family office professionals and their dedicated family office employees. These family office employees serve as executive assistant, bookkeeper and private equity executive, etc. The RSM team serves both the separate family office and the family directly working as one team for the benefit of the family.

FAMILY 3

Full service family office



Family has a large, established family office. RSM serves as a strategic advisor on issues, including estate planning; federal state and foreign tax strategies; investment policy; governance, and a broad range of business and investment issues. In addition, mature family offices outsource certain services to RSM, including tax planning and preparation.

OUR FAMILY OFFICE SERVICES

Our customized services include all or some of the following based on a family's needs:

Family office design, setup and other matters

- Assess family needs
- Evaluate technology and implementation
- Articulate the family goals in writing
- Identify family office functions that can satisfy the family's goals
- Determine internal versus outsourced functions and overall cost of family office
- Define responsibilities
- Develop governance structure
- Develop a family communication strategy
- Consult and develop a cost structure for the family office
- Provide transition planning for liquidation events
- Formulate office procedures and controls
- Evaluate software alternatives
- Define family office functions for travel services, domestic employees and secretarial services
- Evaluate tax implications of family office entity structure
- Analyze staffing, compensation and benefits
- Review and consult on regulatory matters with SEC and CFTC registration requirements
- Facilitate family meetings
- Provide financial education for family members
- Provide succession and estate tax education
- Communicate regulatory/tax law updates and planning opportunities
- Consult on lifestyle and care services
- Review casualty and liability insurance policies
- Review intrafamily loan strategy

Tax planning, compliance and wealth transfer

- Provide active income tax planning for federal, state and local tax
- Identify and implement multigenerational wealth transfer strategies
- Prepare tax returns for individuals, entities, trusts, gift and private foundations
- Consult on tax strategies for significant investment and business transactions
- Coordinate entity structuring for both income tax and wealth transfer results
- Provide insurance planning and assessment
- Consult on business and generation succession planning
- Provide estate and income tax strategies for foreign source wealth
- Represent clients for federal and state audits
- Consult and plan for exotic assets such as planes, yachts and artwork
- Work with trustees on trust administration
- Calculate, monitor and track GRAT annuity payments, loan principal and interest payments, etc.

Financial accounting

- Select and implement accounting and investment reporting software
- Prepare budgets, cash flow projections and personal financial plans
- Provide cash management analysis
- Perform valuation of business and personal assets
- Provide household employee structuring and reporting
- Perform internal controls assessments
- Prepare financial statement audits, reviews and compilations
- Provide financial accounting outsourcing (FAO) services
- Provide accounting services for investment partnerships
- Prepare complex partnership allocations and reporting

Charitable giving and compliance

- Identify the best charitable structure to meet the family's long-term charitable goals
- Establish the governing body for the private foundation
- Conduct tax planning and compliance
- Facilitate board meetings
- Provide accounting and financial reporting

Technology

- Perform cybersecurity and information technology (IT) risk assessments
- Perform managed IT services
- Consult and plan for all IT infrastructure needs

Private investments

- Coordinate both the income and wealth transfer strategies
- Provide financial due diligence on both buy and sell side
- Establish a tax basis tracking system
- Explain the economics and tax implications of alternative ownership structures
- Provide a full suite of real estate and private equity services for both passive and active owners

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