

NORTHWEST TRUSTEE & MANAGEMENT *Services*

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by: *Stephen Trefts, President*

A YEAR OF MIXED BLESSINGS—

As I reflect on the past year, I am thankful for the many new trusts under management. However, what stands out in my mind are the long-time friends we lost.

In my former career as Vice President of a college foundation, I was privileged to assist many individuals with their estate plan-

ning. Among them was a farming couple from eastern Washington. Devout Christians, the husband was a leader in their church and the wife played the piano and led the choir. Eventually, the husband became a trustee of a local college.

After they retired they wanted their assets to provide for them during their lives, but did not want the management responsibilities. Since they had no children, it was their desire to leave the balance of their estate to their beloved college. To meet their goals they created a revocable living trust, which the college foundation managed for many years. When the college realized it was not equipped to handle the many demands of managing a revocable living trust, it requested that Northwest Trustee & Management Services step in as the successor trustee.

Last year, at age 100, the widow passed away. It was a privilege to be part of the lives of such kind and generous people and to participate in her memorial service in the college chapel.

In a similar situation, another couple I assisted during those years later became our clients. Like the previous couple, they established a living trust. However, since the husband enjoyed portfolio management, he chose to serve as trustee. As the eventual recipient of the trust assets, the college was named as the alternate trustee in the event of the husband's death or incapacity.

The college subsequently resigned and the couple named us as the new alternate trustee. When the husband passed away last year, we became the trustee and currently manage a significant portfolio for his widow. It was sad to see a valued friend of long-standing leave us, but we are comforted that we are able to assist his widow as he intended.

Each year we are blessed with substantial growth and it is tempting to measure performance in dollar volume. But, as we remember these dear friends, we are again reminded that our primary mission is to serve people.



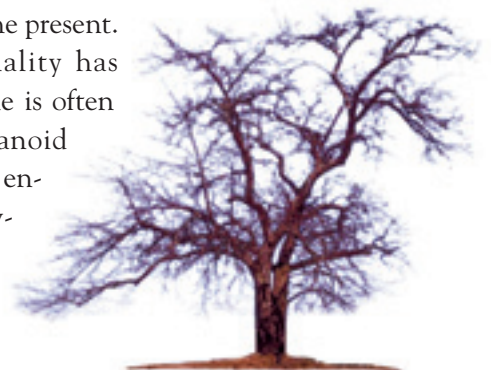
by: *Sandy Calbreath, Trust Officer*

AGENCY AGREEMENTS—

HELP WHEN YOU ARE IN OVER YOUR HEAD

Remember when your relative or friend asked you to serve as trustee or attorney-in-fact under a Power of Attorney if she became incapacitated? At the time, incapacity seemed like an extremely remote possibility, and it was an honor that she trusted you. It seemed to be the least you could do for her and you reasoned that it wouldn't be too much trouble to write a few checks every month. You agreed and felt happy that you were able to do something meaningful for her.

Flash forward to the present. Your friend's personality has gradually changed. She is often moody, angry or paranoid and treats you like the enemy. On other days, everything is fine. As she gets worse, you realize that the unthinkable



has happened. Your friend or relative is now very obviously mentally incapacitated. The time has come for you to step in and take charge of the situation. But it isn't easy. Obtaining the letter of incapacity from the physician is traumatic for everyone involved.

Because your relative has been declining over a period of years, her financial matters are in total disarray. Bank accounts have not been reconciled, and statements are missing. Bills are unopened and past due. Others have been paid which should not have been. Investments have not been monitored and allocations are totally inappropriate.

On top of that, Medicare and health insurance reimbursements are extremely confusing and you have no idea what is owed to health care providers. If the individual is living in her own home, add the issues of home maintenance and caregivers. How will you arrange to pay for groceries, haircuts and clothing? The "few checks a month" has turned into a full time job.

It gets worse. Remember the relative who had complete confidence in you? Now she is angry with you for taking control of her finances. She thinks you are trying to steal her money. Family members are suspicious and critical of you. They scrutinize every penny that is spent and are convinced that you are using the situation to your own advantage.

So, here you are, struggling to balance your job and personal responsibilities with the *total* responsibility for someone else's finances. You are disheartened by the abuse you are receiving from the individual and/or her heirs. In short, you are in over your head.

Help is available. Through an agency agreement, you can contract for the daily management of the incapacitated person's financial affairs while still maintaining control of the assets as trustee or attorney-in-fact. In other words, you can honor your commitment to make financial decisions without the burden of the daily administration. Further, having an impartial third party handling the money and providing professional accountings helps alleviate the suspicion of heirs or other interested parties.

The arrangement is quite simple. An agency agreement is a contract in which the responsible party authorizes an agent to perform specific duties on his behalf. The contract is tailored to meet the needs of the parties, and can easily be modified as the need arises. Examples of the agent's duties are as follows:

- ♦ Receive income
- ♦ Pay bills
- ♦ Manage assets and investments
- ♦ Prepare personal and trust tax returns
- ♦ Track medical bills and reimbursements
- ♦ Reconcile bank and investment statements
- ♦ Provide comprehensive, periodic accountings
- ♦ Maintain a residence
- ♦ Arrange for and monitor care management

If you find yourself feeling burned out while trying to manage the affairs of a friend or relative, an agency agreement may be the answer. We will be happy to meet with you to discuss your needs and how we could help.

MEET LAVONDA ATAIDE—

After eight years with Northwest Trustee & Management Services, Lavonda Ataide says she still enjoys coming to work every day. She particularly enjoys the diversity of her job and finds great satisfaction in completing court accountings and other complicated tasks for the benefit of our clients.

A former loan officer, Ataide received her A.A.S. in accounting from Spokane Falls Community College. Outgoing and vivacious, Lavonda's forthright manner and ready laugh endear her to colleagues and clients alike.



Recent empty nesters, Lavonda and her husband enjoy boating, skiing

and traveling.



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