Private trust companies help a family govern, manage and administer the trusts of the family.

**Founder’s office**
This often consists of an assistant or a few staff members who pay bills, make travel plans and handle the financial needs of the founder.

**Embedded family office**
A shareholder services group, it may handle the family’s personal financial affairs as well as corporate duties.

**Compliance or tax office**
A CPA-led office, it oversees investments and takes care of record-keeping, insurance and tax returns.

**Investment management office**
In addition to accounting services, it manages private equity investments, hedge funds and more, and may seek to manage money for outside families as well.

**Full-service office or private trust company**
For the most complex scenarios, this is a full-service office that manages all aspects of service: family education, tax, investment, governance and accounting, usually across multiple generations.

---

1. Your family and business are growing, and your business staff are distracted by supporting family needs.
2. You have a liquidity event, such as selling the business.

Today’s plans for your family office can mean the difference between surviving and thriving in the future.

**Why set up a family office?**

- **Advantages**
  - Maintain family cohesion
  - Maximize privacy and control over assets
  - Manage family risks
  - Support family entities and investments
  - Service family houses and other holdings

- **Concerns**
  - Cost of family office setup and operations
  - Complexity of market, legal and tax infrastructures
  - Difficulties in identifying and managing staff
  - Obtaining leading advice across a wide range of topics

Below are the advantages and concerns most frequently identified:

---

1Private trust companies help a family govern, manage and administer the trusts of the family.
Our approach
We have examined global family offices to understand what makes them successful in the long-term. Our professionals take a holistic view of the family, strategic, operational, regulatory and tax aspects in order to support the family move toward their long-term legacy. Specifically, we support the legacy of building a family office with the following approaches:

- Develop a services map based on your needs
- Coordinate with you and your advisors in designing the family office’s structure

### Evaluate/assess

**Scope and purpose**
- Articulate vision and expectations
- Define who is part of the family
- Identify the family’s key values
- Define family office services
- Describe the family office’s purpose and long-term goals

### Design/innovate

**Business plan**
- Confirm legal structure
- Identify in-source vs. out-source services
- Identify operational and technology requirements
- Identify people, technology and facilities
- Governance for family and the office
- Create/adjust family office budget
- Funding and cost allocation

**Source and build**
- Job descriptions
- Technology platforms and support
- Vendor contracts
- Facilities
- Processes and work flows
- Detailed governance framework

### Execute/implement

**Prepare and test**
- Implement governance
- Test systems and processes
- Consider disaster risks (cyber, theft, controls, etc.)
- Review policy and procedure manuals
- Make final review of processes
- Review/refine financial models

**Launch**
- Begin family office operations (phased)
- Develop communication and review processes
- Continue monitoring and review
- Participate in networking opportunities
- Conduct periodic risk reviews from outside advisor
- Continue strategic planning

### Scoping study approach

Identify and present strategic and tactical framework options

#### Business model assessment

Business and operating model alignment

Operating model assessment

#### Program management

“Develop” instead of “build”

#### Present assessment and business case

Learn how to cultivate sustainable results at ey.com/familyoffice.
To find out how Ernst & Young LLP’s Family Office Advisory Services can support you, please contact one of our professionals:

**Robert (Bobby) A. Stover, Jr.**, EY Americas Family Office Leader
Private Client Services | Family Office Advisory Services
Ernst & Young LLP
bobby.stover@ey.com | +1 214 969 8321

**Jon Carroll**, Managing Director
Private Client Services | Family Office Advisory Services
Ernst & Young LLP
jonathan.carroll@ey.com | +1 561 955 8240

**John Castrucci**, Managing Director
Private Client Services | Family Office Advisory Services
Ernst & Young LLP
john.castrucci@ey.com | +1 201 551 4626

**Paul McKibbin**, Managing Director
Private Client Services | Family Office Advisory Services
Ernst & Young LLP
paul.mckibbin@ey.com | +1 215 448 5420

**Catherine C. Fankhauser**, Senior Manager
Private Client Services | Family Office Advisory Services
Ernst & Young LLP
catherine.fankhauser@ey.com | +1 214 665 5788

EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2019 Ernst & Young LLP.
All Rights Reserved.

SCORE No. 06879-191US_6
CSG No. 1908-3236101
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.

ey.com