Operational checklists

Appendix B: ten checklists, 125 items. Use the one that matches what you are doing, tick it with evidence, and archive it with the work.

Fund		**Prepared by**	
Fund		**Date**	

#	Item	Done	By	Evidence / note
B1. Capital call — economic requirement				
1	Confirm investment, fee, expense, facility, and reserve needs.			
2	Deduct available cash and expected receipts.			
3	Verify that the purpose is permitted.			
4	Confirm the call period and notice requirements.			
B1. Capital call — investor allocation				
5	Reconcile total commitments to the investor register.			
6	Apply correct participation percentages.			
7	Apply exclusions, defaults, transfers, and side-letter terms.			
8	Verify remaining unfunded commitments.			
9	Review equalization for later-closing investors.			
B1. Capital call — notice and payment				
10	Verify legal fund name and investor name.			
11	Verify amount, due date, currency, and purpose.			
12	Verify bank instructions independently.			
13	Obtain preparer and reviewer approval.			
14	Reconcile receipts and follow up exceptions.			
15	Archive notices and evidence.			
B2. Distribution				
16	Confirm gross cash received and legal source.			
17	Reconcile sale, dividend, interest, escrow, or other proceeds.			
18	Deduct facility repayment, taxes, expenses, and reserves.			
19	Determine recycling and recallable treatment.			
20	Apply the waterfall and investor-specific terms.			
21	Confirm carry and clawback implications.			
22	Verify investor bank details.			
23	Reconcile total notice population to approved cash.			
24	Obtain approvals and release payments using dual control.			
25	Update investor ledgers, performance, and unfunded commitments.			
B3. Management fee				

#	Item	Done	By	Evidence / note
26	Confirm governing-document version.			
27	Confirm fee period and day-count convention.			
28	Confirm commitment, invested-capital, or other fee base.			
29	Apply rate by investor and class.			
30	Review new closings, transfers, and terminations.			
31	Apply fee step-downs.			
32	Apply offsets and carryforwards.			
33	Apply waivers and side letters.			
34	Review taxes and prior-period adjustments.			
35	Reconcile fund expense to management-company revenue.			
36	Obtain approval and archive the model.			
B4. Expense review				
37	Confirm vendor and service provided.			
38	Confirm service period.			
39	Determine fund, manager, portfolio-company, or affiliate responsibility.			
40	Determine direct attribution before allocation.			
41	Apply approved allocation methodology.			
42	Review related-party status.			
43	Verify invoice and approval.			
44	Review tax treatment.			
45	Match to accrual and avoid duplication.			
46	Monitor organizational-expense cap.			
47	Monitor aged accruals and unpaid invoices.			
B5. Investment closing				
48	Obtain executed transaction documents.			
49	Obtain final funds flow.			
50	Confirm legal entities and ownership.			
51	Confirm securities and instrument terms.			
52	Confirm currency and foreign-exchange trades.			
53	Confirm fund, parallel, and co-investment allocations.			
54	Reconcile cash paid to instruments and transaction costs.			
55	Record facility activity.			
56	Update investment subledger.			
57	Update entity and ownership chart.			
58	Establish valuation baseline and portfolio reporting contacts.			

#	Item	Done	By	Evidence / note
59	Send complete instructions to administrator.			
B6. Valuation				
60	Confirm period and ownership.			
61	Reconcile opening value, follow-ons, and proceeds.			
62	Obtain current operating data.			
63	Review forecast changes.			
64	Confirm valuation methodology.			
65	Review comparable companies or transactions.			
66	Review metric definitions and adjustments.			
67	Review market multiple and rationale.			
68	Reconcile net debt and other claims.			
69	Review currency translation.			
70	Prepare movement bridge and sensitivity.			
71	Document subsequent events.			
72	Obtain committee approval.			
73	Confirm approved value is booked and reported.			
B7. NAV review				
74	Reconcile all bank accounts.			
75	Reconcile investments to approved valuations.			
76	Reconcile investment cost and ownership.			
77	Review receivables and aging.			
78	Review liabilities and accrual completeness.			
79	Review fees and expenses versus expectations.			
80	Reconcile facility principal and interest.			
81	Review foreign exchange.			
82	Roll partner capital.			
83	Reconcile investor subledger to total NAV.			
84	Prepare NAV bridge.			
85	Tie NAV across all reports.			
86	Resolve or document open items.			
87	Obtain formal sign-off.			
B8. Quarter-end close				
88	Freeze or define transaction cut-off.			
89	Collect bank, transaction, invoice, and portfolio data.			
90	Receive administrator preliminary books.			

#	Item	Done	By	Evidence / note
91	Review trial balance and ledger.			
92	Complete cash and investment reconciliations.			
93	Complete fees, accruals, and facility schedules.			
94	Complete valuation and approval.			
95	Complete partner allocations and carry.			
96	Complete NAV and performance.			
97	Draft financial statements and investor reports.			
98	Perform cross-report tie-out.			
99	Resolve review notes.			
100	Obtain sign-off.			
101	Release reports.			
102	Conduct post-close retrospective.			
B9. Audit readiness				
103	Agree timetable and PBC list.			
104	Resolve prior-year findings.			
105	Prepare trial balance and ledger.			
106	Prepare bank reconciliations and confirmations.			
107	Prepare investment rollforward and ownership evidence.			
108	Prepare valuation packages.			
109	Prepare partner capital and capital activity.			
110	Prepare fee and expense support.			
111	Prepare facility and related-party support.			
112	Prepare financial statements and tie-outs.			
113	Document subsequent events.			
114	Track questions and responses centrally.			
B10. First ninety days				
115	Read fund documents and policies.			
116	Map entities, vehicles, and ownership.			
117	Map systems and data sources.			
118	Meet internal stakeholders and providers.			
119	Understand close and reporting deadlines.			
120	Review prior audits and errors.			
121	Identify critical spreadsheets and key-person dependencies.			
122	Own one recurring process.			
123	Create or improve process documentation.			

#	Item	Done	By	Evidence / note
124	Build an issue and risk register.			
125	Present a prioritized improvement roadmap.			

Waterfall review

Chapter 30. Build it tier by tier, then confirm the nine controls. Two can be tested automatically; the other seven are judgement, and should be signed as such.

Fund / distribution		**Prepared by**	
Fund		**Date**	

Tier	Available before	To LP interests	To carry	Available after
1. Return of contributed capital				
2. Preferred return				
3. GP catch-up				
4. Residual split				
Total				

Control	Confirmed	Evidence
1. Correct cash available		
2. Complete contribution and distribution history		
3. Preferred-return dates and compounding, as the agreement defines them		
4. Correct treatment of fees and expenses		
5. Correct catch-up formula: carry at exactly its rate of profit through the tier		
6. Investor-specific carry terms (side letters, classes)		
7. Prior carry payments deducted		
8. Escrow and clawback provisions applied		
9. Total allocation equals available proceeds		

Quarter-end close

Chapter 31. Two routes to the same NAV is not redundancy; it is the control. Every finding is logged with its journal entry and the control that would have prevented it.

Fund / quarter		**Prepared by**	
Fund		**Date**	

Finding	NAV impact	Debit	Credit	Control that was missing

Route 1: from draft partner capital	Amount
Draft partner capital	
Plus / less each correction	
Corrected NAV	

Route 2: from the balance sheet	Amount
Investments (tied to approved valuations)	
Cash (tied to bank)	
Liabilities (accruals reviewed)	
NAV	

Do the two routes agree? If not, the difference, and what explains it

Capital call notice review

Chapters 5 and 10. The allocation must reconcile three ways: commitments to the register, allocations to the call, and each investor's call to its unfunded commitment. A call above an unfunded commitment is never rounding.

Fund / notice		**Prepared by**	
Fund		**Date**	

Build of the amount	Amount
Investment funding required	
Management fee for the period	
Fund expenses	
Facility repayment	
Reserve	
Less available cash	
Less expected receipts	
Amount to call	
Purpose permitted by the agreement?	

Investor	Commitment	Participation %	Called this notice	Unfunded after	Check