

FIDUCIARY RELATIONSHIPS

Managing Someone Else's Money



1

YOUR SPEAKER: DONYA PARRISH, VP RISK MANAGEMENT

A little about myself and my 21 years supporting Montana credit unions!

Compliance Support

- ▶ Hotline (email/phone)
- ▶ *Compliance Vault* Newsletter
- ▶ InfoSight Website
- ▶ CU PolicyPro
- ▶ BSA Email Series
- ▶ Elder Fraud Training
- ▶ BSA Training
- ▶ Compliance Officer Community
- ▶ Blogs

Other Roles

- ▶ *A Direct Line* Weekly Blog
- ▶ Advocacy Support
- ▶ CUNA Mutual Group Liaison
- ▶ Community Coordinator (Lending, Volunteers, Internal Auditors, Fraud)
- ▶ DEI Liaison to AACUL
- ▶ Other Duties As Assigned! ☺

2



COMING UP NEXT

- **Garnishment & Levies** (Mar. 21, 2:00 pm)
- **NCUA Share Insurance** (Apr. 11, 10:00 am)
- **Business Account Basics** (Apr. 25, 2:00 pm)

<https://web.mcun.coop/events>

3

WHAT IS A FIDUCIARY?

- ▶ Someone who **manages money or property for someone else**. When you are named a fiduciary, you are required by law to manage the person's money and property for their benefit, not yours.

-CFPB Older Americans Resources

- ▶ **fiduciary**

: held or founded in trust or confidence

4



- ▶ Power of Attorney
- ▶ Conservator
- ▶ Representative Payee
- ▶ Personal Representative (Executor)

- ▶ It is very rare they understand their role!

FIDUCIARY RELATIONSHIPS


5



- ▶ **Act only in principal's best interest** -- duty is to make decisions that are best for him/her, not you
- ▶ **Manage money and property carefully** -- you will have important financial responsibilities and must carry them out with care

BASIC DUTIES OF A FIDUCIARY

6



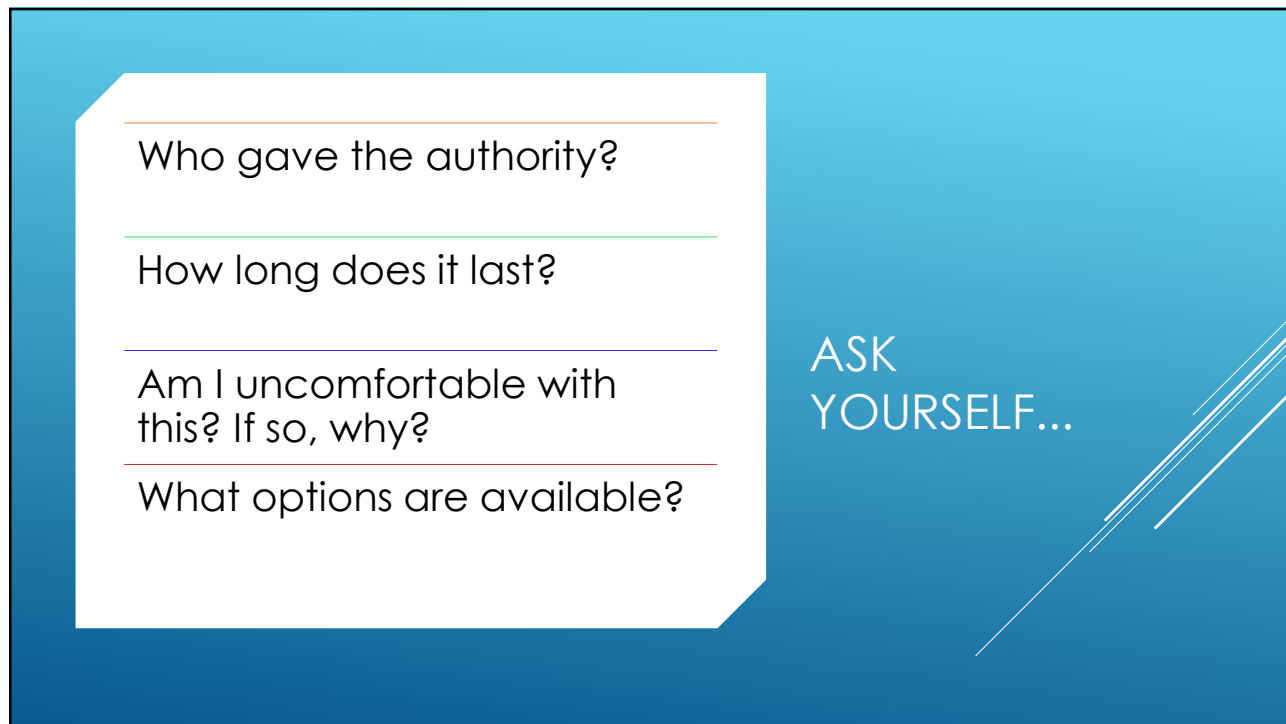
- ▶ **Keep money and property separate** -- never mix fiduciary and personal money or property
- ▶ **Keep good records** -- they may be used to defend yourself in challenges or questions of how funds were spent

BASIC DUTIES OF A FIDUCIARY

7



8



Who gave the authority?

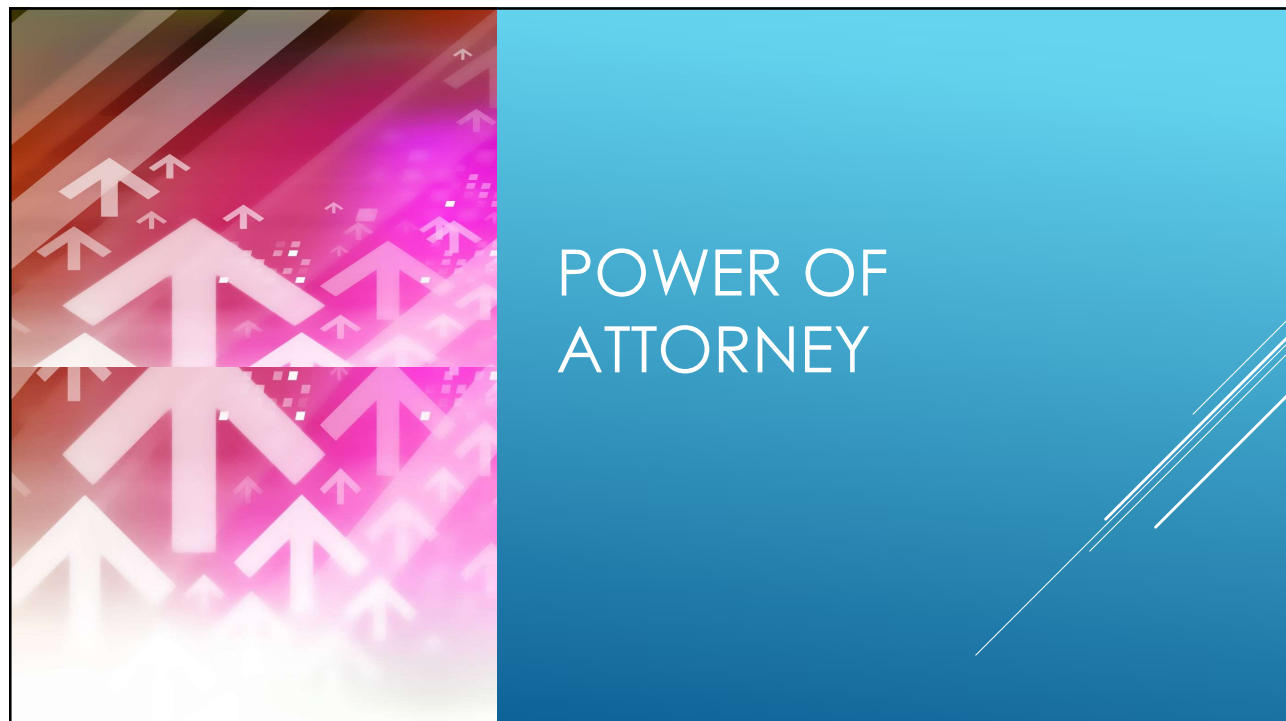
How long does it last?

Am I uncomfortable with this? If so, why?

What options are available?

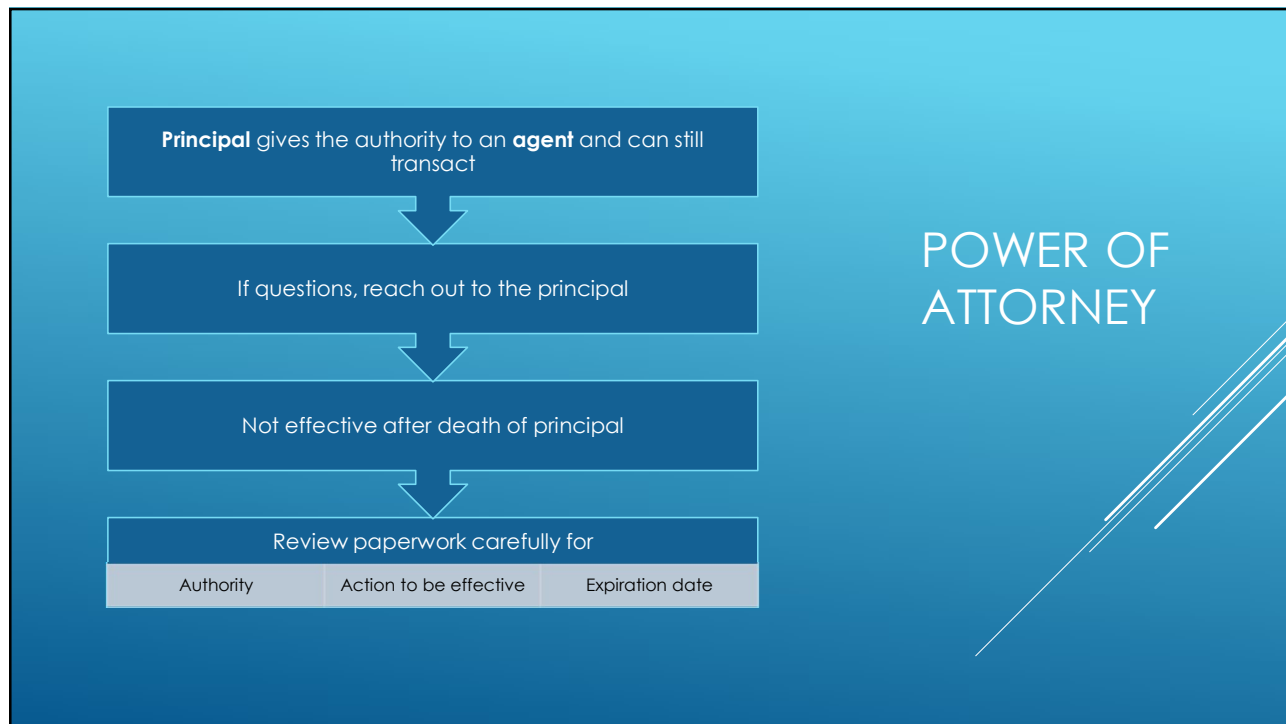
ASK
YOURSELF...

9



POWER OF
ATTORNEY

10



11

- ▶ Limited
- ▶ Springing
- ▶ Durable
- ▶ Revocation

A FEW TERMS TO BE AWARE OF...

12

► GRANT OF GENERAL AUTHORITY

I grant my agent and any successor agent general authority to act for me with respect to the following subjects as defined in the Uniform Power of Attorney Act, Title 72, chapter 31, part 3:

- (...) Real Property
- (...) Tangible Personal Property
- (...) Stocks and Bonds
- (...) Commodities and Options
- (...) Banks and Other Financial Institutions
- (...) Operation of Entity or Business
- (...) Insurance and Annuities
- (...) Estates, Trusts, and Other Beneficial Interests
- (...) Claims and Litigation
- (...) Personal and Family Maintenance
- (...) Benefits from Governmental Programs or Civil or Military Service
- (...) Retirement Plans
- (...) Taxes
- (...) All Preceding Subjects

13



- Agent charged with acting in Principal's best interest
- Prohibited from certain actions (unless paperwork specific)
 - Change of ownership on account
 - Adding/removing POD
 - Asking you not to contact principal or allow them to transact
- Acceptance of forms other than MT statutory
- Certification Form
- Registration at county

POWER OF ATTORNEY

14

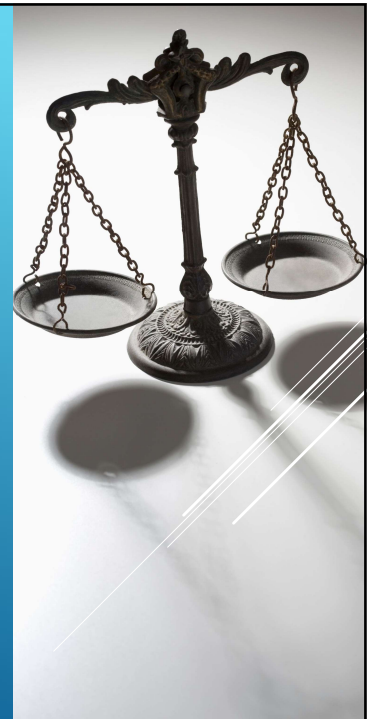
CONSERVATOR

15

- ▶ Court appointed
- ▶ Conservator vs. Guardian

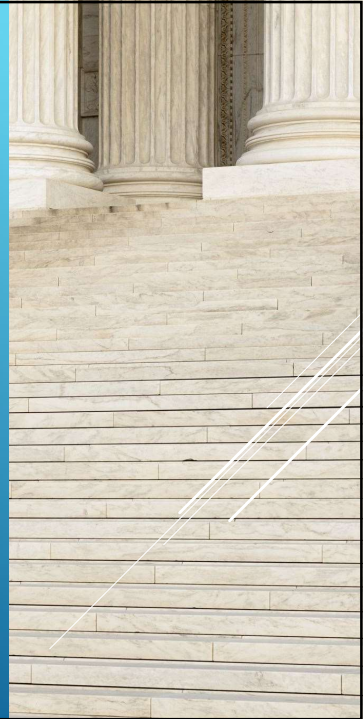
CONSERVATORSHIP

16



- ▶ Differs from POA
- ▶ Handling joint accounts
- ▶ Dealing with member requests for access, balance, etc.

CONSERVATORSHIP



17

REPRESENTATIVE PAYEE

18

REP PAYEE

- ▶ Social Security Administration program
- ▶ SSA dictates how accounts are set up
 - ▶ Owned by payee
 - ▶ Only used for funds from SSA
 - ▶ Set up separate if they have other income
- ▶ Access options
- ▶ Reporting to SSA (but limited now)

19

REP PAYEE

- ▶ What about loans?
 - ▶ Responsibility to use funds properly
 - ▶ Termination of relationship
 - ▶ Education of rep payee
- <https://www.ssa.gov/pubs/EN-05-10076.pdf>

20

PERSONAL REPRESENTATIVE

21



22

- ▶ Court appointed to manage estate
- ▶ Transacting
- ▶ Potential issues that arise
 - ▶ Membership
 - ▶ Checks payable to parties
- ▶ Reporting to court on balances, etc.

PERSONAL REPRESENTATIVE

23

- ▶ If you suspect fraud or improprieties, report it!
- ▶ Always keep a copy of documentation
- ▶ Notes on account can be very helpful to others
- ▶ Caution on special favors outside policy

REMEMBER...

24

RESOURCES

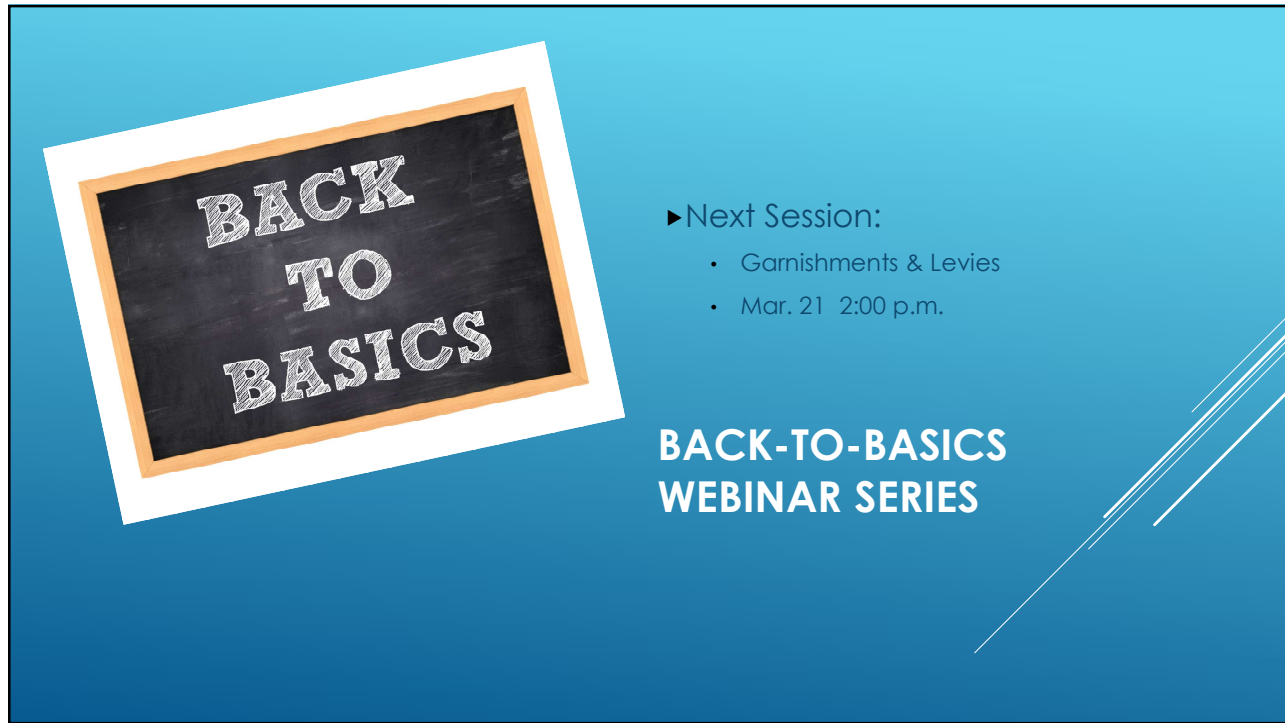
- ▶ MSU MontGuides "Power of Attorney" & "Personal Representative"
- ▶ SSA Guide for Rep Payees
- ▶ Managing Someone Else's Money guides (CFPB)
- ▶ CFPB "What is a Fiduciary?"
- ▶ InfoSight Accounts Channel "Fiduciary Accounts"
- ▶ Fiduciary Relationships Chart

25

DONYA PARRISH

VP - Risk Management
Montana's Credit Unions
donya@mcun.coop | 406.324.7374

26



►Next Session:

- Garnishments & Levies
- Mar. 21 2:00 p.m.

**BACK-TO-BASICS
WEBINAR SERIES**

27