Family Office Governance Plan

The goal of this document is to begin the conversation of putting more formal governance processes and procedures in place for your family office. It is not comprehensive but can by useful for starting a conversation around this topic..

Who oversees hiring decisions and what written rules and policies are in place?

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Will there be a governing board, oversight by external attorneys, CPAs, and industry advisors?

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At what point do the next generation take over some decision making powers, and what plans are now in place?

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How are family member hires decided, and what if any special treatment do they get?

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What is the process for allocating capital, what approval is needed for what size of investments?

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What objective criteria is used to decide compensation for core team members, consultants, advisors, board members, etc. and who must approve these decisions?

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What needs to happen before someone is fired or suspended from the business, who has that authority?

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If there is a divorce within the family, how are those individuals treated, what about their children?

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What requirements are in place before someone is allowed to work for the family business?

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How are the costs of the family office allocated, and how are those decisions made? How does that change if certain generations or family clusters do not want to take part in certain investment activities? How is overhead divided?

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Are audits are conducted? If so by who, and is there transparency on those audit results?

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How are loans made to family members for asset purchases, business acquisitions, or new businesses?

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What criteria must be in place and who approaches these loans?

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