



# Willing Wisdom Index™

How prepared is your family to inherit?



## FAMILY MEETING RESOURCE GUIDE

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## WHO SHOULD ORGANIZE AND FACILITATE A FAMILY MEETING?

Family meetings can be organized and facilitated by an advisor including, a financial advisor, accountant or lawyer. Alternatively, an advisor can hire a professional family meeting facilitator. If you do not have the name of a qualified family meeting facilitator, contact The Willing Wisdom Index™ Team for a list of names in your community. Even when a professional facilitator is engaged, an advisor can and should play an important role in chairing the meeting and keeping minutes. Remember, controlling the process is different from controlling the meeting.

## AGENDA

Work with your client at least two months in advance of your meeting to develop their family meeting agenda. Circulate the agenda at least one month before the family meeting along with the minutes of the previous meeting. The meeting minutes should always include the names of all meeting attendees and the date of the meeting. At the end of every meeting, the chair should ask attendees to list any items they would like to add to the next meeting agenda. Sometimes there is a discussion or vote on these matters, but usually most items are included in the next meeting agenda.

## WHO SHOULD ATTEND?

Typically, family meetings begin small and include immediate blood relatives, sometimes described as a nuclear family meeting that includes parents and their children. The goal however, ought to be to expand participation to include spouses and multiple generations as soon as possible. Exclusion from a family meeting can create a culture of distrust. If for example, a client wants to exclude a daughter-in-law, convince the client to reconsider this decision, but to include a discussion of the use of trusts in the family meeting. Most families have real and perceived issues. Ignoring these issues does not diminish or make these issues disappear.

The ultimate goal would be to hold a three-generation family meeting (G3 meeting) which produce the optimum preparation of heirs, the least litigious estate plans and the most efficient wealth transfers.



## WHERE SHOULD FAMILY MEETINGS BE HELD?

Many family meetings are held in an advisor's board room (a strategic approach to introducing the next generation to your team and the services you provide). Increasingly, family meetings are also held at hotels, golf and country clubs or business clubs. It is strongly recommended that you hold these meetings at a neutral site, in other words not at a family business or at the home of the patriarch/matriarch.

## FREQUENCY OF FAMILY MEETINGS

The most common family meeting is held annually. However, families that are just beginning to meet, may elect to meet once every three months until all estate planning documents are drafted signed and shared. Typically, once these governance issues are addressed, family meetings shift to annual or semi-annual formats.

## HOW LONG SHOULD FAMILY MEETINGS LAST?

The most common family meetings are half-day (approximately three hours). The larger the estate and the larger the number of participants, often means a full-day meeting format is adopted. Full-day meetings are typical if it is an annual meeting and multiple family members have travelled to attend. It is also typical for families who have met multiple times to invite outside speaking resources, for example: tax, legal, investments and charities to present on various topics.

## CONFIDENTIALITY

Typically, the very first item on the very first family meeting agenda, is a family mission statement capturing what the family hopes to achieve. Almost all family mission statements include a reference to the core value of confidentiality. Some families, after having drafted the family mission statement, will circulate that statement and ask each participant to acknowledge and pledge adherence with their signature. This can bring some gravitas to the meeting and clear the way for more fruitful sharing of financial and other kinds of confidential information. It is typical for the Chair of the family meeting to begin each meeting with a reminder of the family's privacy policy.



## AGE OF PARTICIPANTS

While this is a subjective question for every family, the concept of preparing heirs implicitly assumes that the earlier a family begins, the more successful they will be in building a culture of trust, competency and responsibility that comes with inherited wealth. It is common for children as young as 7 to attend family meetings. Certainly, the younger the child, the earlier they will begin to assemble concepts relating to wealth and organize those concepts in a constructive, productive and healthy way. Consider rotating the chair of the meeting and including children as young as 15. Also, having a minor deliver a short presentation on an agenda item, such as their favorite charity or cause, can build significant confidence and add to a family's unique culture.

## POST FAMILY MEETING CELEBRATION

Advisors should encourage the family to celebrate their efforts immediately following the formal meeting, with a dinner or lunch and without advisors present.

## MINUTES OF MEETING

Distribute meeting notes no later than 7 days after the meeting. Minutes should be brief bullet points highlighting what was discussed, what was agreed to and what needs to be accomplished before the next meeting. Be sure to list action items with the person or persons responsible and the date that the action will be completed. For example: "All family members discussed the importance of reviewing their will. David disclosed that he does not have a will. David undertook to book an appointment next week with the view to completing his will in 3 weeks. David will bring a copy of his will to the next family meeting, scheduled for April 10th."

Many formal family meetings begin their meetings with a review and adoption of the previous meeting's minutes. This includes a quick review of the actionable items and confirmation that each item was completed. It typically does not take long for a culture of accountability to develop when this approach is followed.



## SUGGESTED FAMILY MEETING AGENDA ITEMS:

Review and adoption of previous meeting minutes: Chair to review minutes paying special attention to where action items agreed to, have been delivered and can be closed out.

### ***Family History Discussion:*** *all family participants*

**Note:** Consider a free ranging story-telling session about how previous generations created wealth. This free-wheeling discussion should focus not only where the family has succeeded, but where there has been setbacks and failure so the succeeding generation can learn. Keeping a family history alive is crucial to creating your unique culture.

### ***Family Mission Statement:*** *all family participants*

**Note sample statement:** “Our family is committed to mutual respect, open communication, confidentiality, calculated risk taking, hard work and capital preservation.” Refer to Page 62 in the book *Willing Wisdom* for a copy of The Declaration of the Willing, which can be easily adapted to reflect the personal hopes and desires of any family.

### ***Family Economic Up-date:*** *all family participants*

**Note:** Brief presentation by all-attendees on changes to their financial Position since the previous meeting. Some families elect to discuss living gifts and begin to introduce their current financial advisors to the succeeding generation. As a family develops their own meeting style and culture this section can be one of the most important for preparing heirs to become responsible inheritors.

### ***Presentation on Investment Returns:*** *financial advisor*

**Note:** Leave time for Q&A for all family members to participate.

### ***Presentation on Trusts:*** *financial advisor, accountant and or lawyer*

**Note:** One of the most confusing aspects of estate planning is the long list of trusts that have different purposes. Financial advisors and accountants can deliver a short presentation on the range of trusts that exist, why they are used and how and when they can be established.

## SUGGESTED FAMILY MEETING AGENDA ITEMS CONTINUED:



### **Presentation on taxes triggered during the administration of an estate:** *accountants and financial advisors*

**Note:** Accountant or financial advisor can give a short presentation on issues like capital gains taxes that are triggered on last to die. Assets like family businesses and family vacation homes are two common examples of assets that are subject to capital gains and other forms of taxation triggered by the administration of an estate. The question needs to be asked; “where will the liquidity to pay those taxes come from?”



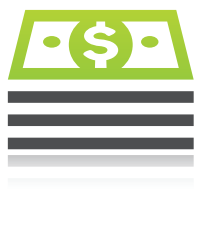
### **Discussion of Wills:** *all family participants over the age of 15*

**Note:** Encourage the sharing of wills between attendees who are named as executors, back-up executors or as beneficiaries.



### **Family Business:** *business owner*

**Note:** If there is an operating business, there needs to be an open discussion about how that business will survive in the event of death or incapacity (regardless of the controlling shareholder’s age). Refer to *Every Family’s Business* for insights on the dangers of gifting an operating business to all or just some family members. Without proper discussion and planning, the transfer or division of a family business can be one of the most emotional and litigious issues for a family that is grieving.



### **Family Vacation Homes:** *property owner*

**Note:** For all of the same issues as above, the transfer or division of a family vacation home requires discussion and proper planning. Talking openly about how, who, and when a family vacation property will transfer, can eliminate family members operating on assumptions for decades. Bringing clarity to how major assets will transfer is one of the greatest gifts an advisor can bestow on a client and his or her family. Wading into this often-emotional issue is an effort not lost on a family who will admire the advisor’s wisdom, courage and conviction.



### **Division of Personal Possessions:** *owners of assets*

**Note:** Discuss the process for dividing personal possessions prior to discussing who gets individual items. Refer to the book *Willing Wisdom* page 123 that describes a process where family purchase items from the estate and then divide cash according to the distribution decisions reflected in the will.



## SUGGESTED FAMILY MEETING AGENDA ITEMS CONTINUED:



### ***Selection of Executor:*** all family members over the age of 18

**Note:** invite a lawyer to give a short presentation on the duties and responsibilities of an Executor, including how long it takes to administer an estate and compensation for administering an estate. If a lawyer is not able to attend, ask him or her to draft a short explanation of the duties of an Executor for you to present.



### ***Discussion of Financial Power of Attorney:*** all family participants over the age of 18

**Note:** a lawyer or financial advisor can present a short 15 minute summary of the duties of an individual selected to act as Financial Power of Attorney. Encourage all attendees to disclose who they have selected to be their financial Power of Attorney. Encourage attendees to distribute a copy of their Power of Attorney with the person selected to be their Power of Attorney and to everyone listed in their will as an intended beneficiary. Invite a lawyer to give a short presentation on the duties and responsibilities of a Financial Power of Attorney. Alternatively, a lawyer can prepare a summary for another advisor to present a brief explanation about the duties and legal responsibilities associated with being appointed Power of Attorney. It is wise to select a back-up Power of Attorney and to make sure that that person also has a copy of your Power of Attorney documentation.



### ***Discussion of Power of Attorney for Personal Care sometimes called Living Wills or Advanced Health Care***

#### ***Directive:*** all family members over the age of 18

**Note:** all adults are invited to discuss, share copies and up-date their living will. A lawyer or financial advisor can present a short summary on what a living will is, and who will manage its administration. Don't forget to encourage all family members to share a copy of their Living Will with their own family physician.



## SUGGESTED FAMILY MEETING AGENDA ITEMS CONTINUED:



**Discussion of Long Term Care:** *all family members over 18*

**Note:** all adults are invited to discuss their hopes, wishes and desires for long-term care, touching on a broad range of scenarios of what someone would like to receive should they become incapacitated.



**Philanthropy:** *all family members are invited to discuss both individual and joint family member charitable causes that are being supported*

**Note:** many families will use their family meeting to discuss joint philanthropic projects. In some family meetings, every participant is asked to present a short case study and pitch for financial support. Some families are tasked with investigating how previous gifts have been deployed and other families will invite charities to their family meetings to make presentations for new funds. The financial amount pledged at each family meeting for philanthropy is irrelevant – the process of engaging family members, especially at an early age, is key to preparing heirs to develop a healthy attitude and context for larger amounts of wealth that will likely one day be inherited.



**Outside Speaking Resource:** *author, consultant specializing in family dynamics, communications, meeting facilitation*



**Book Review:** *all family members or one rotating each meeting presents a short book review -15 minutes*



**Note:** typically, biographies or auto-biographies of significant families and their approach to preparing heirs and protecting wealth, focusing on what has worked well, and what has failed. For example: Rockefellers, Vanderbilts, Bronfmans (Canada).





# SAMPLE FAMILY MEETING AGENDA

The Inaugural Smith Family Meeting  
The Rolling Hills Country Club  
May 1, 2017



## SCHEDULE

Breakfast -- 7:30 AM  
Meeting – 8:00 AM  
Break – 10:00 AM  
Meeting – 10:15 AM  
Family Lunch – 12:00 PM

## AGENDA

8:00 – 8:10      **Call meeting to order**  
*Review draft confidentiality policy (Chair)*

8:10 – 8:45      **Family History Roundtable**  
*Full family discussion led by outside facilitator or advisor*

8:45 – 9:30      **Develop family mission statement**  
*Full family discussion led by outside facilitator or advisor*

9:30 – 10:00     **Introduction to Estate Documentation**  
*Presentation by advisor or lawyer*  
*1. Wills 2. Executors 3. Financial Power of Attorney 4. Living Wills*

10:00 – 10:15    **Break** (15 minutes)

10:15 – 11:15    **Governance** (Advisor or outside facilitator)  
*General discussion of each participant's Willing Wisdom Index Results.*  
*Implementation of Recommendations.*

11:15 – 11:45    **Commitments to up-date estate plan documentation** (all)

11:45 – 12:00    **Suggestions for agenda items to be included for next meeting** (all)

12:00             **Meeting adjourned:** Lunch (family only)

**CHAIR**

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**ATTENDEES**

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**MINUTE TAKER**

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