

Transitioning Fund Administration

How to find the right partner for your business

A quick step-by-step guide



Is your fund administrator doing enough? Have they been “quiet quitting” on you for the past few years?

Much like your funds, investors and investments, your fund administration needs are ever evolving. What was once the right fit for your company may not be the right fit today. A periodic review of your fund administrator is critical to ensure you are getting the best service, fee structure, and overall benefits for your business.

Reliant Fund Services is a boutique full-service fund administrator providing services that are specifically designed to fit your firm's needs. We work closely with your management team to offer support beyond the scope of most other fund administrators. With \$10 billion under administration, Reliant's 35+ industry experts hold more than 200 years of combined, full-service expertise in accounting and advisory services.

A key factor in the overall operation of your firm is your fund administrator. Status quo won't do. Reliant raises the bar and delivers the attention you've been missing.



Facing Change

Transitioning to a new fund administrator is a process that requires thoughtful consideration. Evaluate the adequacy of your current administrator in four key areas:

Value: Is your current administrator supporting your strategic growth with personalized service at a cost that is in line with what's being delivered? Do you find yourself performing tasks your administrator should be handling?

Resources: Is employee turnover resulting in knowledge gaps and inefficiencies within your fund administration team? Is your account being thoughtfully managed by the most competent professionals or are you being relegated to working with inexperienced staff?

Services: Do you feel like a priority? Have you been presented with innovative solutions that parallel your business? Are your needs met fully and right away?

Technology: Do you have around-the-clock access to reliable platforms providing all the information you and your investors need?

If the answer to any of these questions is no, it may be time to reevaluate your fund administrator and explore the level of service that another provider can offer.



Preparing to Transition

Meticulous attention to detail helps smooth the transition to a new fund administrator. The right approach can lead to enhanced operational efficiencies, optimized custom services, cost savings and more.

There are four steps to manage the transition.

Steps 1 and 2 are led by your internal team:

1. Internal Operational Assessment
2. Fund Administrator Selection

Steps 3 and 4 are managed collaboratively with your internal team and the new fund administrator:

3. Transition Plan Creation
4. Data Migration and Integration

COVER YOUR BASES

The importance of diligently evaluating a new fund administrator cannot be overstated. Be sure their capabilities, experience, technology, skills, resources, and fees align well with your organization. Thoroughly evaluate their track record, financial stability, and reputation now to prevent costly complications later.

STEP 1: Internal Operational Assessment

You have determined that now is the appropriate time to conduct an evaluation of your existing fund administration practices. Recognizing shortcomings is important, but equally important is identifying your needs so they can be articulated and met by whomever you choose to be your fund administrator.

Assess the following:

- Which areas need the most attention and innovation?
- Does another administrator offer the capabilities, experience, technology, skills, resources, and fee structure to suit your needs?
- What are your non-negotiables? What services and features are urgent and most important?

STEP 2: Fund Administrator Selection

After you've clarified your needs, evaluate the degree to which a new firm will complement your business. Whittle down your choices with the following pointers:

1. Use research and recommendations to identify suitable administrators.
2. Pare down the list based on your business priorities.
3. Evaluate their core capabilities and reputation.
4. Interview each contender with an eye toward the way their people communicate and problem-solve. Will they fit your company culture?
5. Check their references.
6. Make an informed choice.



STEP 3: Transition Plan Creation

Once a new fund administrator has been chosen, your internal team will need to work with them to develop a transition plan. This begins with a transition document to outline workflows, responsible parties, and key milestones.

Confirm that your team and the new administrator are aligned on the transition

Switching fund administrators is a delicate process, and to ensure a seamless transition, you will need to obtain various sets of data from the existing fund administrator. Here is just a summary of the important data you will need:

- **Investor Data and Documents:** Details of all investors, including contact information, capital commitments, capital contributions, distributions and current capital balances, as well as all historical investor documents.
- **Fund Accounting Data:** This includes general ledger data, trial balances, income statements, balance sheets, and cash flow statements from inception.
- **Fund Documents:** Legal and other documentation relating to the fund and its operations, including the LPA, subscription documents, and fund offering documents.
- **Performance Data:** Fund performance data, including IRR calculations, NAV's and other relevant performance metrics.

plan, so the transfer of financial data, investor and investment information, and historical transactions can be coordinated. Key personnel from each side should be tasked with overseeing the process and managing communication between parties. The transition plan should include a procedure to monitor the transition, as well as a way to identify and mitigate issues if they arise.

These important activities are a general timeline that should happen in succession and be clearly identified in your transition plan:

Pre-Transition Planning (Week 1-2)

- Identify stakeholders and establish a transition team.
- Conduct a kickoff meeting to discuss the plan, objectives, and expectations.
- Review the current administration processes, systems, and data.
- Mutually develop a detailed transition plan with tasks, responsibilities, and timelines.

Knowledge Transfer (Week 3-6)

- New administrator to get acquainted with the existing process and systems.
- Allow the new administrator to shadow the team and gain hands-on experience.

Transition (Week 7-10)

- Gradually transition responsibilities to the new fund administrator.
- Fully transition to new administrator.

Post-Transition Support (Week 11-14)

- Provide post-transition support and address any issues or concerns.
- Conduct a post-transition review to identify any areas for improvement.

Closure (Week 15)

- Close out the transition process and complete handover to the new fund administrator.



STEP 4: Data Migration and Integration

With the transition plan in place and key personnel identified, it's time to begin migrating data. Your joint team will first need to specify which data to transfer, as well as whether there are any data quality issues or sensitive information that requires special handling.

As data is transferred from one system to another, your team and the new administrator will need to:

Authenticate: Verify the completeness of the transferred data and resolve any issues or discrepancies to ensure data integrity.

Validate: Run tests on old and new systems to ensure that everything has been transferred correctly and completely.

Adjust: Resolve any issues or discrepancies found to ensure data integrity.

Review: Conduct ongoing assessments to ensure continued functionality and identify areas for further improvement.

Do not decommission the previous system until the migration has been confirmed, tested, and validated!



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Why Choose Reliant Fund Services?

Reliant Fund Services provides full scope outsourced fund administration services with in-house attention.

We strive to ensure that when you work with Reliant, we help you optimize your business with industry-leading technology to easily access the exact data you need. We vigilantly plug into and share industry developments, data safety protocols and compliance best practices to keep our clients informed.

Reliant gets your business—and we don't believe in tiers of service. Instead, each of our clients gets priority care and attention from qualified professionals with full-service expertise across all accounting and advisory services. Our approach to seeking new ways to innovate and meet your unique needs starts with asking you!

We hire the best to provide our clients with the best high performing team. Team continuity is important for our clients, and this is evident in our company's high employee retention rate. We believe in Reliant's strong, healthy work-life culture for all our employees. This is good for our business and yours.

Reliant is equipped to eliminate blind spots and make sure your funds are reviewed from every vantage point. We are more than a line item on an administrative checklist—we are your business partner.

Reach out to our team to see the complete step-by-step guide, or to get your transition conversation started.

