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# FACTORS TO CONSIDER WHEN SELECTING A TRUSTEE

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# THE ROLE OF A TRUSTEE

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## Job description of a trustee

- Obligated to act in the best interests of both current and future trust beneficiaries
- Must comply with specific trust provisions as well as state and federal laws
- Personal liability may exist for any breach of fiduciary duty
- Maintain complete, accurate and detailed records of income, principal, distributions, purchases and sales of trust assets
- Prepare and file fiduciary income tax returns
- Oversee service providers
- Manage beneficiary distributions; report to beneficiaries

***Keep these factors in mind when deciding on whom to name as trustee***

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# RESPONSIBILITIES OF A TRUSTEE

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## IMMEDIATE RESPONSIBILITIES

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1. Review the trust document and its provisions.
2. Inventory trust assets.
3. Meet with the attorney who drafted the trust.
4. Meet with the grantor and beneficiaries.

## ONGOING MANAGEMENT OF THE TRUST

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5. Ensure trust provisions are followed.
6. Invest trust assets.
7. Collect income and dividends.
8. Maintain records of all transactions.
9. Defend the trust against challenges.
10. Make discretionary decisions.

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# RESPONSIBILITIES OF A TRUSTEE

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## RECORDKEEPING RESPONSIBILITIES

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11. Maintain investment, tax and disbursement records.
12. Issue regular statements of account to the grantor and/or beneficiaries.

## PERIODIC RESPONSIBILITIES

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13. Meet with grantor and/or beneficiaries to reevaluate purpose and performance of trust.
14. Implement necessary changes.

## DISBURSEMENT RESPONSIBILITIES

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15. Disburse trust income and/or principal to beneficiaries as appropriate.
16. Pay bills and expenses of grantor or beneficiaries as appropriate.

## PERSONAL RESPONSIBILITY AND LIABILITY

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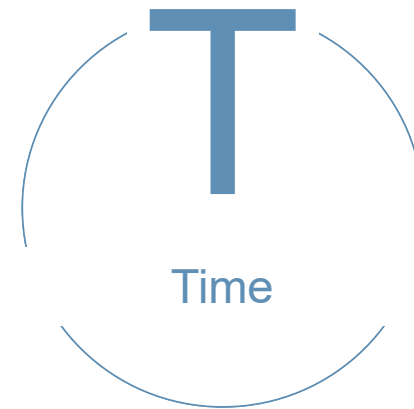
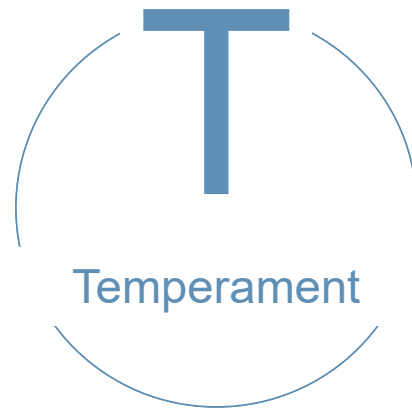
17. Make tax decisions concerning the trust.
18. File the trust's income tax return.
19. Issue tax reports to beneficiaries.

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# FACTORS TO CONSIDER

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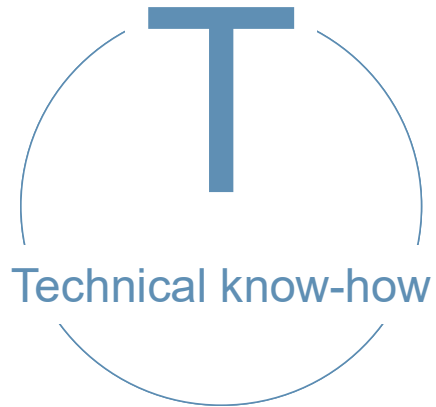
## Three “T’s” of effective trustees



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# TECHNICAL KNOW-HOW

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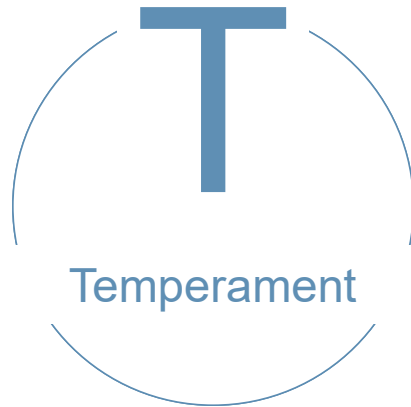


- ▶ **Legal**
- ▶ **Tax**
- ▶ **Investment**
- ▶ **Accounting**
- ▶ **Reporting**

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# TEMPERAMENT

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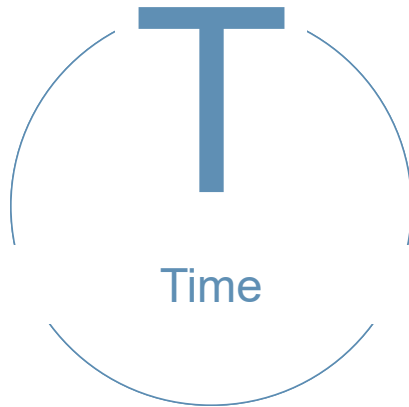


- ▶ **Diligence & detail orientation**
- ▶ **Objectivity**
- ▶ **Integrity**

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# TIME

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- ▶ **Time in terms of hours in the day**



- ▶ **Time in terms of years**





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# WHAT ARE YOUR OPTIONS?

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Spouse, family member, friend?



Professional advisor?



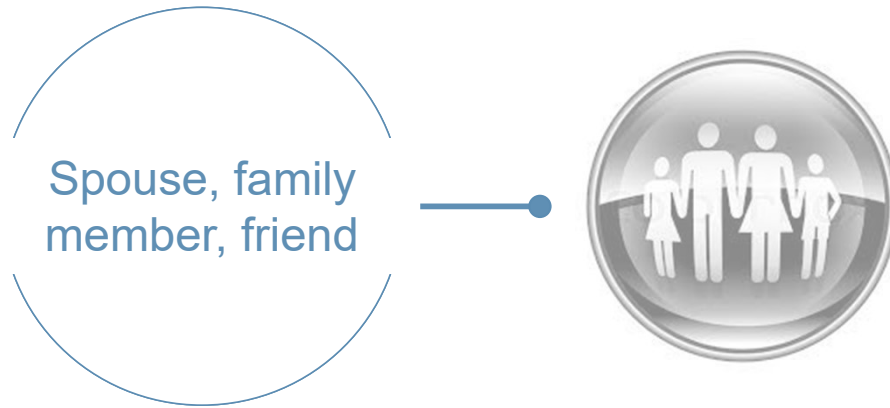
Corporate trustee?



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# YOUR OPTIONS – SPOUSE, FAMILY, FRIEND

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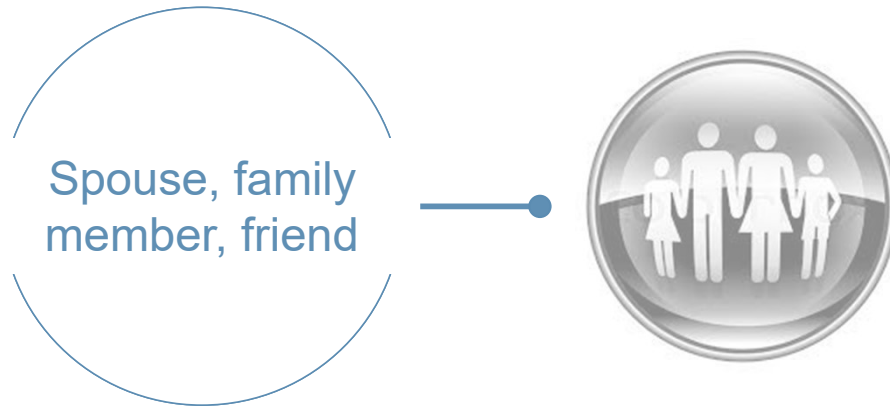
## Advantages

- ▶ Usually little or no trustee fees – but they do have the right to charge a fee
- ▶ Knows your intentions
- ▶ Sensitivity to your family's needs

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# YOUR OPTIONS – SPOUSE, FAMILY, FRIEND

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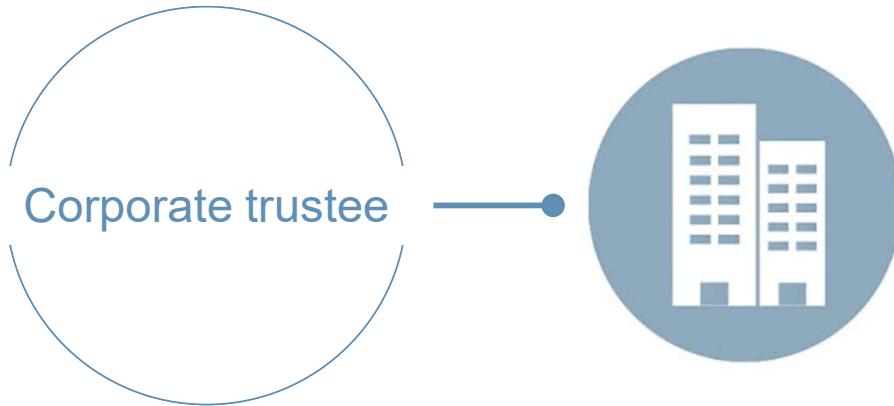
## Disadvantages

- ▶ Little to no knowledge on how to administer a trust or in managing trusts
- ▶ May not have the time (full time job, travel, family, etc.)

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# YOUR OPTIONS – CORPORATE

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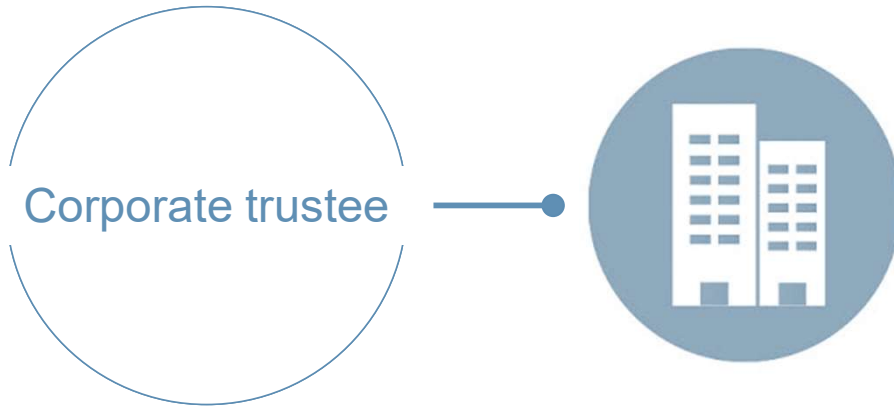
## Advantages

- ▶ Technical competence in all areas
- ▶ Objectivity
- ▶ Perpetual life
- ▶ Audits, regulation, insurance all help eliminate risk of fraud

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# YOUR OPTIONS – CORPORATE

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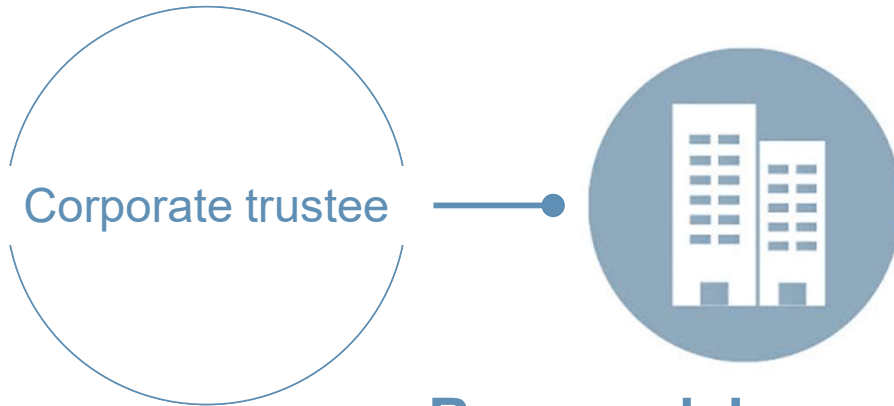
## Disadvantages

- ▶ Fees
- ▶ Lack of family knowledge
- ▶ Irregular or uneven service

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# YOUR OPTIONS – CORPORATE

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## Raymond James Trust

- ▶ **Competitive fees compared to other trust companies**
- ▶ **As your advisor, I can provide the knowledge and background on your family to Raymond James Trust**
- ▶ **You are assigned one trust officer that you and I will keep in contact with**
- ▶ **Can work with a co-trustee, such as a family member or friend**

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# ABOUT RAYMOND JAMES TRUST

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## Raymond James Trust

- ▶ National Trust Charter; subsidiary of Raymond James Financial
- ▶ Established in 1992; 5 offices throughout the U.S.
- ▶ Can serve as trustee, co-trustee, custodian, personal representative or agent to trustee
- ▶ Over \$3.5 billion in assets under administration
- ▶ Over 90 seasoned and experienced trust professionals
- ▶ Advisor remains as your local contact

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# THINGS TO KEEP IN MIND

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- ▶ **We can determine together who would be the best trustee for your specific needs**
- ▶ **You have the option to name co-trustees where a family member and corporate trustee can serve together**
- ▶ **At the very least, you should consider naming a corporate trustee as a back up (successor trustee) – in case anything happens to those you name as trustee or if the trustee resigns**
- ▶ **You can generally change your trustee at any time**



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# QUESTIONS

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Any  
Questions