THE BARATELLI INSTITUTE

Mentoring at Scale

BARATELLI INSTITUTE TOOLS · USER GUIDE · VOLUME 2 OF 2

BB Baratelli Bankable

Everything the family owns, in one set of books.

Volume 2 · Family office: holdings of real estate, art, wine, jewelry, cars and collectibles; investment accounts; private funds and K-1s; family, trusts and ownership; the family office statement

More than books. Everything you expect from bookkeeping software, plus what QuickBooks leaves to spreadsheets:

FOR THE FAMILY OFFICE

- Every company in one file
- Holdings registers
- Family office statement and net worth by member
- Estate inventory
- Private funds and K-1 tracker

FOR THE LENDER

- Loan readiness checklist
- Underwriting clean-up
- SBA borrowing capacity and loan package
- Borrowing base and compliance certificates
- Collateral schedule and availability

FOR THE OWNER

- Rent roll
- Free, and your data stays yours
- Moves both ways

> *Start here: open Baratelli Bankable, look around the sample companies, then go to Settings & backups and choose Start my own books. If you are coming from QuickBooks, follow Section 4 next; to hand your books to a CPA who uses QuickBooks, see Section 5.*

The family office statement, net worth by member, the estate inventory and the collateral schedule are only as good as what stands behind them: every company in the family's file, each holding described and valued, each investment account current and each K-1 posted. A value recorded here is what the family carries it at, not an appraisal. Version of September 2026. Not tax, legal or accounting advice; review your books with your CPA.

WHAT BARATELLI BANKABLE DOES THAT QUICKBOOKS DOES NOT

Baratelli Bankable keeps the books you expect: invoices, bills, banking and reconciliation, inventory, payroll entries, budgets and financial statements. Then it does what bookkeeping software leaves to spreadsheets: it organizes the books the way lenders read them, and it brings a family's companies, trusts and holdings together in one place.

BARATELLI BANKABLE	WHAT IT DOES	IN QUICKBOOKS
FOR THE FAMILY OFFICE		
Every company in one file	Operating companies, property companies, trusts and what the family holds personally, combined with intercompany eliminations.	One company per company file
Holdings registers	Real estate, art, wine, jewelry and watches, cars and collectibles, with photos, provenance, appraisals and fair market value, tied to the books.	Not built in
Family office statement and net worth by member	At historical cost and fair market value, with look-through ownership through trusts.	Not built in
Estate inventory	Everything the family owns, by who is to receive it and how it passes.	Not built in
Private funds and K-1 tracker	Commitments, capital calls, distributions, NAV and returns, and every K-1 expected.	Not built in
Family office records and advisory team	Folders for governance, taxes, estate planning, investments, insurance, staff and aircraft, and the advisors by role with their fees.	Not built in
FOR THE LENDER		
Loan readiness checklist	What a lender checks first, item by item, with the next step for each.	Not built in
Underwriting clean-up	Finds loan payments expensed, loan proceeds and transfers counted as income, and the other misclassifications that distort a lender's schedules, with the effect on EBITDA.	Not built in
SBA borrowing capacity and loan package	How much the business can borrow, and the package in one PDF: personal financial statements, debt schedule, sources and uses, projections.	Not built in
Borrowing base and compliance certificates	The monthly borrowing base for a line of credit and the quarterly covenant certificate, signed and ready to send.	Not built in
Collateral schedule and availability	Every asset at value, advance rate, what is already loaned against it and what is left to borrow.	Not built in
Income tax provision	Current and deferred taxes under ASC 740 with the full schedule, the rate reconciliation and the entry that books it.	Not built in
Loans with collateral and covenants	Escrow, balloons, guarantors and covenant tests every quarter, with warnings before a breach.	Not built in
FOR THE OWNER		
Rent roll	Units, leases, deposits and past-due tenants, agreeing with the books.	Not built in
Free, and your data stays yours	No subscription. The books stay on your device or in your own file, encrypted if you choose.	Monthly subscription; data held in Intuit's cloud (Online)
Moves both ways	Imports from QuickBooks, several companies at once, and exports back for a CPA who uses it.	—

Compared with QuickBooks Online and QuickBooks Desktop as sold to small businesses, without add-on apps, as of September 2026. QuickBooks is a trademark of Intuit Inc. Baratelli Bankable is not affiliated with or endorsed by Intuit.

ABOUT THIS VOLUME

This volume covers the family office: what the family holds, its investments and private funds, the family and its trusts, and the family office statement. Setting up a family office, the combining statements, the rent roll, loans and collateral, and everything else in Baratelli Bankable are in Volume 1, Business and lending. Section numbers are the same in both volumes, so a reference to Section 13 or Section 26 points to Volume 1.

> *To try it first: open Baratelli Bankable and choose Explore a sample family office on the sample books.*

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18 · HOLDINGS: REAL ESTATE AND COLLECTIBLES

Holdings is the register of what the family owns outside the day-to-day books: real estate, art, wine and spirits, jewelry and watches, cars and vehicles, and other collectibles. Each item keeps the details its industry uses, together with cost, fair market value, debt, insurance, ownership, location and linked documents.

Holdings start in the books

A purchase of art, jewelry and watches, wine, collector vehicles or other collectibles is a transaction first. Record it in the owner's books, the family's personal books or a company's, as an expense, bill or check to the holdings account: *Fine art*, *Jewelry and watches*, *Wine and spirits*, *Collector vehicles* or *Other collectibles*. It then appears on Holdings under **From the books**, waiting to be described. **Add to holdings** carries over the cost, owner, seller, date and any documents attached to the transaction, and opens the item so you can add the artist, title, provenance, photos and appraisal.

Only what was owned before the books began is keyed directly on Holdings, as an opening balance, matched by the opening entry in the owner's books. **Holdings accounts and the register** then compares each holdings account in the books with the cost of the items in the register, so the two never drift apart: a difference is a purchase not yet described, an opening balance not yet listed item by item, or a sale recorded in only one place.

Amounts can be corrected right on Holdings. When an item is carried on the owner's books, **Keep the books in step** posts any change in its cost for you: a buyer's premium or shipping added after the purchase goes against the account that paid for it, a piece owned before the books began goes against opening balance equity, and a new item keyed directly posts its opening balance. There is no journal entry to write by hand, and the entry shows in the books with the reference HOLD-ADJ. Clear the box to change the register alone.

☑ **Keep the books in step.** When the item is carried on the owner's books, a change in its cost (or a new item's cost) is posted for you: **Collector vehicles** against the account below. No journal entry to write by hand.

Other side of the entry: Opening balance equity (owned before the books began)

Date of the entry: 09/27/2026

Editing a car's cost: the change is posted to Collector vehicles for you.

From the books 1 to describe

A purchase of art, jewelry and watches, wine, collector vehicles or other collectibles is recorded first as a transaction in the owner's books, personal or company, to the holdings account (*Fine art, Jewelry and watches, Wine and spirits, Collector vehicles*). It then waits here to be described. Only what was owned before the books began is keyed directly, as an opening balance.

DATE	OWNER	ACCOUNT	FROM	DESCRIPTION	AMOUNT ($)	
09/15/2026	Heritage Collection LLC	Fine art	Riverbend Gallery	Riverbend at Dusk, oil on canvas	28,500.00	Add to holdings

HOLDINGS ACCOUNTS AND THE REGISTER

OWNER	ACCOUNT	BOOKS ($)	REGISTER AT COST ($)	DIFFERENCE ($)
Heritage Collection LLC	Fine art	213,500.00	185,000.00	28,500.00
Heritage Collection LLC	Wine and spirits	4,800.00	4,800.00	0.00
Heritage Collection LLC	Collector vehicles	72,000.00	72,000.00	0.00

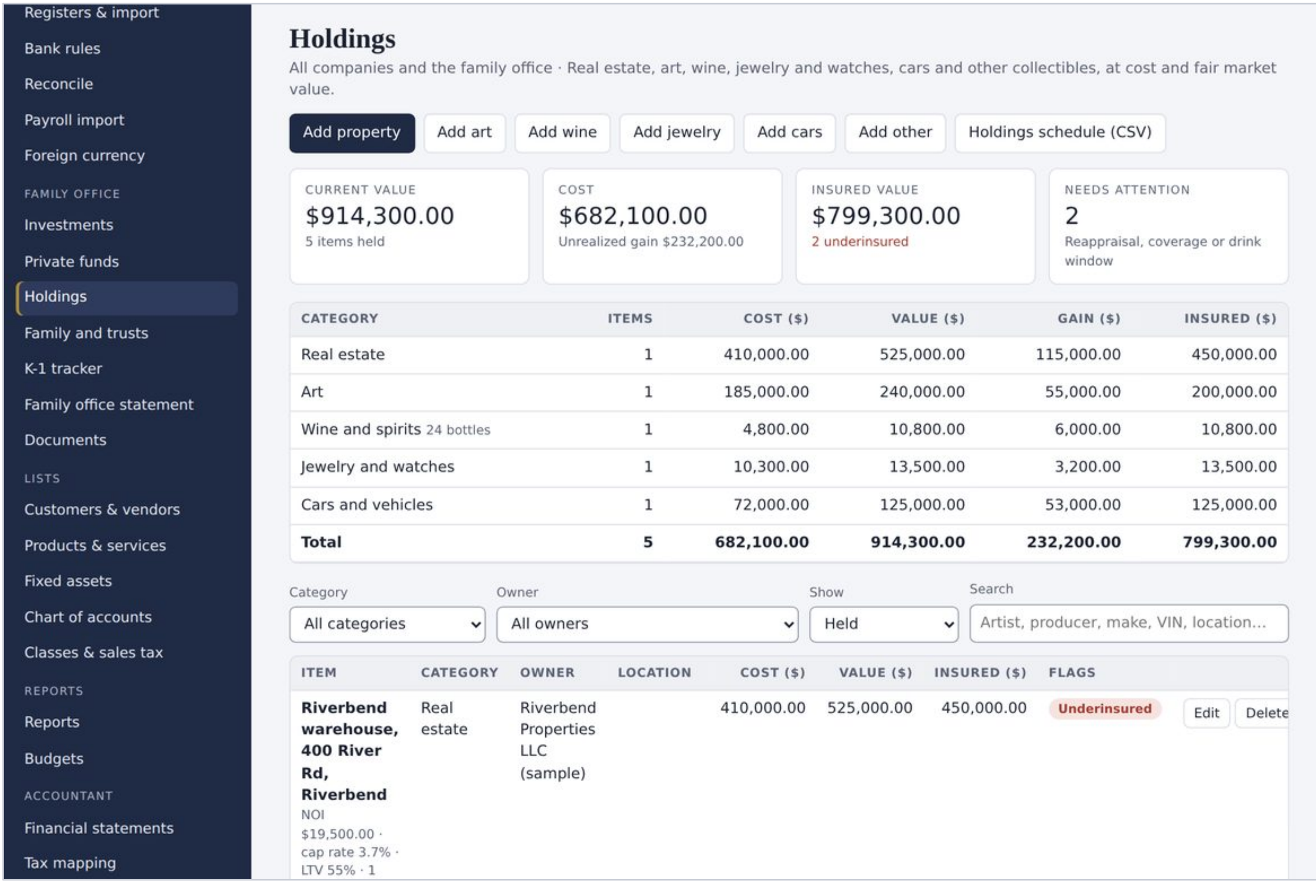
A difference is a purchase not yet described above, an opening balance not yet entered item by item, or a sale not yet recorded in both places.

A painting bought by Heritage Collection this month, waiting to be described; the books and the register differ by exactly its cost until it is.

Category	Details kept
Real estate	Property type, address, parcel number, units, square feet, lot, year built, occupancy, annual rent, operating expenses and property tax, assessed value, lender, rate, maturity, title holder. Shows net operating income, cap rate and loan-to-value.
Art	Artist, title, year, medium, dimensions, edition, provenance
Wine and spirits	Producer, wine, vintage, region, varietal, bottle format, number of bottles, drinking window, critic score. Shows value per bottle and flags wines to drink now.
Jewelry and watches	Maker, piece or model, reference, serial number, materials, stones and carat, certificate number
Cars and vehicles	Make, model, year, trim, VIN, mileage, color, title state
Other collectibles	Item, maker, year, kind (coins, rare books, memorabilia), serial or catalog number

1. Choose **Add property**, **Add art**, **Add wine**, **Add jewelry**, **Add cars** or **Add other**.
2. Fill in the category details, then the owner (a company, or Family office / individual), status, location and ownership percentage.
3. Enter the acquisition date and **total cost** (historical cost), then the **current value** with its date and source, the insured value, and any debt secured by it.
4. If the item is already on a company's balance sheet, check **Already carried on the owner company's books** so it is not counted twice. Link appraisals, titles and policies from Documents.

- Flags mark items that are **underinsured**, need a **reappraisal** (valuation more than three years old), or wines to **drink now**.
- **Holdings schedule (CSV)** exports every item held, ready for your insurance broker, appraiser or estate attorney.
- Operating assets a company depreciates belong in Fixed assets (Section 16); investment and personal-use assets belong here.

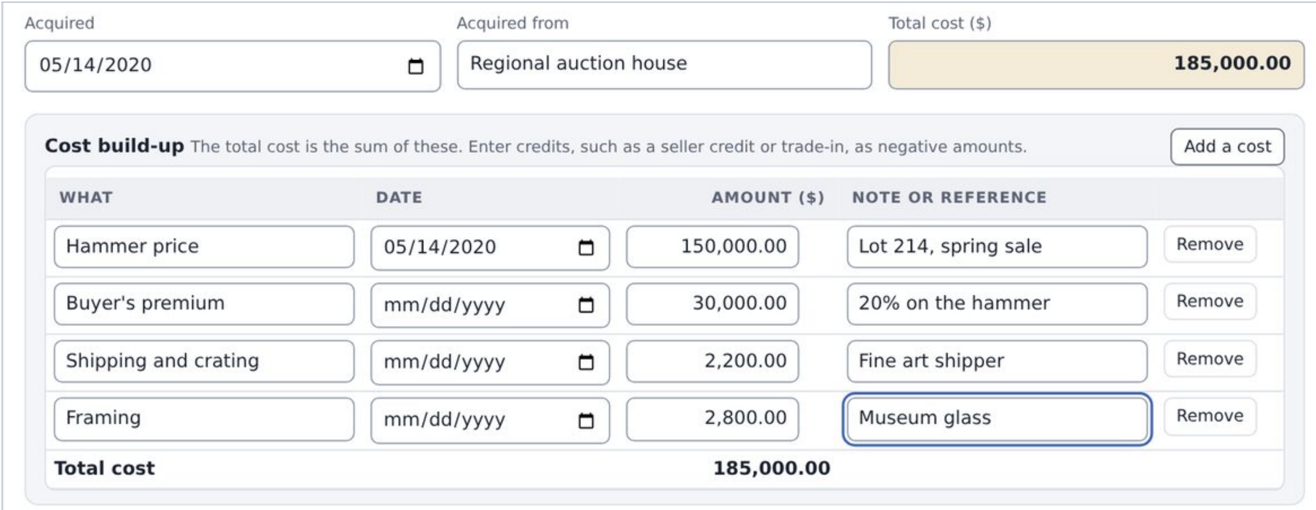


Holdings: totals by category with cost, value, gain and insured value, and the register below.

Building up the cost

An asset's total cost is usually several amounts. For art bought at auction it is the hammer price, the buyer's premium, sales or use tax, shipping and crating, framing and conservation; for real estate, the purchase price, closing costs, title insurance, legal fees, transfer taxes and capital improvements, less any seller credit; for equipment, the price, freight, sales tax, installation and setup, less a trade-in. Under **Cost build-up**, choose **Add a cost** for each part, with its date, amount and a note (the invoice, lot number or check). The first line starts as the purchase (or hammer) price on the acquisition date; each category suggests its usual costs as you type. Enter credits as negative amounts.

While there is a build-up, **Total cost** is its sum and cannot be typed over, so the total always ties to its support. The build-up is saved with the item, listed in the holdings schedule CSV, and printed under the cost in the photo inventory. Fixed assets have the same build-up (Section 16), and there the total drives depreciation.



Acquired: 05/14/2020
Acquired from: Regional auction house
Total cost ($): 185,000.00

Cost build-up The total cost is the sum of these. Enter credits, such as a seller credit or trade-in, as negative amounts. Add a cost

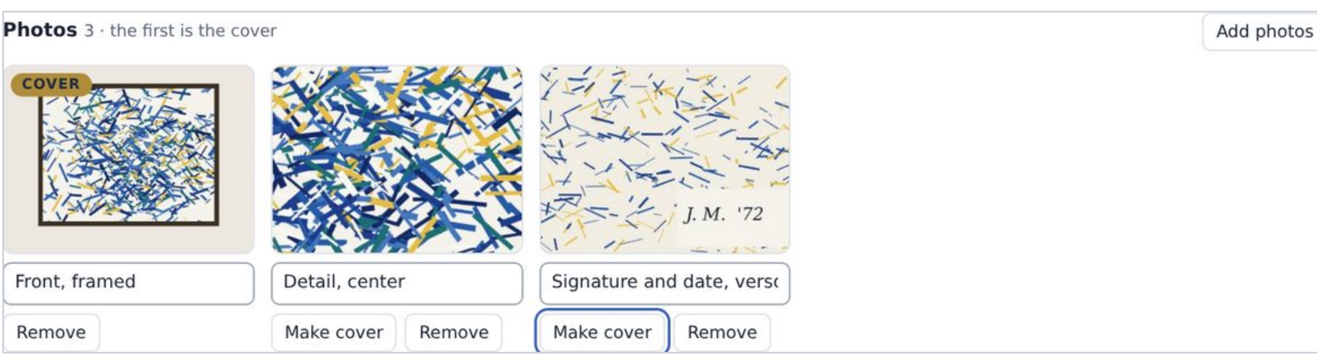
WHAT	DATE	AMOUNT ($)	NOTE OR REFERENCE	
Hammer price	05/14/2020	150,000.00	Lot 214, spring sale	Remove
Buyer's premium	mm/dd/yyyy	30,000.00	20% on the hammer	Remove
Shipping and crating	mm/dd/yyyy	2,200.00	Fine art shipper	Remove
Framing	mm/dd/yyyy	2,800.00	Museum glass	Remove
Total cost		**185,000.00**		

A painting's cost built up from the hammer price, buyer's premium, shipping and framing: $185,000.00.

Photos

Every holding, fixed asset and inventory item can carry its own photos, kept at **full quality**: the original file exactly as it came from the camera or the photographer, at its full resolution. They are saved with the books and included in every backup. For art, keep the front, the back, the signature and details of condition; for real estate, the exterior, the street view and each room; for jewelry, the piece, the hallmarks and the certificate; for cars, each side, the interior, the odometer and the VIN plate.

1. Open the item (**Edit** on a holding or product; click a fixed asset to open it). New items can take photos before they are saved.
2. Under **Photos**, choose **Add photos** and pick one or several pictures (JPEG, PNG, WebP or GIF). iPhone photos in HEIC format: share or export them as JPEG, or set the camera to *Most Compatible*.
3. Type a caption under each photo. The first photo is the **cover**; **Make cover** moves another to the front. **Remove** deletes a photo and its file.



Photos on a painting: the framed front as the cover, a detail and the signature, each with a caption.

The cover appears beside the item in each list, with the number of photos. Click it to open the **viewer**: the original at full size, its resolution and file size, the caption, arrows (or the arrow keys) to move between photos, and **Download original** for the appraiser, insurer or buyer. Press Esc to close.

	ITEM	CATEGORY	OWNER	LOCATION	COST ($)	VALUE ($)	INSURED ($)	FLAGS
	Riverbend warehouse, 400 River Rd, Riverbend NOI $19,500.00 · cap rate 3.7% · LTV 55% · 1 unit · 24,000 sq. ft. Valued 03/10/2026 · Broker opinion of value	Real estate	Riverbend Properties LLC (sample)		410,000.00	525,000.00	450,000.00	Underinsured
 3	**Joan Mitchell (circle of), "Untitled (Blue Field)", 1972** Valued 03/01/2022 · Insurance appraisal	Art	Family office	Residence, living room	185,000.00	240,000.00	200,000.00	Underinsured Reappraise
	Maple Court Duplex, 101 Main St, Riverbend Valued 06/30/2026	Real estate	Family office		185,000.00	240,000.00	240,000.00	
	1997 Porsche 911 Carrera S 993, coupe, manual Valued 02/01/2025 · Agreed-value insurance appraisal	Cars and vehicles	Family office	Garage, West Palm Beach	72,000.00	125,000.00	125,000.00	
	Rolex Submariner Date 126610LN Valued 06/10/2025 · Dealer quote	Jewelry and watches	Family office	Home safe	10,300.00	13,500.00	13,500.00	
	2010 Château Léoville Las Cases Saint-Julien 24 × 750 ml · $450.00 a bottle Valued 01/15/2026 · Auction comparables	Wine and spirits	Family office	Bonded storage, bay 14 In storage	4,800.00	10,800.00	10,800.00	

The holdings register with cover photos beside the items that have them.

The viewer: the original at 3200 by 2400 pixels, 1 of 3, with its caption.

Photo inventory (PDF) prints every holding with its cover photo at print quality beside its details: owner, location, description, acquisition, cost, current value and its source, and insured value. It is the schedule an insurer, appraiser, lender or estate attorney asks for. Fixed assets print the same way as a **Photo register**, and products as a **Photo catalog**.

Holdings, all owners

PHOTO INVENTORY

As of	**09/26/2026**
Items	**6**
Value	**$1,154,300.00**

No photo

Riverbend warehouse, 400 River Rd, Riverbend

REAL ESTATE

Owner	Riverbend Properties LLC (sample)
Status	Held
Acquired	05/28/2026 - Purchase
Cost	**$410,000.00**
Current value	**$525,000.00 (03/10/2026)**
Valuation source	Broker opinion of value
Insured value	**$450,000.00**
Property type	Industrial
Street address	400 River Rd
City	Riverbend
State	MO
Units	1
Building sq. ft.	24,000

Front, framed - 2 more photos in Baratelli Bankable

Joan Mitchell (circle of), "Untitled (Blue Field)", 1972

ART

Owner	Family office
Location	Residence, living room
Status	Held
Acquired	05/14/2020 - Regional auction house
Cost	**$185,000.00**
Hammer price	$150,000.00
Buyer's premium	$30,000.00
Shipping and crating	$2,200.00
Framing	$2,800.00
Current value	**$240,000.00 (03/01/2022)**
Valuation source	Insurance appraisal
Insured value	**$200,000.00**
Year	1972

The top of a photo inventory page: each holding with its cover photo, the cost and its build-up, value and insured value.

Estate planning

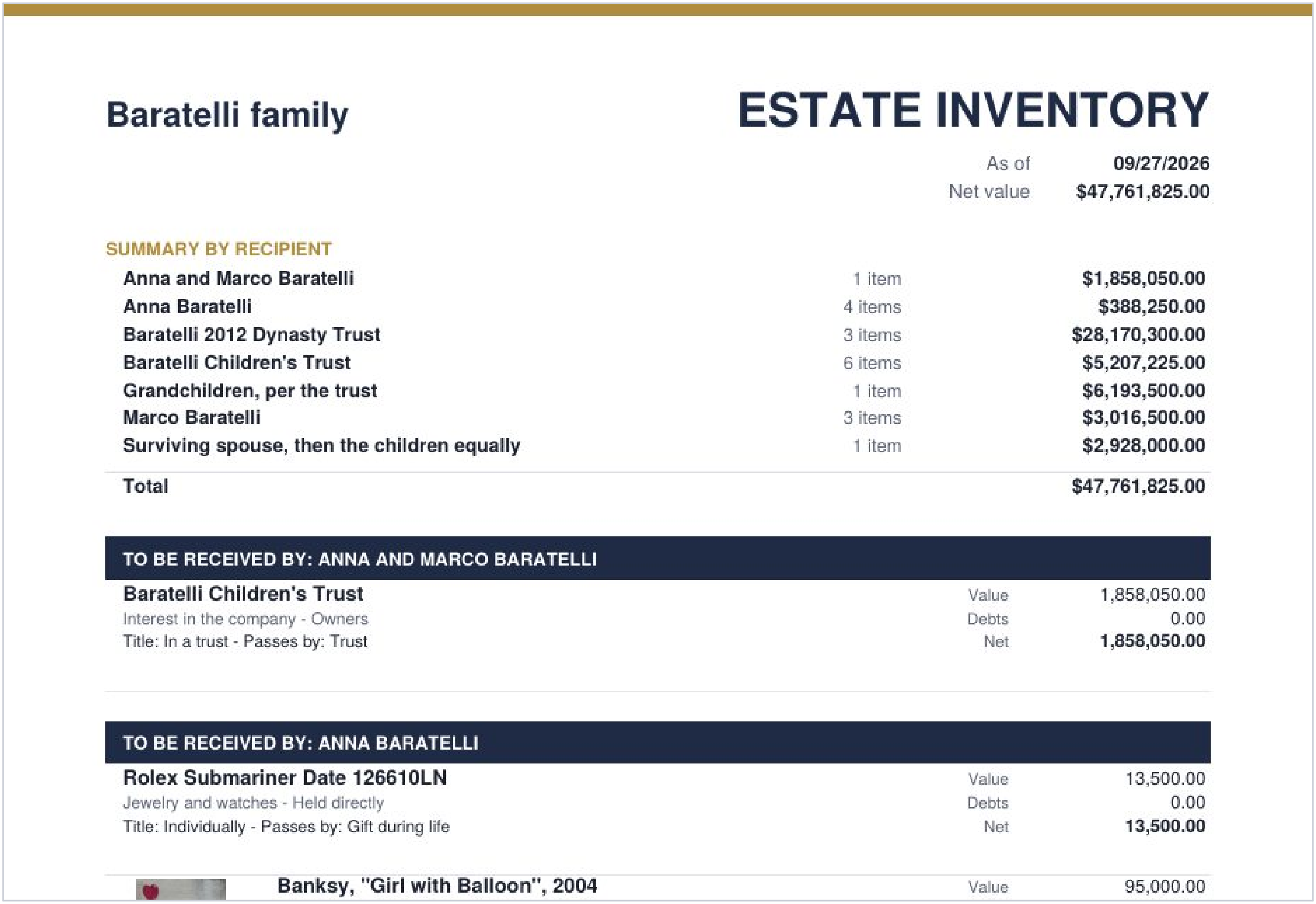
Each holding, and each company in Settings › Company details, has an optional **Estate planning** section: how title is held, who is to receive it, how it passes (will, trust, beneficiary or transfer-on-death designation, joint ownership, gift during life, sale or buy-sell agreement) and a note for the family or the attorney.

Estate planning (optional)

Title held	To be received by	Passes by	Note for the family or attorney
In a company	Anna Baratelli	Will	Appraisal and provenance in the vau

Estate planning on a painting: held in a company, to Anna Baratelli, by will, with a note.

Estate inventory (PDF) in Holdings groups everything by who is to receive it: a summary by recipient, then each holding with its photo and each company at its net equity, with title, how it passes, value, debts and net. Property carried on a company's books is counted once, in that company. It records the family's intentions for the conversation with the estate attorney and CPA; it is not a will or trust and does not transfer anything.



Baratelli family

ESTATE INVENTORY

As of 09/27/2026
Net value $47,761,825.00

SUMMARY BY RECIPIENT

Anna and Marco Baratelli	1 item	$1,858,050.00
Anna Baratelli	4 items	$388,250.00
Baratelli 2012 Dynasty Trust	3 items	$28,170,300.00
Baratelli Children's Trust	6 items	$5,207,225.00
Grandchildren, per the trust	1 item	$6,193,500.00
Marco Baratelli	3 items	$3,016,500.00
Surviving spouse, then the children equally	1 item	$2,928,000.00
Total		$47,761,825.00

TO BE RECEIVED BY: ANNA AND MARCO BARATELLI

Baratelli Children's Trust
Interest in the company - Owners
Title: In a trust - Passes by: Trust

Value 1,858,050.00
Debts 0.00
Net **1,858,050.00**

TO BE RECEIVED BY: ANNA BARATELLI

Rolex Submariner Date 126610LN
Jewelry and watches - Held directly
Title: Individually - Passes by: Gift during life

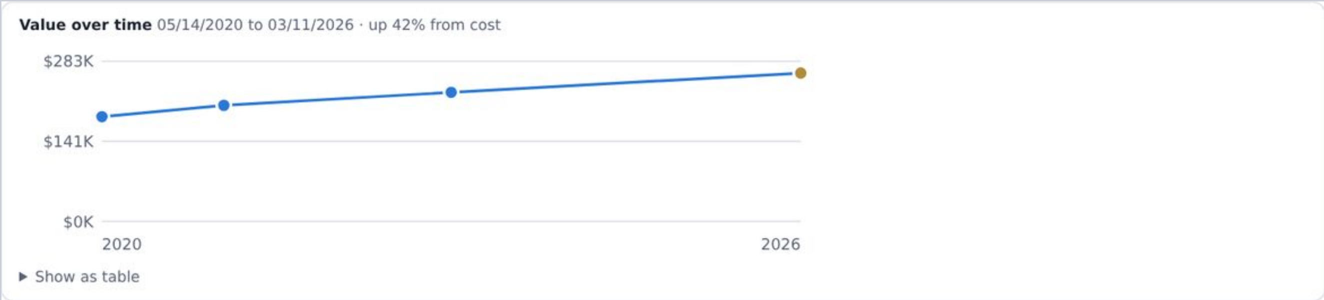
Value 13,500.00
Debts 0.00
Net **13,500.00**

Banksy, "Girl with Balloon", 2004 Value 95,000.00

The top of the Baratellis' estate inventory: $47.8 million by recipient.

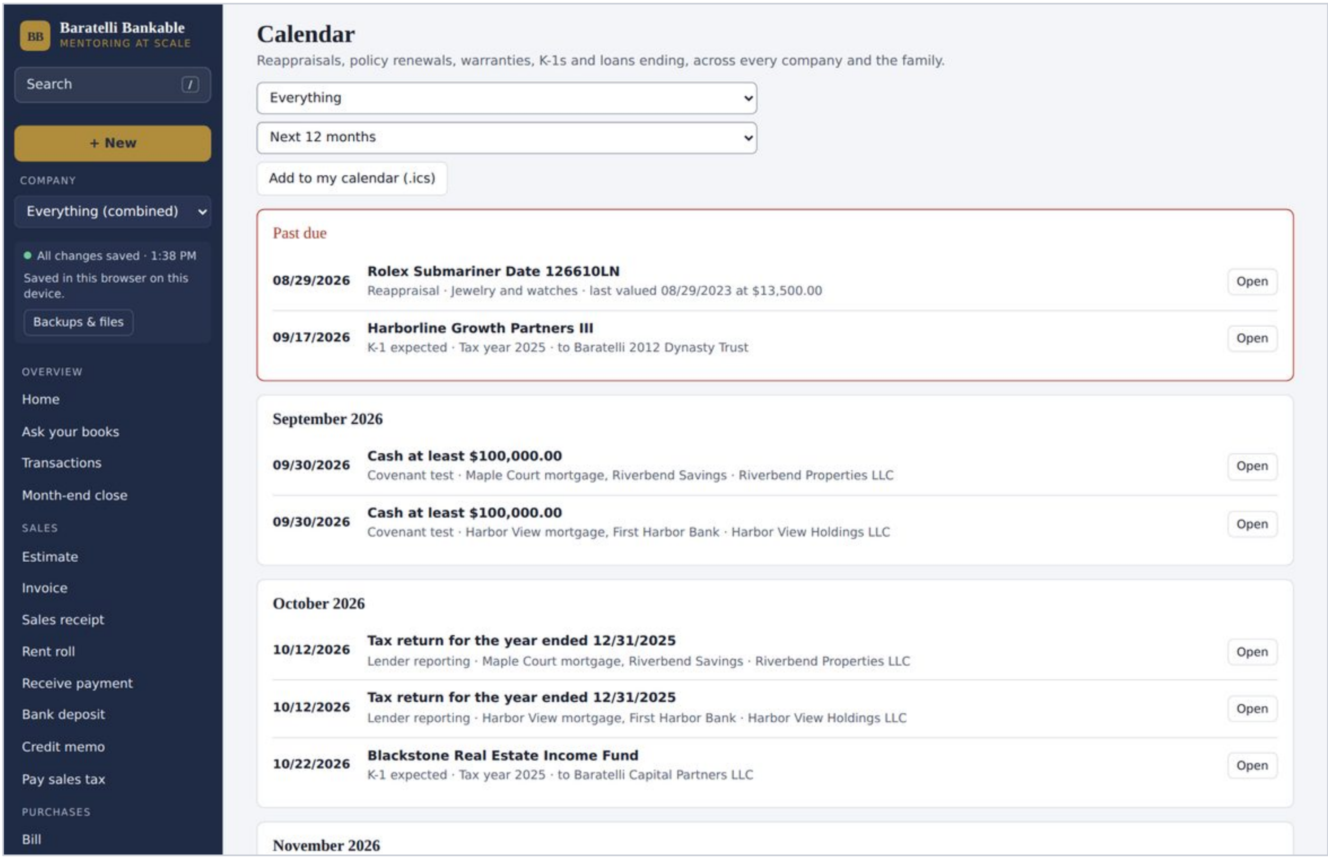
Value over time and the calendar

A holding with more than one valuation shows **Value over time**: a line from its cost through each appraisal to today's value, with the change in percent. Hover a point for its date and value, or open **Show as table**. **Reappraise every** sets how often it should be valued again (three years unless you change it).



Value over time for a painting: cost, two appraisals and the current value.

Calendar (Family office menu) lists every date that needs doing across the companies and the family: reappraisals due, insurance and other document renewals, warranties ending, K-1s expected, loans and schedules ending, and recurring entries ending. Past-due items come first in red, then month by month for the next 3, 6, 12 or 24 months. **Add to my calendar (.ics)** saves them for Outlook, Google or Apple Calendar, each with a reminder two weeks ahead.



The Baratellis' calendar: reappraisals, policy renewals and K-1s, month by month.

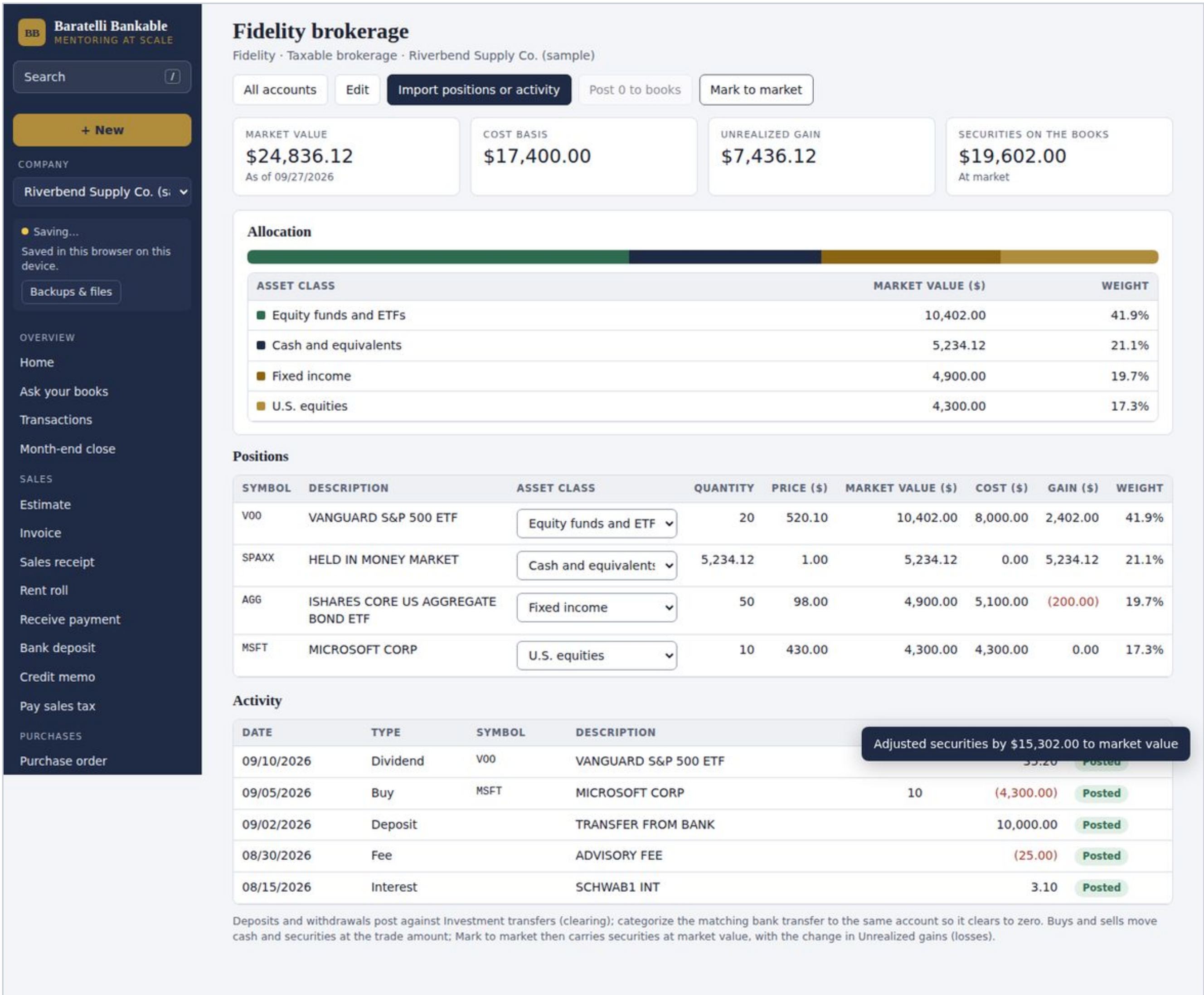
Items not held by a company can be assigned to a family member or trust (Section 21). Each change of value keeps the previous valuation, so the family office statement values holdings as of any date.

19 · INVESTMENT ACCOUNTS

Investments brings brokerage, retirement, trust and other investment accounts into the family office picture from the files every custodian provides, with no connection to the custodian needed. Each account keeps its custodian, the last four digits of the account number, type (taxable, IRA, Roth IRA, trust, 529, donor-advised fund) and owner (a company, or the family office directly).

File from the custodian	What Baratelli Bankable reads
Positions (holdings)	Symbol, description, quantity, price, market value and total cost basis for every holding, including the cash or money market sweep. Title rows, totals, pending activity and disclaimers are skipped.
Activity (transaction history)	Date, action, symbol, quantity, price and amount. Actions are sorted into dividends, interest, capital gain distributions, buys, sells, reinvestments, fees, taxes withheld, deposits and withdrawals. Rows already imported are skipped.

1. Choose **Add investment account**, name it, and choose its custodian, type and owner.
2. On the custodian's website, download the positions (or holdings) page and the activity (or history) page as CSV or Excel. Schwab, Fidelity, Vanguard, Morgan Stanley, Merrill, J.P. Morgan, Raymond James and most others offer both.
3. Open the account and choose **Import positions or activity**; Baratelli Bankable recognizes which file it is. For positions, confirm the as-of date.
4. Check the asset class of each holding. Classes are suggested from the symbol and name (cash and equivalents, U.S. equities, international equities, equity funds and ETFs, fixed income, real estate, alternatives) and a change you make is remembered for that symbol everywhere.



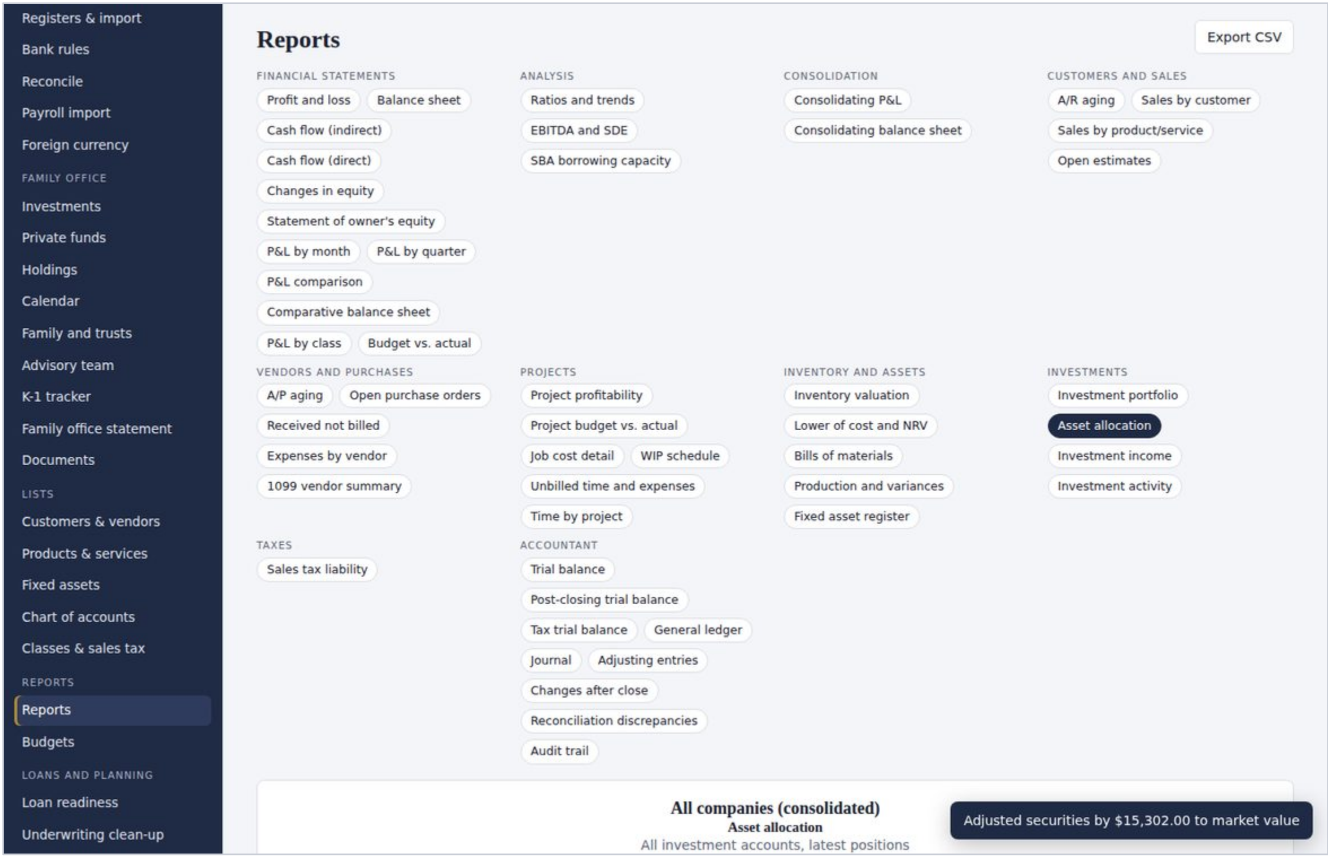
A Fidelity account after importing its positions file: value, cost, gain and allocation by holding.

Register or on the books

- **Register** (the default): the account is tracked alongside the books. The family office statement includes it at cost basis and market value.
- **Posted to a company's books**: dividends, interest and capital gain distributions post to income; fees and taxes withheld to expense; buys and sells move money between the account's cash and securities; deposits and

withdrawals post to Investment transfers (clearing), which the matching bank transfer clears. **Mark to market** then carries the securities at the market value in the latest positions file, with the change in Unrealized gains (losses).

Reports › Investments: **Investment portfolio** (every holding by account with weight), **Asset allocation** (by class and by owner), **Investment income** (dividends, interest, capital gain distributions, fees and taxes by account for any period) and **Investment activity**.



Asset allocation across every account the family holds.

The custodian's year-end Form 1099 remains the tax document of record for investment income and realized gains.

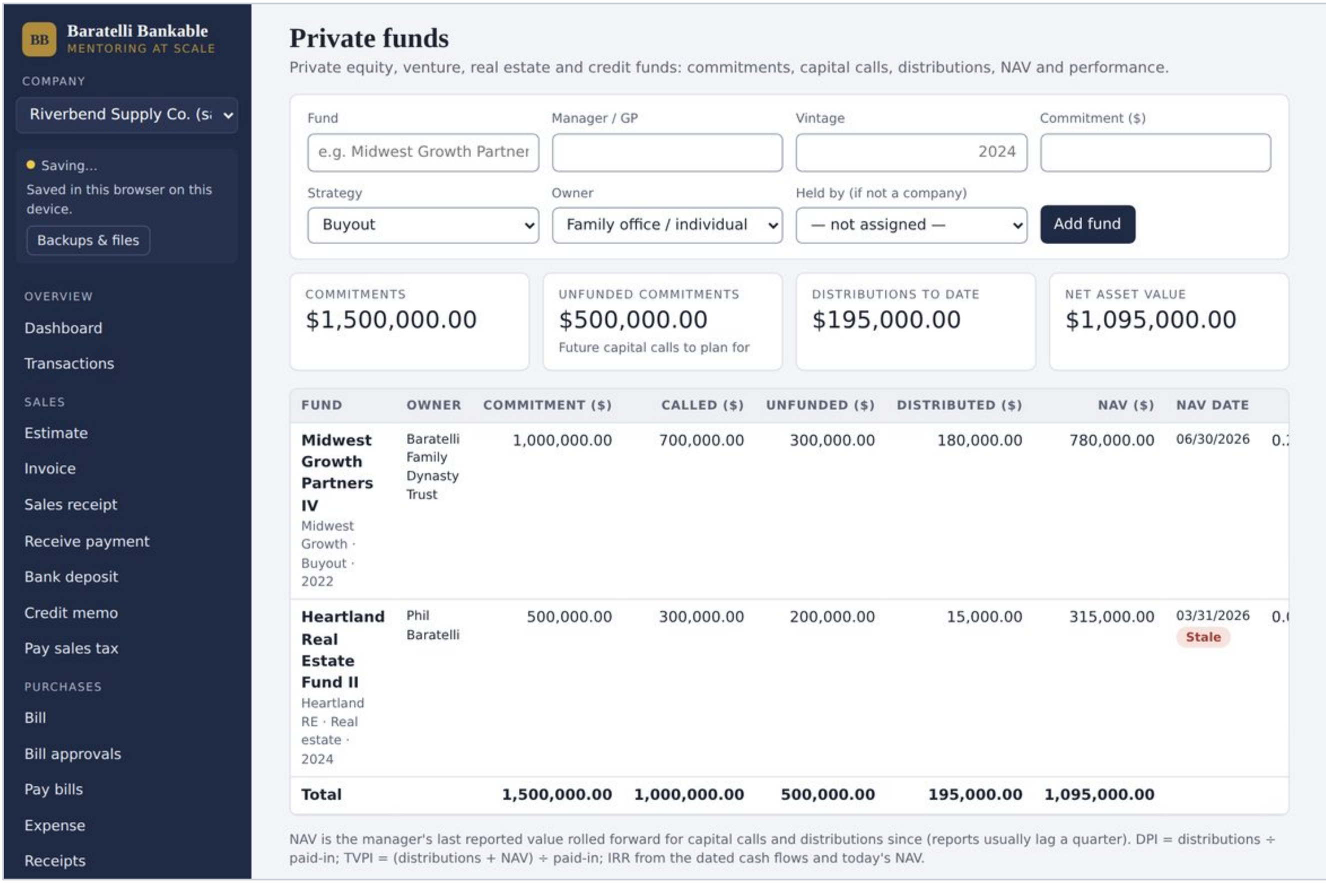
Files, cost basis and realized gains

- A positions file with several accounts (a Schwab "All accounts" download, for example) goes into this account and a new account for each of the others. Vanguard's combined download, with positions and transactions in one file, is split automatically.
- Activity is classified from the action column (Buy, Sell, Reinvest Dividend, YOU BOUGHT…), never from the fund's name, so a buy of a dividend fund stays a buy. A reinvested dividend is recorded as dividend income and a purchase.
- For accounts posted to the books, each sale records a **realized gain** at average cost: the cost comes from the positions file and grows with each purchase. Positions without a cost basis are flagged rather than treated as having no gain.

20 · PRIVATE FUNDS AND K-1S

Private funds tracks commitments to private equity, venture, real estate, credit and other funds. Record each capital call, distribution (return of capital, income or gain) and the net asset value from each quarterly statement.

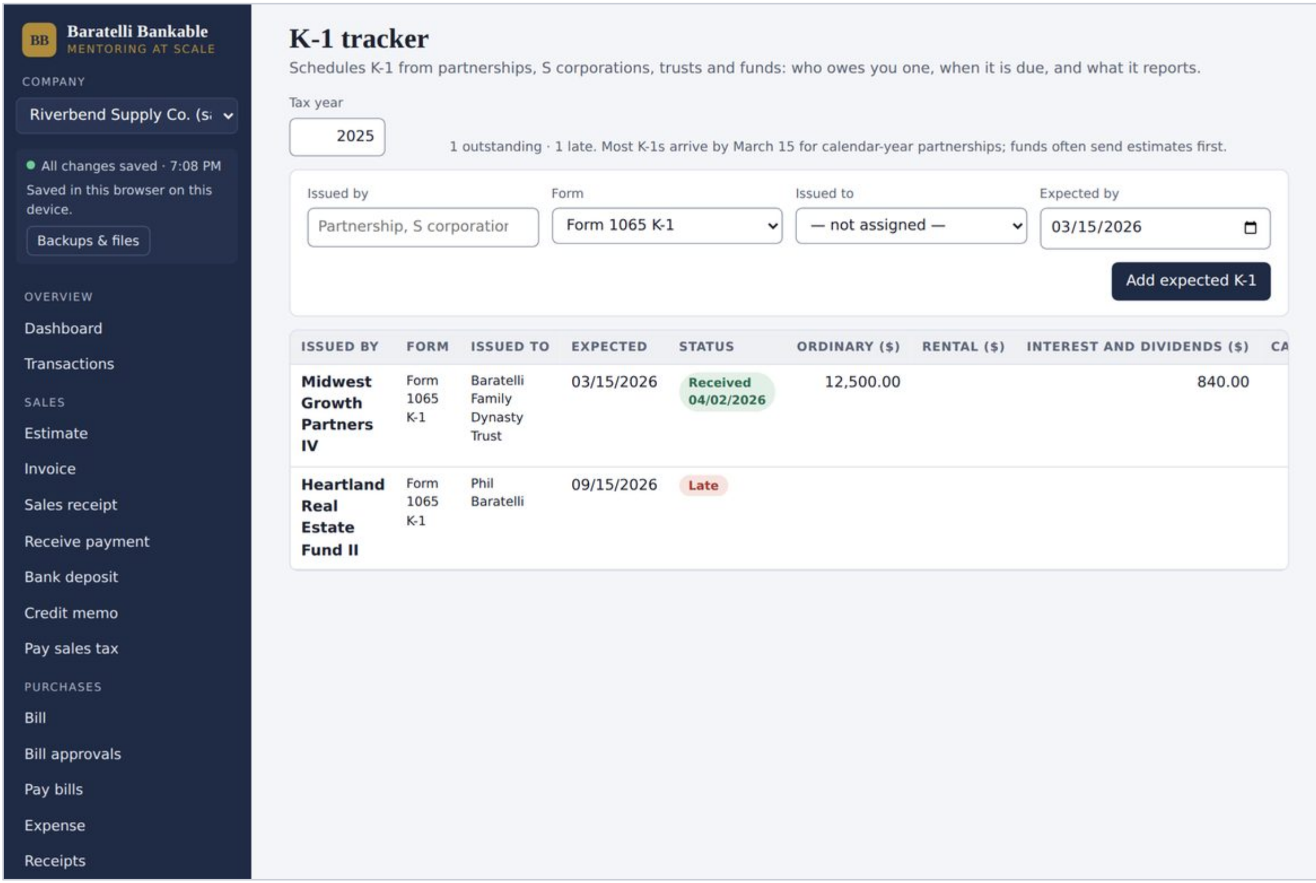
- **Unfunded commitment** is what the fund can still call: plan cash for it.
- **NAV** is the manager's last reported value rolled forward for calls and distributions since; a NAV over 120 days old is marked stale.
- **DPI** (distributions ÷ paid-in), **TVPI** ((distributions + NAV) ÷ paid-in) and **IRR** from the dated cash flows are shown for each fund.
- For a fund owned by a company, calls and distributions can post to its books: a call debits the investment in the fund and credits the bank.



Private funds: commitments, calls, unfunded commitments, distributions, NAV and performance.

K-1 tracker

K-1 tracker lists the Schedules K-1 you expect for a tax year from partnerships, S corporations, trusts and funds, who they are issued to, and when they are due. Late ones are flagged on Home; when one arrives, record the date, the main amounts and link the document.

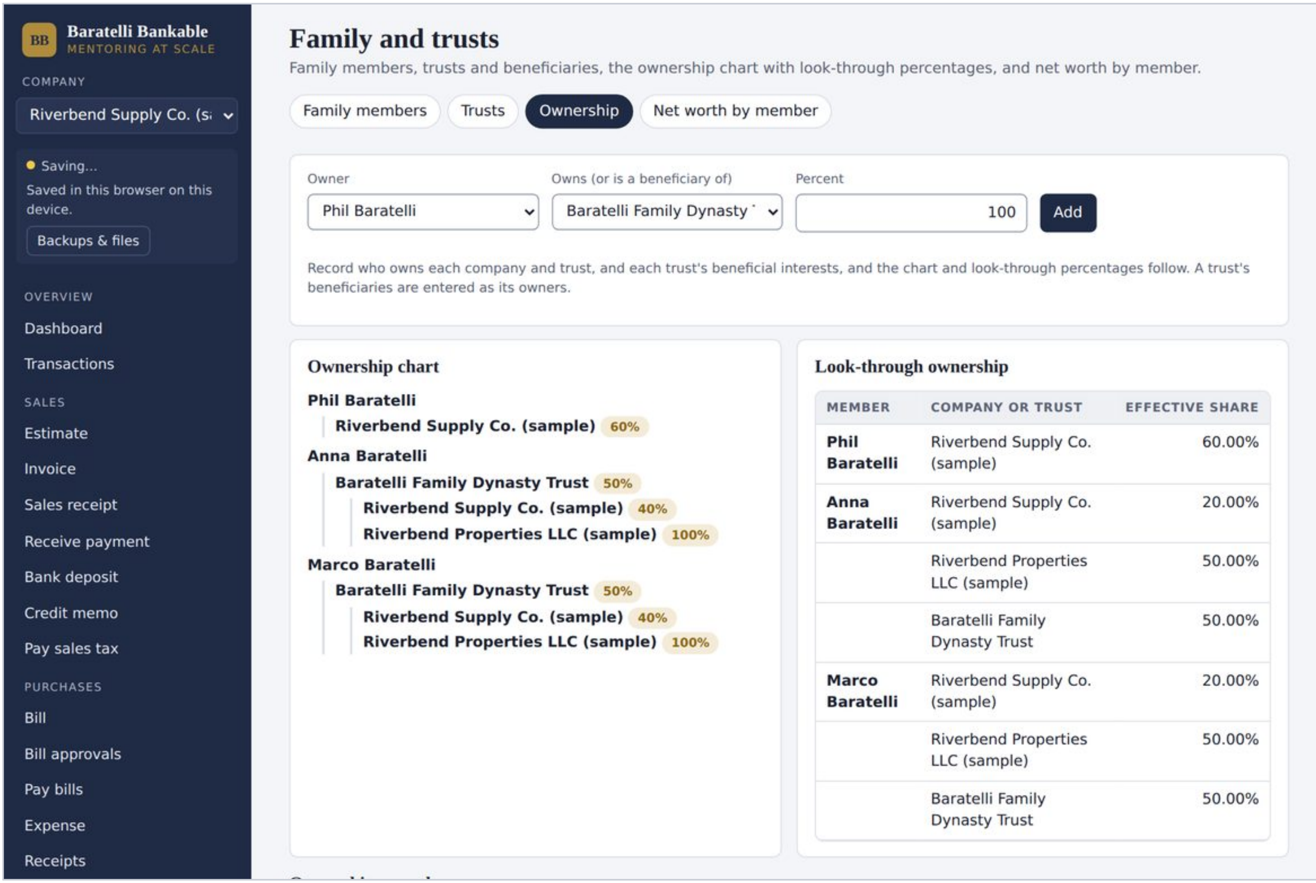


K-1 tracker: one received with its amounts, one still expected.

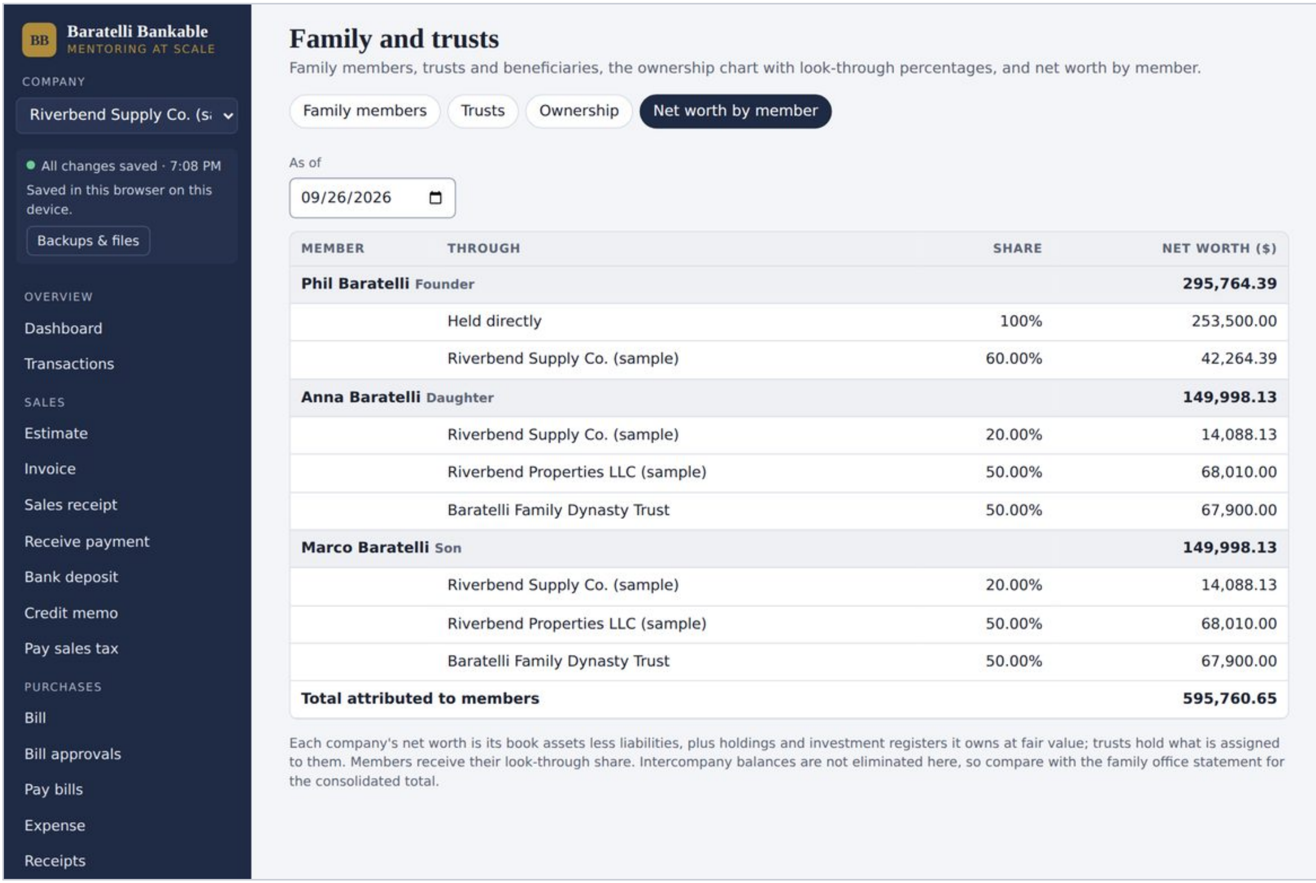
21 · FAMILY, TRUSTS AND OWNERSHIP

Family and trusts holds the family members, the trusts (type, grantor, trustee, governing law), and who owns what.

1. Add each family member, then each trust.
2. Under **Ownership**, record each owner and what it owns with the percent: a member owns 60% of a company, a trust owns the other 40%. Record a trust's beneficiaries with the trust, not as owners: the beneficiaries of a discretionary or dynasty trust hold interests the trustee decides, not a percentage of the property. A revocable trust is the grantor's own property, so record the grantor as its owner. In the Baratelli sample, the Dynasty Trust owns 40% of Riverbend Supply and all of Riverbend Properties, and no member owns the trust, so its property is left out of each member's net worth, as it is outside their estates.
3. The **ownership chart** shows the structure, and **look-through ownership** gives each member's effective share of every company and trust.
4. Assign holdings, investment accounts and funds not held by a company to a member or trust. **Net worth by member** then shows each member's share of everything, as of any date.



The ownership chart and look-through percentages through a dynasty trust.



Net worth by member.

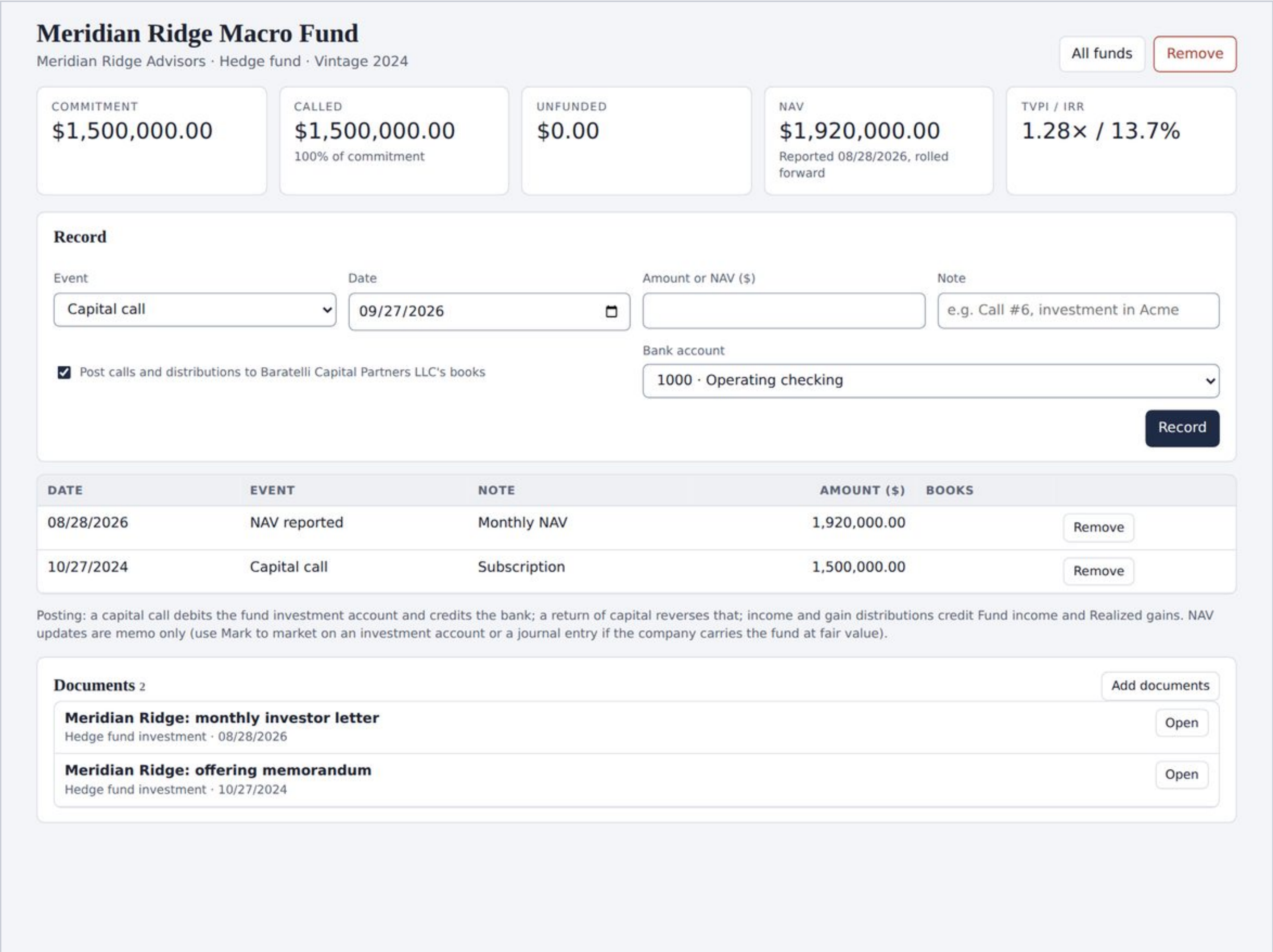
Governance records and the advisory team

With a family office set up, **Documents** opens with **Family office records**: a checklist of the records a family office keeps, in folders, each marked on file or still to do, with **Show** and **Add** beside it. **Add** opens the upload with the category already chosen.

- **Family governance**: the family charter, the family meeting charter, meeting agendas and meeting minutes.
- **Family office team**: the organization chart, job descriptions, employment agreements and the advisory team chart.
- **Annual advisor summit**: the agenda and minutes of the yearly meeting of all the family's advisors, and the permanent record kept from year to year (the advisor roster, the estate plan summary, the calendar).
- **Investments**: the investment policy statement, and the paper every private equity and hedge fund investment generates: subscription documents, side letters, offering memoranda, capital call and distribution notices, investor letters and statements.
- **Next generation**: next generation education, the courses, reading, internships and plan for each family member.
- **Taxes**: returns for every person, company and trust, estimated payments, property taxes, K-1s, 1099s and W-2s, gift and estate tax returns, notices and correspondence, and planning workpapers.
- **Estate planning**, **entity records** and **vital records**: wills, trust agreements, powers of attorney, health care directives, letters of wishes and buy-sell agreements; formation documents, operating agreements, minutes, annual reports and tax registrations; birth and marriage certificates, passports and marital agreements.
- **Life insurance**: policies, illustrations and in-force ledgers, and beneficiary designations.

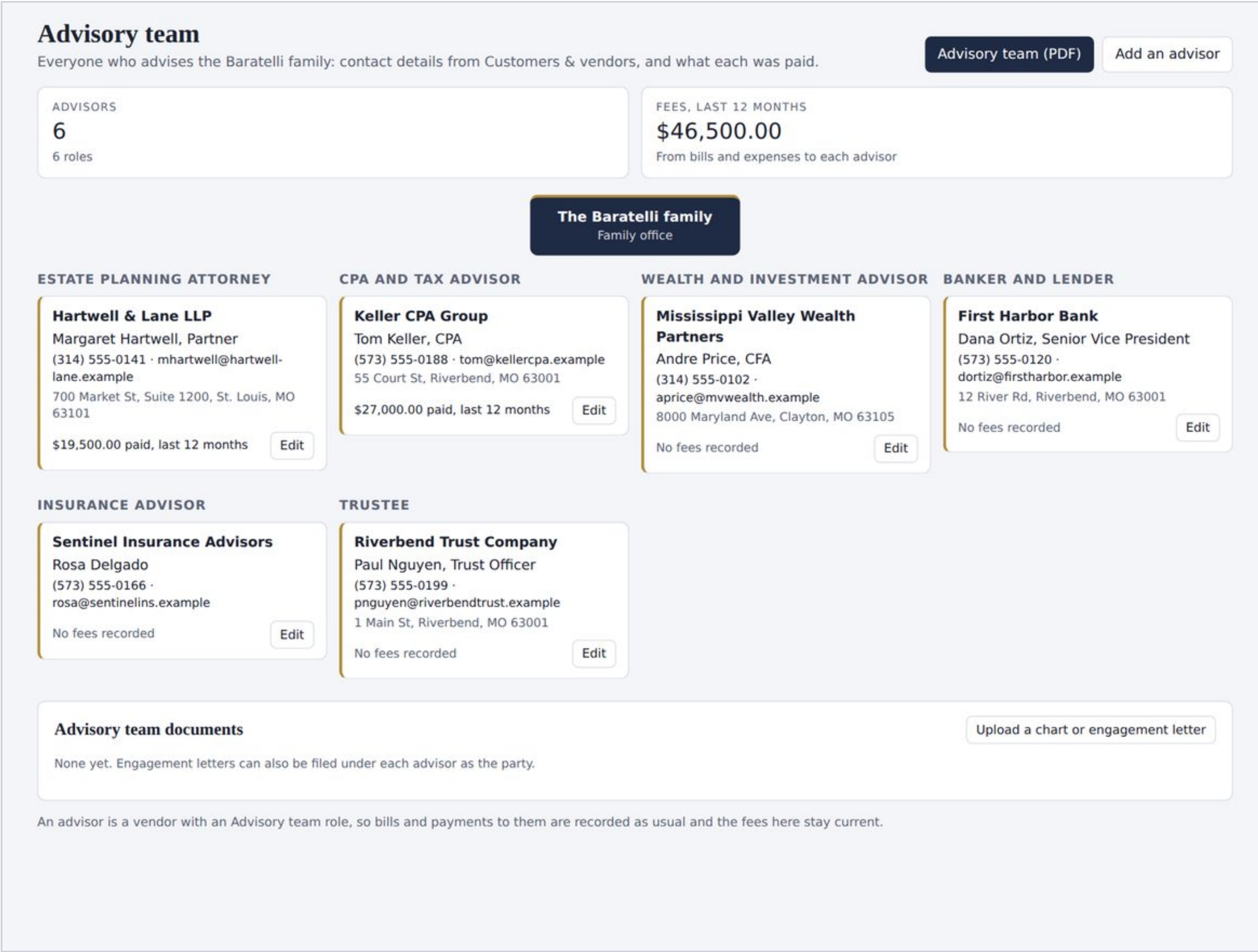
- **Household staff**: job descriptions, the household organization chart and personnel files.
- **Aircraft**, **yachts and watercraft** and **digital assets**: registration, maintenance, management agreements, insurance and crew records; wallet, custody and exchange records (never keys or passwords).
- **Philanthropy**, **family office policies** and **emergency and security**: foundation documents, grants and donor-advised funds; the approval, related-party and conduct policies and confidentiality agreements; emergency contacts, the continuity plan, the cybersecurity policy and where access records are kept.
- Each folder shows how many of its records are on file; folders with records open, empty ones stay closed until you need them. The same folders are in the category list on every upload.
- No list covers every family. **New folder** adds your own, under any group or a new one (ranch water rights, art loan agreements, a second residence), and it works like the rest.

Documents are only useful if they can be found again. Every document can be tied to the **investment or holding** it belongs to: a private equity or hedge fund, an investment account, or a holding. Each fund's page then lists its own documents with **Add documents**, the vault can be filtered to one investment, and search looks through titles, file names, tags, notes, the party and the investment's name. A capital call notice from three years ago is two clicks away.

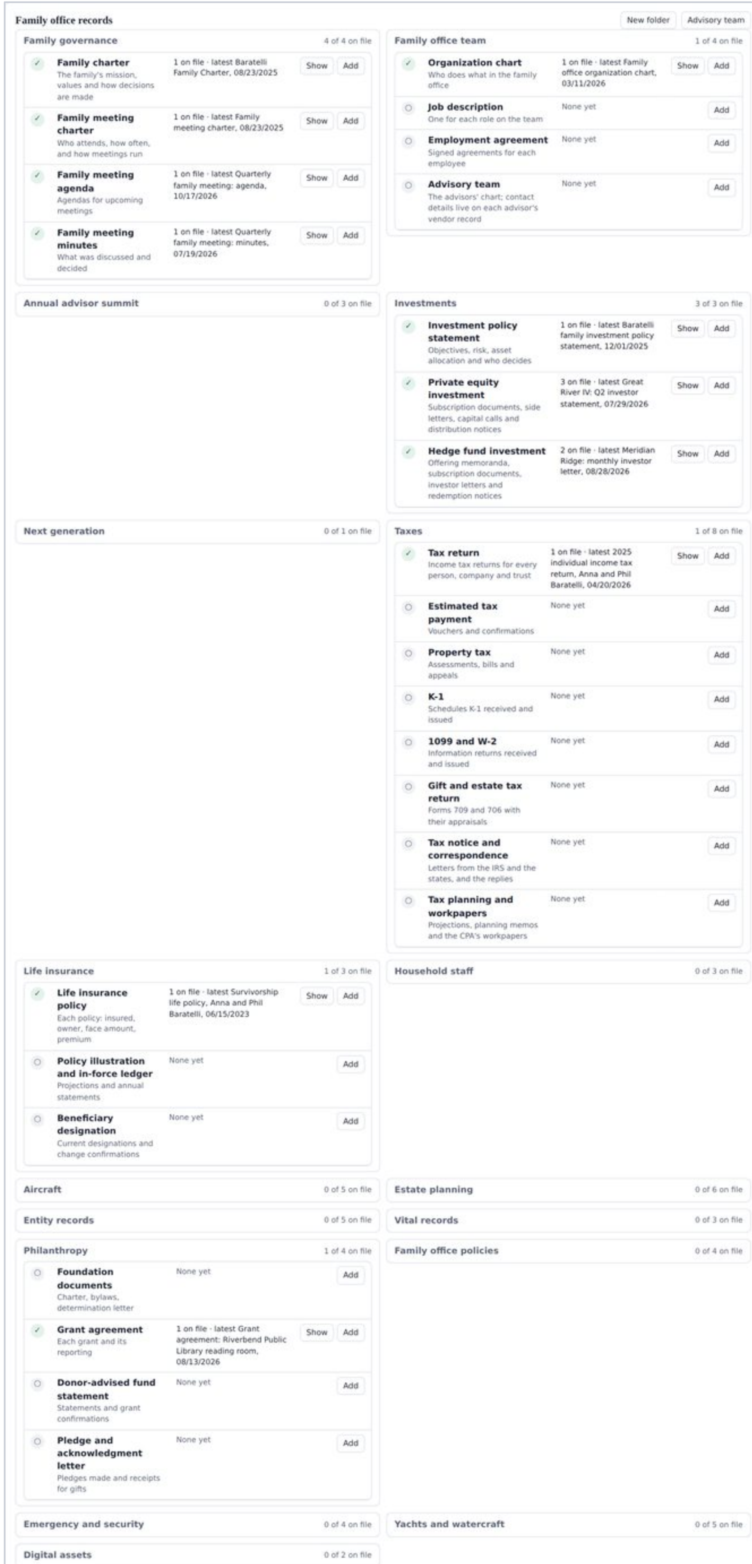


A hedge fund's page with its offering memorandum and investor letter, filed with the investment.

Advisory team (Family office menu) is built from Customers & vendors: open a vendor and choose its **Advisory team role** (estate planning attorney, corporate attorney, CPA, wealth advisor, banker, insurance advisor, trustee, appraiser, consultant) and the **contact person**. The page shows the team by role with phone, email and address, the fees each was paid over the last 12 months from the bills and expenses in the books, and their documents. **Advisory team (PDF)** prints the chart for the family meeting binder.



The Baratellis' advisory team: six advisors by role, with contact details and the fees paid this year.

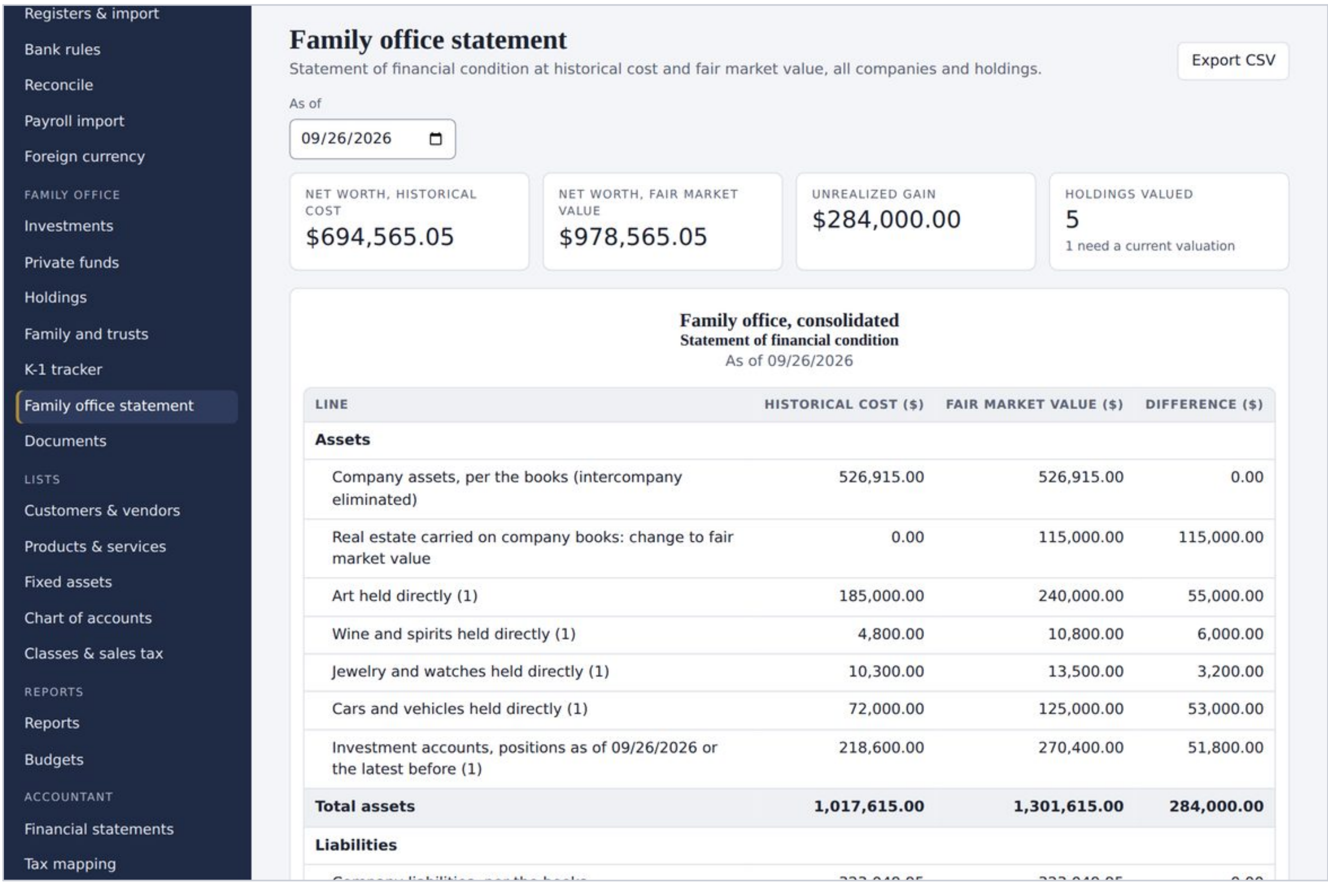


Family office records in the document vault: each folder shows what is on file and what is still to do.

22 · FAMILY OFFICE STATEMENT

Family office statement is the consolidated statement of financial condition for everything in Baratelli Bankable, as of any date, in two columns: **historical cost** and **fair market value**.

Line	Historical cost	Fair market value
Company assets and liabilities	From the ledger of every company, intercompany balances eliminated	The same, plus the change to fair market value of holdings carried on company books
Holdings held directly	Total cost, at the family's ownership share	Current value, at the family's ownership share
Debt on holdings held directly	Mortgage and loan balances entered on each item	The same
Net worth	Book net worth	Fair market net worth; the difference is the unrealized gain



The family office statement: net worth at historical cost and at fair market value.

The statement is as of the date you choose: investment registers use the positions imported on or before it, holdings use the valuation in effect then, and private funds their rolled-forward NAV. Companies not wholly owned count only the group's share, and real estate carried on a company's books is compared with its cost less the depreciation posted.

34 · GLOSSARY

Term	Meaning
13-week cash flow	A week-by-week forecast of cash in and out for the next quarter, the standard short-term cash tool for lenders and turnarounds
1099-K	The form card processors and payment apps file for payments they handle; those payments are left off 1099-NEC and 1099-MISC
AJE	Adjusting journal entry: an entry an accountant proposes at period end, often reversed on the first day of the next period
Accrual / cash basis	Accrual records income when earned and expenses when incurred; cash basis when money changes hands
Adjusted EBITDA	EBITDA plus one-time and non-operating items a lender or buyer accepts
Cost-to-cost	Percentage of completion measured as costs to date over total estimated costs, used in the WIP schedule
DPI / TVPI / IRR	Private fund measures: distributions ÷ paid-in; (distributions + NAV) ÷ paid-in; the annualized return from dated cash flows
DSCR	Debt service coverage ratio. EBITDA basis (ratios and covenants): EBITDA ÷ annual principal and interest. Cash flow basis (SBA analysis, readiness and projections): EBITDA less taxes, capital spending and distributions ÷ annual principal and interest
DSO / DIO / DPO	Days sales, inventory and payables outstanding
EBITDA	Earnings before interest, taxes, depreciation and amortization
Free cash flow	Operating cash flow minus capital expenditures: the cash left after keeping up and adding to equipment and property
Equity injection	The borrower's own money in an SBA-financed project, usually 10%
Global cash flow	Business and guarantor cash flow together, tested against all business and personal debt
IRIS	The IRS Information Returns Intake System: free online filing of Forms 1099
K-1	The schedule a partnership, S corporation or trust sends each owner showing their share of income, deductions and credits
Look-through ownership	A person's effective share of a company held through trusts or other companies
M-1	The tax return schedule reconciling book income to taxable income
MACRS	The tax depreciation system: half-year or mid-quarter convention for personal property, mid-month straight-line for real property
Modified cash basis	Cash basis with some accrual items, such as journal entries to receivables or payables, kept as entered
NAV	Net asset value: a fund's reported value of the investor's interest
Noncontrolling interest	The share of a subsidiary owned by outside owners, shown separately in consolidated equity
Personal financial statement	An owner's assets, liabilities, income and contingent liabilities; SBA collects it on Form 413 from each 20% owner
QoE	Quality of earnings report: an accountant's review of a business's earnings, required by SBA for purchases of $3 million or more
SDE	Seller's discretionary earnings: adjusted EBITDA plus one working owner's compensation and discretionary expenses

Term	Meaning
SOP 50 10 8.1	SBA's lending rules effective October 1, 2026
TIN	Taxpayer identification number: a Social Security number or an employer identification number (EIN)
Undeposited funds	An account holding customer payments received but not yet deposited, so one bank deposit can hold several checks
W-9	The IRS form a vendor completes with its name, TIN and tax classification so you can prepare its 1099
WIP	Work in progress: contract revenue earned against billings, showing over- and under-billings

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The Baratelli Institute

Mentoring at Scale

A practitioner reference library, written and published in the open by Phil Baratelli, CPA: company cases, guides to buying, selling and financing a business, and free tools like Baratelli Bankable.

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