YOUR ROLE AS FINANCIAL POWER OF ATTORNEY

If a family member or friend (the “principal”) has named you as their Agent under a Power of Attorney for finances, you have been given a lot of responsibility. As an Agent, you have a legal duty to manage your loved one’s money and property in their best interest. You can be held legally responsible for abusing your power or ignoring your duties.

As an Agent, you must:

- **Read the Power of Attorney** (“POA”) and understand when it starts. A POA can be effective immediately or springing (effective after two doctors say that your loved one is incapacitated). Your rights and duties are limited by the POA. Do what the POA says to do.

- **Protect the POA.** Keep the POA in a safe place like a fire proof box.

- **Do not be afraid to get help.** Consult with a lawyer if you need help understanding what you can or cannot do under the POA or if you need help in performing any of your duties.

- **Act only in the principal’s best interest.** Your number one duty is to protect your loved one’s finances and make sound financial decisions. Avoid making decisions that would benefit you or other people (even family members or heirs), but may harm the principal. Do not pay yourself, make gifts to yourself, or borrow money or property for yourself, even if your loved one tells you it’s OK. You do not want to give even the appearance of a conflict of interest.

- **Involve the principal in decisions as much as possible.** You must follow the principal’s wishes as long as they have the mental ability to make decisions. If they can not tell you their
wishes, try to figure out what they would do based on what they have said or done in the past. It is important to discuss and clarify the principal’s wishes when you are named as the Agent.

- **Manage the principal’s money and property carefully.** Use common sense and good judgment when paying the principal’s rent, mortgage, property taxes, bills, filing tax returns, managing bank accounts and investments, collecting debts, applying for benefits, or buying or selling property. You may need to check your loved one’s mail and know when bills are due.

- **Keep good records.** Write down and keep records of the property and money you have received, the expenses you have paid, the decisions you have made, and the dates on which you took action. Track everything so that you can show how you spent your loved one’s money or otherwise managed their property, and keep the records where you will be able to find them.

- **Keep the principal’s property separate from your own.** Have separate bank accounts, pay for their expenses out of their account, keep their property in their name, and never deposit their funds into your account. Sign checks as “[Your Name], POA for [Principal’s Name].”

- **Be on the lookout for scams or financial exploitation.** Watch out for other people, including family members and caregivers, who may try to take advantage of the principal. Look for missing money or property, unusual spending, or people that suddenly gain influence over the principal. If you believe there is a scam, report it to a lawyer or a local, state, or federal agency, such as Adult Protective Services (202) 541-3950, the police, a state attorney general, or a state or federal consumer protection agency.

- **Know when your responsibilities end.** Your rights as an Agent stop immediately if the principal revokes them in writing or as soon as you learn of your loved one’s death. You must stop making decisions for the principal at that time. If you think your authority was revoked as a result of fraud or abuse, report it to a lawyer, Adult Protective Services, or the police.

**If you or the principal is age 60 or over, and you would like to learn more, call Legal Counsel for the Elderly (LCE) at (202) 434-2120 for assistance.** LCE provides free legal services for low-income individuals. *This flyer is informational only and is not a substitute for legal advice.*