



What's in it For You?

WHY YOU WOULD WANT TO ADVISE A CLIENT TO USE A PROFESSIONAL FIDUCIARY



What is a fiduciary?

“Someone who is trusted to manage property for someone else.” (*The Fiduciary's Handbook, Third Edition, Estate Planning Council of Seattle*)

- In a person's Will: executor/administrator/personal representative
- In a durable power of attorney: attorney-in-fact
- In a trust: trustee
- A guardian (adults)
- A custodian (minors)
- A daily money manager

And assumes the responsibilities that come with each an all of these roles, including liabilities.



What is a professional fiduciary?

Someone who gets paid to be a personal representative, trustee, AIF, bill payer, etc.

Typically there are two ways that a professional fiduciary gets paid:

1. As a percentage of the assets under management
2. By the hour



How is a fiduciary engaged by your client?

1. Executors, agents under a DPOA, and trustees: named in EPD's (Estate Planning Documents)
2. Daily money managers: (LOE) letter of engagement/contract



What do fiduciaries do?

1. EPD fiduciaries know the client and remain prepared to act when needed
2. LOE fiduciaries pay bills, download & categorize transactions, generate spending reports, reconcile bank statements, complete tax organizers, forward mail, negotiate with vendors, sell cars/houses/condos, get signatures, deliver valuables, oversee the payroll for domestic employees and home based businesses, manage a house (find and direct the landscaper/handyman/housekeeper/pest control/roofer, carpet cleaner, backflow tester) organize spaces, clean out storage units, arrange for staging/selling/downsizing, make travel arrangements (book jets, hotels, vacation properties and sporting event suites), oversee event planning (guest lists, catering, Kosherizing), buy clothes and groceries, stop the paper and the mail, manage vacant property, mediate property distribution in contentious situations, listen, counsel, be patient and understand. And repeat.

Things to Consider: Non-professionals

- Non-professional fiduciaries (family and friends)

Pros	Cons
Personal knowledge	No experience
Cost?	Awkward position with others
	Alone
	Time
	Cost?
	Liability



Things to Consider: Professionals

- Professional fiduciaries

Pros	Cons
Not family, not friends	Less personal knowledge
Experience	Cost
Team	
Bonded, Insured	
Cost	



An Illustration

Steve the Son, and Phyllis the Fiduciary



What is in it for you?

- Your clients depend on your advice
- Stick to the plan
- The legacy of your relationship with your client



Questions?

- Licenses and certifications?
- What does it cost?
- What to look for in a fiduciary -
- Where to find a professional fiduciary?
 - National Association of Estate Planners and Councils
 - Local Estate Planning Councils
 - Estate planning lawyers
 - American Association of Daily Money Managers (AADMM)