

HOUSEHOLD EXPENSE TRACKING

The Family Office team at Ocorian regularly assist their client families with household expense tracking. This factsheet summarises the main features of this service

SCOPE

Most of our high net worth Family Office clients experience some or all of the following issues:

- Busy and demanding schedules involving regular international travel.
- Requirement to employ and remunerate direct household staff.
- Complex financial affairs.
- Delegation of some aspects of household spending to staff.
- Multiple homes.

As a result, many client families find it difficult to keep on top of what their household spending patterns are, and to budget effectively for household costs. Ocorian operates a service assisting families with the following:

- Setting budgets for household expenditure.
- Tracking actual expenses against budget.
- Establishing delegated spending limits to specific staff members.
- Electronic capture and storage of receipts.
- Automated book-keeping to allow for efficient and cost-effective collation of data.
- Bespoke household reporting to client family on key areas of spending in each family home.

REPORTING

We operate a system which is designed to be efficient and cost-effective and to utilise staff members as far as possible, as they are an existing fixed cost to the family. The process operates as follows:

- The individual staff members are equipped with an App (developed by a third party) that is installed onto their individual Smartphones. Training is given by Ocorian

to staff members as to how to install and use this App.

- When incurring an expense in relation to their work (whether this be incurred personally, and therefore reimbursable, or paid from the household account/credit card) the staff person photographs the receipt and assigns it to a specific category (e.g. "London Home - Flowers").
- After recording a batch of such receipts, the desktop version of the App requires a second user to authorise this batch. We discuss the context with clients to establish who that second person will be.
- Once authorised, the report is automatically book-kept via a direct link between the desktop version of the App and the selected book-keeping package. This allows for efficient and timely capture of data.
- Automated reconciliation of expense reports with household bank account/credit card to ensure all data has been completely captured.
- This is then collated into a report (which is generated and maintained by Ocorian), which shows the client family what they are spending, in each home and per category.
- As a result the client family is easily able to get visibility concerning their spending in each home, and as a result, to enquire and analyse why certain areas of spending are higher or lower than would be expected.
- We find that after this system has been operating for a number of months, that a natural outcome is the setting of budgets for individual houses and expense categories, and a system of advance notification when costs are expected to be higher than normal for specific events.

FEES

There are two areas of cost to the client family:

Set-up

We charge a one-off fee for establishing the expense tracking and reporting system which covers the following:

- Training for staff on the operation of the App and the desktop site of the expense tracking system.
- Setting up household expenditure categories on the expense tracking system.
- Developing bespoke client reporting schedules.
- Setting up household banking platform (optional).

This one-off fee will differ depending on the number of staff and homes that the client family has.

Ongoing

Typically the ongoing fee is limited to the following:

- Approval of expense reports (although this can be done by the staff member's supervisor if appropriate).
- Creating monthly/quarterly reports for client family on expenses incurred.
- Participation in the periodic (normally annual) budget setting process.
- Amending tracking system to allow for new or deleted expense categories.
- Assistance with ad hoc queries from individual staff members.
- Amendments to banking platform (addition or deletion of staff members) (optional).

KEY CONTACTS

JERSEY



IAN SLACK
Executive Director
 T +44 (0)1534 507 102
 ian.slack@ocorian.com



RICHARD JOYNT
Executive Director
 T +44 (0)1534 507 103
 richard.joynt@ocorian.com



AMY COLLINS
Client Director
 T +44 (0)1534 507108
 E amy.collins@ocorian.com

DISCLAIMER AND REGULATORY

The content of this document (including any opinion expressed) is intended for general information purposes only and it does not constitute and should not be interpreted as an offer, an invitation to contract or legal or any other form of professional advice and nor should it be used or relied upon as such. Unless expressly stated otherwise, information is not intended to be comprehensive and is only current at the time of initial publication or, if this document is dated, as at that date and Ocorian gives no warranty as to the adequacy, accuracy or completeness of any information. Should you require legal or other professional advice, it is recommended that you contact a suitably-qualified lawyer or other relevant professional. Neither Ocorian Limited nor any of its subsidiaries or affiliates from time to time accepts any liability or responsibility whatsoever for any loss that may arise from the use by any person of this document or its content.

Ocorian Limited is regulated by the Jersey Financial Services Commission. Ocorian Fund Services (Jersey) Limited is regulated by the Jersey Financial Services Commission. Ocorian (Luxembourg) S.à r.l is authorised to conduct business by the Ministère des Classes moyennes. Ocorian (UK) Limited is authorised and regulated by the Financial Conduct Authority of the United Kingdom. Ocorian (Mauritius) Limited is regulated by the Financial Services Commission Mauritius. Singapore Trust Company Pte Ltd is regulated by the Monetary Authority of Singapore. Ocorian (Guernsey) Limited (registered Guernsey 45342) is licensed and registered by the Guernsey Financial Services Commission under the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law 2000. Ocorian (Ireland) Limited is an authorised trust or company service provider in accordance with Section 89(6) of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 of Ireland.