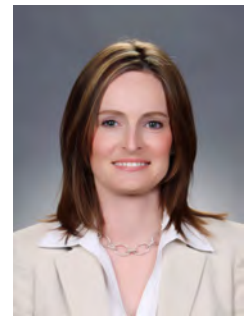


You've Been Named as an Agent under a Power of Attorney for Property . . . Now What?

A Power of Attorney for Property is a legal document a person (known as a principal) signs to appoint another person (known as an agent) to act on his or her behalf for certain matters, including financial, legal, tax, and real estate matters. What should you do if you are designated as someone's agent? Below are a few frequently asked questions.



Rebecca E.P. Wade
Meyer Capel
306 West Church Street
Champaign, Illinois 61820
phone: 217-352-1800
fax: 217-352-1083
rwade@meyercapel.com

What Should I Do First?

Obtain a copy of the power of attorney. Powers of attorney vary greatly. Agents may be given broad powers or limited powers. Some agents are empowered to act as soon as the power of attorney is signed by the principal. Some agents may act only after a physician certifies the principal is not capable of managing financial affairs.

Do I Have To Be An Agent?

No, you are not obligated to act as an agent. If you decline your appointment, the successor agent, if any, may act.

Do I Need An Attorney?

Before taking any action as agent, consult an attorney. A qualified estate and trust attorney can review the power of attorney and provide legal guidance to ensure you properly exercise your authority as agent.

Should I Seek Investment Advice?

You must prudently invest the principal's assets. Seek professional investment advice from a qualified advisor to minimize risk and secure a reasonable return on the principal's investments.

How Do I Let Third Parties Know I Am Acting As An Agent?

To establish your authority as agent, provide third parties (such as banks, government agencies, and financial institutions) with a copy of the power of attorney or a document known as a Certificate and Acceptance of Authority.

Can I Do Anything I Want As An Agent?

No, the powers granted to an agent are not limitless. Many powers of attorney for property do not authorize an agent to give gifts, make charitable contributions, revise Wills, or change beneficiary designations.

Can I Use The Principal's Assets For My Own Benefit?

No, agents should not act in their own self-interest. As agent, you must act only in the best interests of the principal and avoid any actions that benefit you financially. However, you may receive reasonable compensation for your services as agent, if the power of attorney authorizes such compensation.

Should I Keep The Principal's Assets Separate From My Assets?

Refrain from comingling assets. You cannot combine your assets with the principal's assets. You are required to maintain separate bank and investment accounts in the name of the principal. You will be registered as an agent on the principal's accounts, not an owner.

Do I Need An Accountant?

Contact an accountant for tax advice and tax return preparation. Maintain detailed records for tax purposes.

Can I Pay Others To Help Me?

Yes, consider hiring help. Many powers of attorney authorize agents to retain and pay attorneys, accountants, and other helpers.

Do I Need To Keep Records?

Keep written records of all financial transactions. Retain receipts. Document deposits and withdrawals from financial accounts.

Can I Reimburse Myself For Out-Of-Pocket Expenses?

Yes, you are entitled to reimbursement for out-of-pocket expenses you incur while acting as agent. Keep written records of your out-of-pocket expenses and reimburse yourself regularly.

Am I Entitled To Compensation For Acting As An Agent?

Compensation is not mandatory but you are entitled to reasonable compensation for your services as agent unless the power of attorney limits or prohibits compensation. Document the time you spend acting as agent.



Rebecca E.P. Wade
Meyer Capel, A Professional Corporation
306 West Church Street
Champaign, Illinois 61820
phone: 217-352-1800
fax: 217-352-1083
rwade@meyercapel.com

NOTICE: This information is based on Illinois law and is intended to be informative not advisory and is not intended to be applied to any particular facts or to serve as legal advice and does not create or constitute an attorney-client relationship. You should not act upon any information contained herein without seeking qualified legal counsel for your unique matter. The law changes frequently, and the author is not responsible for any errors, omissions, or any consequences of any reliance on this information.