

MAINE FIDUCIARY SERVICES

DUTIES OF A TRUSTEE

Duties & Common Mistakes

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As a trustee, you have been named to manage assets, funds, or property for someone else, which makes you a fiduciary. Fiduciary means the agreement is based on trust and confidence. Your basic duties as a trustee are outlined in the Maine Uniform Trust Code, but you should also look to the trust document itself to determine whether it imposes additional requirements.

Serving as a fiduciary requires you to act in good faith with regard to trust matters and in accordance to the trust document. Failing to meet these standards could lead to your removal as a trustee, or possible legal issues filed against you that could require payback or reimbursement to the trust.

FOUR BASIC DUTIES AS A TRUSTEE:

1.

You must act only in the beneficiaries' best interests.

2.

You must carefully manage the trust assets and funds including property.

3.

You must keep the trust property assets and funds separate from others.

4.

You must keep good records of your actions as trustee.

COMMON MISTAKES BY TRUSTEES:



Forgetting to file income tax returns



Closing the trust without providing a final accounting to the beneficiaries



Treating trust assets, funds and property as your own - Trust assets are not your personal property.



Forgetting to keep real estate or any physical assets owned by the trust insured.



Discarding paperwork or records that a beneficiary may request, such as copies of checks, bank statements, etc.



Not consulting experts when needed such as investment management, tax preparation, legal advisors, etc.



Serving as a trustee is a significant responsibility. There are more specific duties that will apply based on the type of trust for which you are a trustee and the purposes of the trust. Carefully read the trust document as soon as possible. If you have any questions about your duties or responsibilities, you should consider meeting with an attorney for advice on how to properly fulfill your role as a trustee.