

Who Needs a Professional Fiduciary?



The Job of Looking After You, Your Health, Your Property and Maintaining your Family Harmony...

It is often overwhelming for a loved one, even if they feel duty bound and their heart is in the right place. Your loved one may feel he or she knows what is right for you, and will take on tasks and decisions that are beyond your written instructions. In most cases your loved one is not trained to seek counsel on certain financial decisions that are governed by your detailed trust document, the probate code, ethical standards and commonly accepted protocol. How will they be protected?

Your loved one's choices and actions may be disputed by other beneficiaries, or your loved one may take advantage financially, without even intending to. A professional fiduciary and trustee will protect your family and help maintain family harmony.

Your Choices -

Corporate Bank or Trust Company
Professional CPA or Attorney

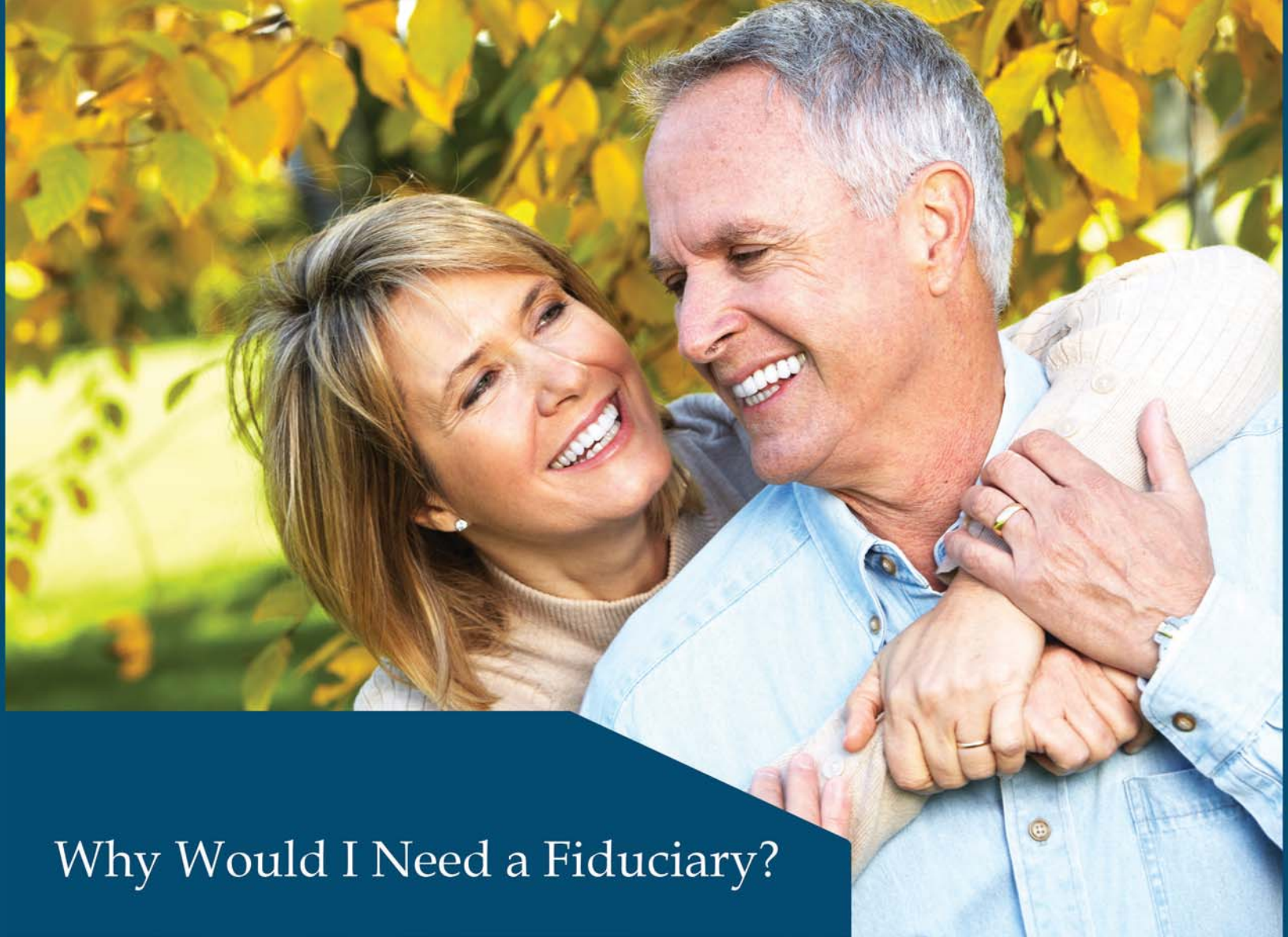
Licensed Professional Fiduciary
Family Member/Friend

Your Financial Advisor generally cannot serve as your Trustee, but may have a Trust Department available.

The first thing you should do if you are in the process of making such important decisions is to contact an estate planning attorney to discuss the various issues involved. It is unwise to download documents from the internet and think you have an adequate estate plan.

A good Estate Planning Attorney is worth more than the documents created. Your answers to the questions asked by your attorney and your decision process, documented by a careful attorney, make all the difference in your written plan. Your Financial Advisor or CPA may be able to recommend an Estate Planning Attorney and/or a local Fiduciary.





Why Would I Need a Fiduciary?

Most people need some kind of help, as much as 2 or more years BEFORE death.

Whether it's an inexperienced family member or a trained professional -You will need assistance. What are you expecting this person to do and be for you; what if you are incapacitated?

Questions to start thinking about when planning your Trust:

- What happens when you have resigned as your own trustee or you have died?
- What happens if you become suddenly ill - Who will be in charge and take care of you and your family?
- Where do your children and grandchildren live? Are they out of town or have a very busy life?
- What do you know about probate and how much money/time will it cost your family and friends?
- IRS tax clearance may not be granted for up to three years after the final tax return is filed - Who is responsible?
- How will the stress of my death or sickness affect my family? Will they need support?
- My children need financial guidance and controls set - who will enforce my wishes?

Many of these situations are completely preventable with good planning and the right people selected who will do the work. This article explores the advantages of an independent third-party managing your affairs during your lifetime and after your death.

Knowledge is Power - Ask Questions

Family Members/Friends as Trustees:

Since family members may have a lack of training and deep emotions in the situation, it might be helpful to have your Attorney/CPA/Financial Advisor or other professional help to explore your Trust expectations and the ability of your selected successors to meet those expectations. Often we have trouble assessing the abilities of loved ones.

Questions to discuss with a professional to make a reasonable selection as to who will serve as trustee:

1. Does my successor trustee have experience and expertise in handling finances? Good accounting and bookkeeping skills? Trust and Estate tax experience?
2. Will my successor trustee remain objective, responsive and compatible with all beneficiaries of the trust and other members of the family?
3. Will my successor trustee be able to devote sufficient time to the management of the trust, unburdened by other obligations such as a job or a family for three years or more?
4. Is my successor trustee also a beneficiary, causing a "natural conflict of interest"?

Banks/Trust Companies

Consider your relationship with your bank and your expectations of their service. When you are most vulnerable how will the bank serve your family?

Make sure to meet with a trust officer, before naming the bank, this gives you the opportunity to ask questions; some are suggested below.

1. I have a long time financial advisor. May I continue to work with him/her when the bank becomes trustee?
2. If the Trust Company is handling the investments, will you invest in proprietary or commission paying products? What happens to my real estate when you take over as trustee?
3. What happens if another corporation buys your bank/trust department? Will I need to update my documents?
4. Will I be assigned a specific trust officer when I become incapacitated or resign?
5. Will the bank serve as my Trustee, Power of Attorney for Finance, Executor and Agent for Healthcare?

You take care of everyone and everything....

It is time to think about your Estate Plan.

Licensed Professional Fiduciaries

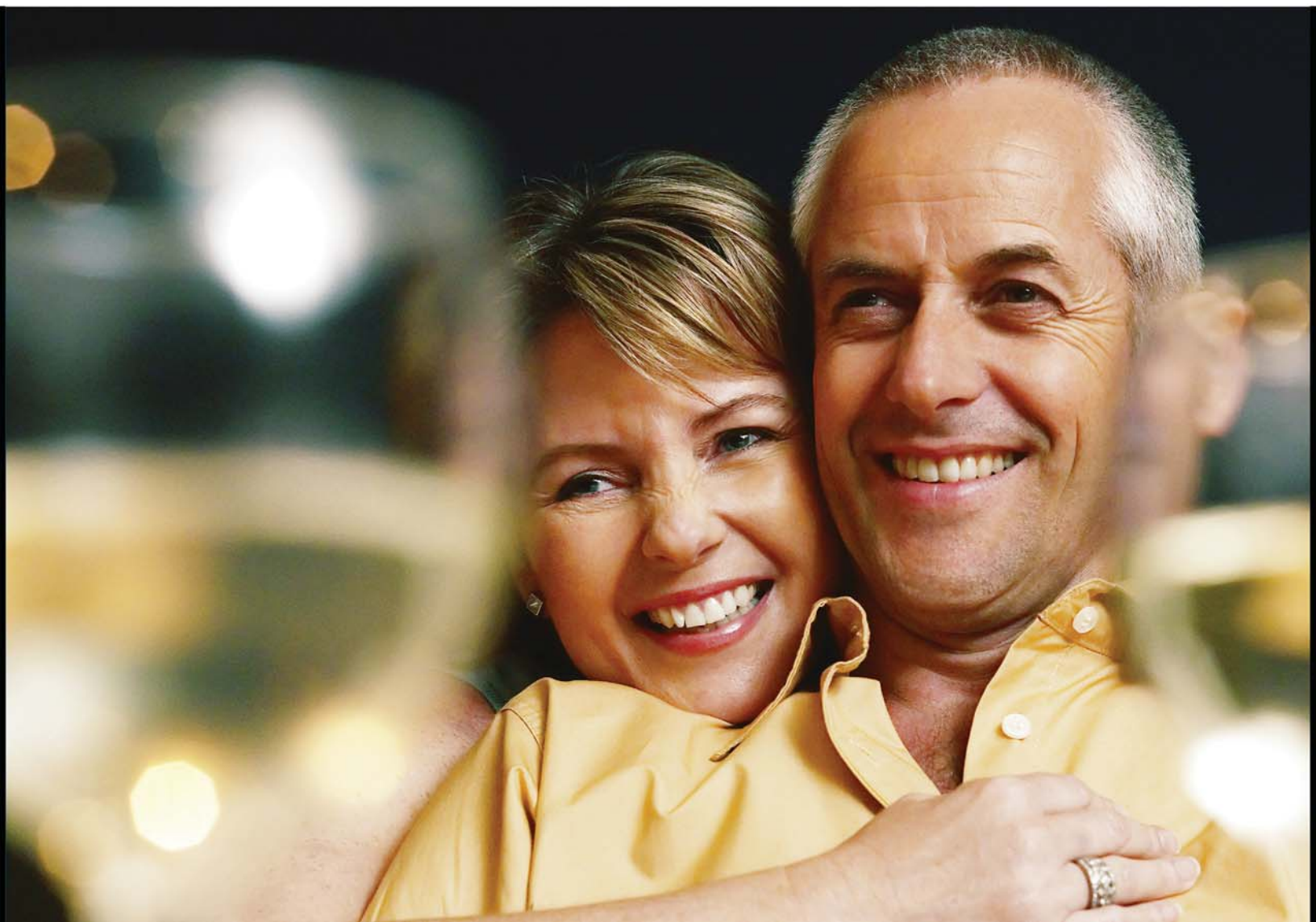
Licensed Professional Fiduciaries are not a bank or a trust company, so they can customize services to your needs and retain your investment plan (they don't have an "investment department" or "proprietary investment products").

Something that makes Professional Fiduciaries different from banks and trust companies is that Fiduciaries can serve as not only the Successor Trustee and Executor but also the Power of Attorney and Agent for Healthcare.

Everyone wants their plan implemented the way they have directed, and if you want things to work out the way you intend them to, it is important to establish good relationships with the professionals who will put your plan into action. There will come a time when you will not be able to do the things you have always done.

When you interview prospective Licensed Fiduciaries here are some possible questions:

1. What happens to me if something happens to you (or what is your succession plan)?
2. How are you insured and by which company? What are your coverage limits?
3. What are your internal controls like?
4. Do you have a staff? Where do they work?





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