

PUBLICATION

Tips for Executor, Trustee and Attorney Accounting

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Those who are in care and control of funds belonging to others as Executor, Trustee or Attorney, must maintain accurate records of all assets and liabilities, and income and expenses. These records should include all supporting documentation.

As lawyers, we often advise Executors, Trustees, and Attorneys as to their duties and obligations with respect to accounting for the funds under their care and control. Here are some quick tips that will help you be prepared when requested or required to present your accounts:

1. Do not use cash

Cash withdrawals will appear in bank statements as simply a “cash withdrawal”. If you do not have receipts supporting the expenditure of cash you can expect to be challenged on cash withdrawals.

2. Keep everything

You will receive paper receipts. You will receive paper invoices. You may pay with cheques. You will receive bank statements via email or regular mail. Scan everything to your computer or to a portable hard drive. Keep the hard copies of receipts, invoices and statements organized in a binder or folder. You may wish to keep the binder and/or folder in a waterproof container.

The more organized you are, the less work involved by your lawyer when preparing your accounting.

3. Keep contemporaneous notes

When maintaining a ledger of receipts, it is equally advisable to include an explanation with respect to the purpose of any unusual or extraordinary expenses. Any notes are best made contemporaneously with the expense. In this way you will be less likely to forget the purpose when it comes time to explaining your actions.

When handling the funds of others, most issues can be avoided with communication. Communicating financial information in a clear, concise and logical manner can help the Executor, Trustee or Attorney prevent any real or perceived problems. Being organized and prepared to present your accounts will save you time, money and undue stress.

It is advisable to consult with a qualified legal professional before acting as an Executor, Trustee or Attorney. The advisor will prepare you for what your role and obligations involve and give you a good understanding of what is required of you. What you don't know can hurt you.

To speak to a lawyer, please contact the author or any member of our firm's Wills & Estates Group.