

Who Owns the **Finance Function?**

Coordination gaps in fund, real estate, and family office structures.

By Christopher Navas and Vinicius Monnerat

The Problem Nobody Scoped

A manager closes a first fund. A developer moves from a single asset to a structure with a construction lender and outside investors. A family office brings an investment program in house rather than allocating through third parties.

Three different starting points, and in our experience the same discovery follows each one.

Capital arrives with a set of external parties attached. An administrator, an auditor, a tax preparer, counsel, a registered agent, a lender, sometimes a valuation specialist. Each is engaged separately, under its own scope, on its own timeline. Each is competent at the work it was hired to do.

What rarely gets assigned is the work between them. The review before numbers reach an investor. The technical accounting judgment when two providers reach different conclusions. The person who understands how the entities tie together for intercompany, audit, and tax purposes. Those responsibilities sit in the space between contracted scopes, and most sponsors discover them one deadline at a time.



Who Does What in a Multi-Party Structure

Most sponsors and managers can name their providers. Fewer can describe precisely where each scope ends, and the boundaries matter more than the names.

01

Fund administrator

Maintains the fund's books, processes subscriptions and distributions, tracks capital accounts, calculates NAV, and produces draft financial statements. Works from information supplied to it, and is only as accurate as that information.

02

Auditor

Issues an opinion on the financial statements. Asks technical questions and expects supported answers on a schedule. Does not prepare what it audits, and will not fill gaps in the records it examines.

03

Tax preparer

Produces returns and investor tax reporting. Depends on entity level detail and allocation logic that someone else must maintain during the year, not reconstruct in March.

04

Counsel

Drafts and interprets the governing documents. Does not translate a waterfall or a fee provision into accounting treatment.

05

Registered agent and compliance provider

Keeps the entity in good standing in its jurisdiction and handles filings such as economic substance, FATCA, and CRS where applicable.

06

Lender

Requires reporting on a defined schedule, in a defined format, drawing on data that usually sits across several providers at once.

07

Bookkeeper

Maintains the books of entities outside the administrator's platform, typically the management company, holding companies, and blockers.

08

Valuation specialist

Supports fair value conclusions on specific assets when the auditor or the documents require them.

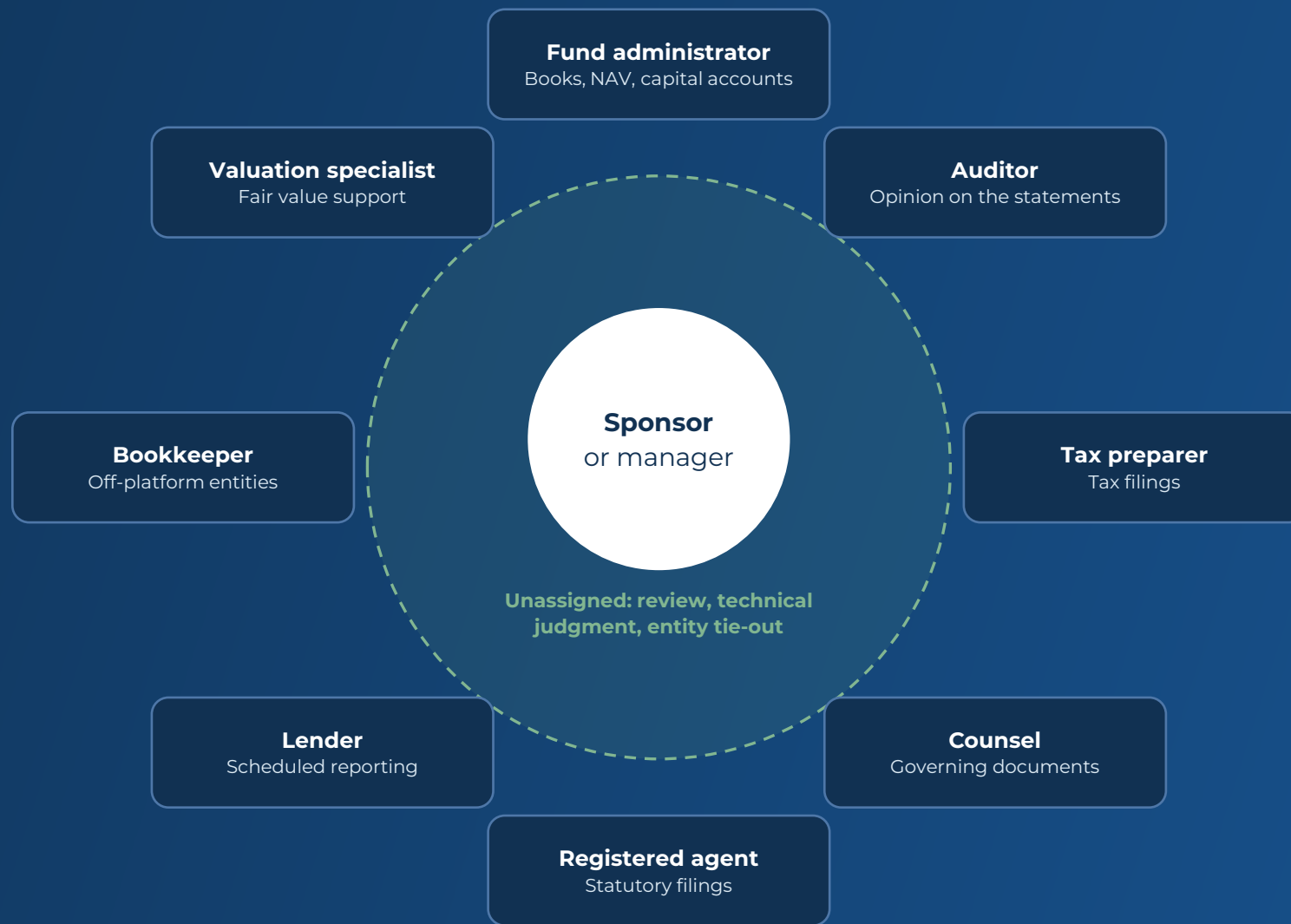
Each scope on this list is real work, done by people who know it. Put them together and the full picture still has no owner.

The Unowned Middle

Every provider owns a defined piece. Nobody owns the space between the pieces.

That space holds the work that decides whether the numbers hold up: the review before anything reaches an investor, the technical accounting judgment when two providers disagree, and the view of how the entities tie together for intercompany, audit, and tax.

None of it appears in a provider's engagement letter, so by default it belongs to no one.



Where Structures Actually Break

The breakdowns we see are quiet ones. The same patterns come up again and again.

FUND MANAGER

The review nobody was assigned

Draft financial statements arrive from the administrator ten days before an investor reporting deadline, and nobody was assigned to review them. The person who ends up doing it is a principal who has not worked through an allocation waterfall in years, at night, against a deadline, with no basis to challenge anything meaningfully.

The statements go out reviewed in name only.

DEVELOPER

One audit question, three sources

An auditor asks how development costs were capitalized across three operators. Answering requires pulling from the administrator, the bookkeeper, and the operators themselves, none of whom were asked to keep the information in that form.

A two day request takes four weeks, and the audit slips into the tax season it was supposed to precede.

DEVELOPER

The lender package nobody owns

A lender package needs budget to actual by cost code, draw history, and a current balance sheet. The construction accountant holds the first, the bookkeeper holds the third, and reconciling them is nobody's contracted deliverable.

The package goes out late three quarters running, and the lender starts asking different questions.

FAMILY OFFICE

A consolidated view that takes a quarter

A family office asks for a consolidated view of what it owns across a dozen entities. The bookkeeper holds some of the books, an administrator holds others, and the tax preparer holds the only complete entity list, which is a year old.

Producing one report takes a quarter, and by then the numbers describe a portfolio that has already changed.

The Miss Came Earlier, in the Sizing

The providers in these stories all performed inside their scopes.

Reviewing a set of fund financial statements properly takes more than a Tuesday afternoon. It takes someone who knows three things before an investor sees the numbers.

All three are easy to underestimate.

1.

What the documents say

The governing documents, fee terms, and waterfall that define what the numbers should reflect.

2.

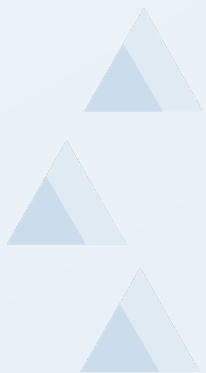
What the accounting should be

The technical treatment across entities, settled before the administrator's draft is accepted.

3.

What a wrong number looks like

And the judgment to catch it before an investor, a lender, or an auditor does.



What Sponsors and Managers Absorb by Default

The in between work lands on whoever is closest to it. In practice that means a principal, a CFO already wearing several hats, or a controller hired when the structure was simpler. That holds while the structure stays small.

Allocators scrutinize emerging managers harder than established ones, and a structure held together informally is hard to describe convincingly in a due diligence questionnaire.

THE BREAKING POINTS ARE PREDICTABLE



By then the cost shows up in two places.

Senior time goes to reconciliation and follow up instead of deals.

Key person dependency on one person's undocumented knowledge of how everything fits together, which is exactly what operational due diligence is built to find.

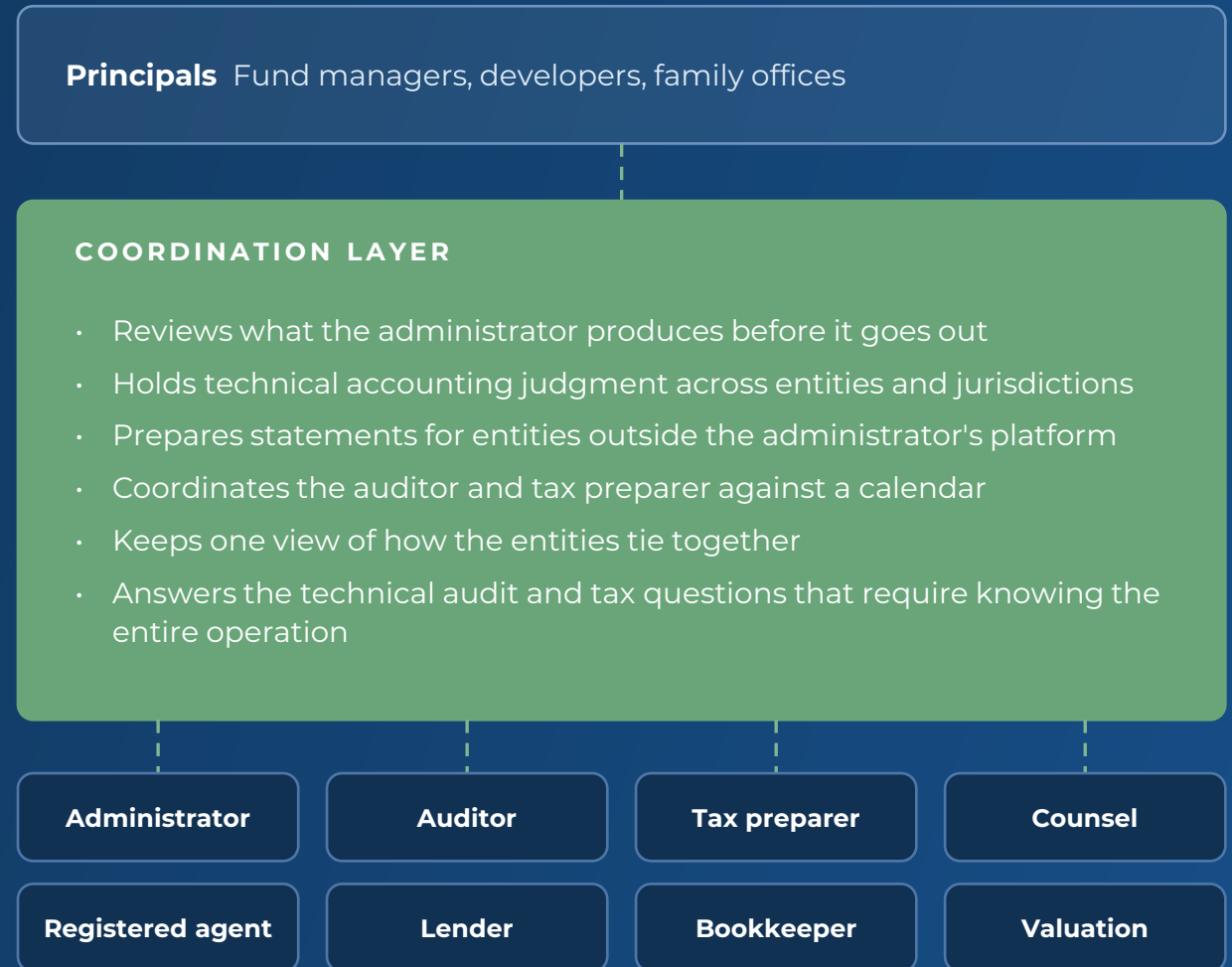
The Coordination Layer

The alternative is to make the coordination a defined role.

That role sits above the providers and below the principals. It owns the finance function across the whole structure, and it answers the technical audit and tax questions that require understanding the entire operation.

This is the layer where we sit, and the pattern from that seat is consistent. The structures that work assigned the role early, usually before the first audit or the first outside capital. The ones that struggle assigned it after something slipped.

The function is small by headcount and significant by exposure, because it adds the one accountability the provider contracts leave out: responsibility for the whole picture.



The Governance Question Underneath

Our **Operational Trust Diagnostic** examines three dimensions of an operating model. In a multi-party structure, the third is the one that binds.

1. Control Environment

Whether controls hold in execution as well as on paper, consistently across the organization.

2. Data and Reporting Integrity

Whether reporting draws on reliable, reconciled data, with clear ownership of exceptions.

3. Governance and Oversight

Who owns what, who reviews what, and where an issue escalates when something does not reconcile.

THE ONE THAT BINDS IN A MULTI-PARTY STRUCTURE

Inside a single organization those answers sit on an org chart. In a fund or development structure they sit across a set of separate contracts, and the gaps between those contracts are where exposure accumulates.

- Every provider in a structure is doing the work it was engaged to do.

The exposure builds in the work nobody was engaged to do.

Authors



Christopher Navas, CPA

Managing Partner & Founder

Mr. Navas brings over a decade of experience in the investment funds and financial services industries, specializing in strategic finance and accounting for real estate, private equity, and alternative investments.

He currently leads Acerta's strategic finance and operations, overseeing accounting, tax, audit, treasury, regulatory, and financial reporting functions for a global client base.

Previously, he served as Financial Controller at TC Latin America Partners, managing fund-level reporting, valuations, and compliance, and at PwC, where he audited hedge funds, private equity firms, and financial institutions in both New York and Puerto Rico.

A Certified Public Accountant in New York and Puerto Rico, Mr. Navas has extensive experience building and integrating finance infrastructures, valuation processes, and reporting systems across complex investment structures.



Vinicius Monnerat, MBA

Managing Partner

Mr. Monnerat brings nearly two decades of experience in fund accounting, financial operations, and strategic advisory for global investment managers, family offices, and alternative funds.

He currently leads Acerta's Fund Services and Family Office practice, delivering cross-border solutions in finance, treasury, and reporting. Previously, he served as Senior Vice President at Blackstone, overseeing global fund operations and finance teams across the U.S. and India, and as Senior Manager at PwC NY, auditing hedge funds and private equity clients in the U.S. and Latin America.

A Chartered Accountant (Brazil), Mr. Monnerat has managed large-scale reporting infrastructures for over 200 funds and built finance functions for both institutional and founder-led firms.



Important Information

The views expressed are those of the authors and are based on information believed to be reliable at the time of writing, but are subject to change without notice. This material is provided for general informational purposes only and does not constitute professional advice, a recommendation, or an offer to provide services by Acerta Consulting. It does not take into account the specific objectives, financial situation, or operational context of any organization. The scenarios described are illustrative composites and do not depict any specific client. While the analysis reflects current perspectives on finance operations in multi-party structures, no assurance is given as to the accuracy, completeness, or future applicability of the information, and outcomes may differ materially from those discussed. Readers should seek independent professional advice before making any decisions based on this material.



www.acertaglobal.com



info@acertaglobal.com