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Financial Trustee Service Considerations

BUSINESS ADVISORS, FINANCIAL SERVICES

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A financial trustee is a person or firm who manages property or assets on behalf of a third party. One may be appointed for various reasons, including, but not limited to, settlements, litigation, bankruptcy, environmental remediation or charitable funds. A financial trustee has a fiduciary duty of loyalty to the trust and its beneficiaries, and also a duty of impartiality to the beneficiaries. It's essential that the day-to-day activities of the trust are properly managed and monitored to ensure the objectives and obligations of the trust are achieved.

Examples of services that a financial trustee may provide are:

Trust Establishment

- Establish one or more bank accounts with approved financial institutions
- Determine appropriate accounting methods
- Develop a record retention system to maintain complete and accurate records
- Create policies and procedures for day-to-day operations to meet individual needs of the trust

Trust Administration

- Receive invoices and manage the invoice approval process prior to remitting payment
- Direct cash receipts and disbursements
- Manage cash flows to ensure sufficient liquidity to meet anticipated needs of the trust
- Manage and invest assets of the trust
- Maintain records of all actions and communication with respect to the trust
- Make, execute, acknowledge and deliver contracts or agreements related to the trust

Financial Reporting & Tax Preparation

- Prepare and distribute monthly, quarterly and annual financial statements
- Prepare monthly bank reconciliations
- Prepare customized reporting for legal, governmental agency (i.e. Environmental Protection Agency) or other reporting purposes
- Plan for and prepare annual federal and state tax returns

For more information on Schneider Downs' financial trust and fiduciary service capabilities contact Joel Rosenthal at 412.697.5387 or jrosenthal@sdcpa.com or Alyssa Brunatti at 412.697.5371 or abrunatti@sdcpa.com. For similar articles, visit the [Our Thoughts On](#) blog.

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