

# TRUST & ESTATE ADMINISTRATION GUARDIANSHIPS



A guardianship is necessary when a person, known as the ward, is either under age or is declared incompetent by a court. The court will usually appoint an individual to be Guardian of the Person and either a person or a corporate fiduciary to be Guardian of the Estate. A guardianship may terminate if the ward regains competency or upon the 18th birthday of the minor.

Elderly individuals can usually avoid guardianships by properly executing a Health Care Power of Attorney and a Durable Financial Power of Attorney or by putting assets in a revocable living trust and naming a successor trustee to act in the event of their incapacity. Likewise, the parents of minor children can avoid guardianships by executing a trust and naming a trustee to manage assets for the benefit of their children until they can properly manage their own financial affairs.

## DUTIES OF A GUARDIAN

### GUARDIAN OF THE ESTATE

A Guardian of the Estate must act as caretaker for the ward's property by doing the following:

- Invest assets prudently
- Take into consideration any special medical or educational needs the ward has in providing suitable education and support payments to the Guardian of the Person
- Collect income from all assets including businesses, real estate, and investible assets
- Pay the debts and obligations of the ward
- Prepare an inventory for the Court
- Prepare an annual accounting for the Court

### GUARDIAN OF THE PERSON

A Guardian of the Person is an individual appointed by the Court to make decisions pertaining to:

- Health care determinations and advocacy
- Residential choices
- Education
- Support needs

Although the same individual can be both a Guardian of the Person and a Guardian of the Estate, often a family member wants to avoid the appearance or the reality of a conflict of interest. The independence and impartiality of a corporate fiduciary allows the Guardian of the Person to make requests on behalf of the individual freely. This arrangement also allows the individual to concentrate attention on giving care to the ward, rather than having to spend time on investment management and accounting.

## HOW FIRST BUSINESS TRUST & INVESTMENTS WORKS WITH GUARDIANS

First Business Trust & Investments can be named as Guardian of the Estate. We also serve as the investment agent for guardians who need assistance in investing a minor or incompetent individual's assets. Lastly, we can be named as trustee or successor trustee when an individual puts assets in a revocable trust to plan for potential future incapacity.

Our approach to trust and estate administration always starts with the client. We look to the individual beneficiaries or wards and their particular circumstances to guide our decisions regarding distributions and long-term investments. Close consultation with the Guardian of the Person also is a must. We strive to be accessible, approachable, and highly responsive. This client first approach results in a trustee or guardian that is not so much a distant corporate entity as it is a valued part of an individual's financial support network.

# TRUST & ESTATE ADMINISTRATION

## GUARDIANSHIPS

Our portfolios are structured to meet the individual needs of the ward – to generate income for current needs as well as growth in principal to cover future expenses such as education and long-term health care costs.

### DISABILITY PLANNING USING A REVOCABLE LIVING TRUST

Who will pay your bills, make appropriate financial management decisions for you, and invest your assets if you become incapacitated and can no longer handle these responsibilities yourself? Unless you plan ahead, the answer is a guardian or conservator appointed by a state court. A revocable living trust avoids this situation. Your trustee simply takes over the asset management burden and bill pay duties for you in the event of your incapacity, disability, or upon the occurrence of a predetermined event such as entering a nursing home. In this way you can ensure your assets will continue to be managed as you would want, with no interruptions.

### WANT TO LEARN MORE?

Let's talk. Contact your First Business representative today.