Morgan Stanley

Pre-Liquidity Personal Planning Checklist

Estate Planning Strategies Group
Family Office Resources

Pre-Liquidity Personal Planning Checklist

Pre – Event

Asset Protection & Financial Planning

Protect Yourself
- ❑ Consider insurance
  - ❑ Umbrella, life, health
- ❑ Identity Protection

Create Investment Plan
- ❑ Draft Investment Policy Statement ("IPS") to define goals, risk appetite, time horizon
- ❑ Cash reserve, safety net, and growth allocations

Lending
- ❑ Mortgages & HELOCs
- ❑ Securities-based incl. concentrated stock
- ❑ Specialized asset financing

Basic and Advanced Tax, Estate & Wealth Transfer Planning

Draft Estate Plan
- ❑ Revocable Trust
- ❑ Will
- ❑ Power of Attorney
- ❑ Healthcare Directive

Plan for Taxes
- ❑ Hire CPA
- ❑ Evaluate options, consider exercising
- ❑ Consider gifting/sales strategies (e.g., GRAT, sales to Grantor Trust, etc.)
- ❑ Consider charitable tax strategies (e.g., CRT)

College Savings Plan
- ❑ Consider setting up 529 plans for children

Cross-Border Planning
- ❑ Optimize cross-border planning (if applicable)

Event Occurs

Selling & Diversification

Quantify Risk
- ❑ Market
- ❑ Industry
- ❑ Company-specific

Comply with Sales Rules
- ❑ Regulatory
- ❑ Corporate
- ❑ Contractual

Create Selling Plan
- ❑ Sell versus hold
- ❑ Target price
- ❑ Frequency
- ❑ Disposition order

Diversify Proceeds
- ❑ Asset Class
- ❑ Geography
- ❑ Investment Type

Post – Event

Loss Harvesting / Philanthropy

Tax Mitigation Strategies
- ❑ Tax loss harvesting and/or tax deferral with Opportunity Zone Fund

Devise Charitable Plan
- ❑ Consider tax optimization tools
- ❑ Giving back
  - ❑ Community
  - ❑ Education
  - ❑ Personal causes
- ❑ Type of gift
  - ❑ Cash
  - ❑ Shares
- ❑ Mechanism
  - ❑ Foundation
  - ❑ Donor Advised Fund
  - ❑ Direct gift
- ❑ Frequency
  - ❑ One-off
  - ❑ Ongoing

Ongoing Management & Planning

Devise Monitoring Process
- ❑ How involved do you want to be?
- ❑ Meeting frequency

Devise Success Metrics
- ❑ Overall portfolio performance measurement
- ❑ Tactical asset allocation decisions
- ❑ Portfolio construction decisions
- ❑ Overall service quality

Continue Tax Planning
- ❑ Consider continuing or expanding basic and/or leveraged gifting/sales strategies (e.g., annual exclusion gifts, rolling GRATs, sales to Grantor Trusts, etc.)

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