



# Consumer Education

## Tips for Financial Caregivers

Financial caregivers play an important role in ensuring that all finances — from routine to complex — are managed wisely, helping their loved ones maintain the best quality of life possible.

### Tips for Financial Caregivers

- ◆ **Learn the rights and restrictions that apply to your role.** Financial caregivers are fiduciaries with a duty to act and make decisions on their loved one's behalf. Learn the legal implementations of your assigned authority in order to better facilitate your role.
- ◆ **Manage money and other assets wisely.** Financial caregivers are in charge of any daily, unexpected and future expense their loved one may incur. Due to fixed income or limited finances, it is extremely important that caregivers eliminate unnecessary costs and budget accordingly to ensure that all money is properly allocated.
- ◆ **Recognize danger signs.** Seniors have become major targets for financial abuse and fraud. Make sure to stay alert to signs of scams or identity theft that may put your loved one's assets in peril.
- ◆ **Keep careful records.** When acting as a financial agent, proper documentation is not only encouraged but required. Make sure you keep well-organized financial records, including up-to date lists of assets and debts and a streamline of all financial transactions.
- ◆ **Stay informed.** Be attuned to changes in financial ability and take appropriate action. Stay up to date on changes in the laws affecting seniors and implement accordingly.
- ◆ **Seek professional advice.** Consult a banker or other professional advisors when you're not sure what to do.

### Types of Financial Caregivers

- ◆ **Understanding your role as a power of attorney.** POA is designated by your loved one and gives you the authority to act and make decisions on their behalf, including managing and having access to their bank and other financial accounts. Authority continues if loved one becomes incapacitated and ends when power is revoked or your loved one dies.



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- ◆ **Understanding your role as a trustee.**  
Authority is given once you are named as trustee or co-trustee of a revocable living trust. As a trustee your authority applies only to the property noted in the trust, authorizing you to protect, manage and distribute the trust's assets as directed in the trust document. Authority continues after the death of the trust creator or grantor.
- ◆ **Understanding your role as a federal benefits fiduciary.**  
A federal benefits fiduciary is appointed to accept and delegate federal government benefit payments, such as Social Security and Veterans Affairs benefits, in the beneficiary's best interest. Funds for the beneficiary are received through an account set up solely for this purpose. As a representative payee for Social Security benefits or a VA fiduciary for VA benefits, you are required to keep detailed records of all transactions related to the beneficiary and file annual reports detailing how benefits were used.

Source: American Bankers Association