

## DO's and DO NOT's when you are responsible for others' funds

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Based on our experience in investigating fiduciary abuse, here is a list of Do's and Do Not's for Powers of Attorney or Representatives. This list is not intended to be inclusive.

### **Do**

1. Get an accurate, detailed listing of assets taken under your responsibility at the starting date:
  - all bank balances,
  - brokerage accounts, and
  - pension sources and monthly entitlements.
2. Keep accounts separate from your own affairs.
3. Record all funds received and expenses paid.
4. Reimburse yourself only for items you purchased for the sole benefit of the grantor. Keep all receipts.
5. Prepare an annual summary of accounts reconciling opening and closing balances for each bank and brokerage account.
6. Ensure that tax returns are prepared on time, and make adequate installment payments.
7. Confirm that all entitled income is being collected.
8. Remember your responsibility is to the grantor, and that you have no powers beyond those specified.

### **Do Not**

1. Incur new debt without a clear plan as to the benefit to the grantor and the means of repaying the debt from current income sources.
2. Take any funds for your services, unless they are clearly provided for in the Power of Attorney. When in doubt as to your authority, you may always apply to the court for direction.
3. Make any "loans" or pre-distributions to family members, even if everyone agrees to it.
4. Borrow funds or accept gifts from the grantor.

We will make every effort to ensure this document is current and accurate. However, due to the pace of change in the tax and accounting industries we cannot guarantee the continued relevance of the information provided. The information and resources provided are not a substitute for professional advice and may not be appropriate for your situation.

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