



CREDIT UNION TRUST NEWSLETTER – ARTICLE 2:

DO YOU REALLY WANT TO SERVE AS A TRUSTEE OF YOUR FAMILY TRUST?

In our last newsletter article, [Trust Article One](#), we talked about the common situations that occur in families and how drafting a will and establishing a trust could provide solutions and peace of mind at stressful family times.

So, let's say you've thought about establishing a trust, talked it over with your Alpena Alcona Area Credit Union and Credit Union Trust advisor, and decided such safety makes sense for you and your loved ones. Now you have to decide who should serve as trustee. Should it be a family member? Should you serve as trustee and/or executor in a will?

Not only does such a role come upon us at stressful times, it carries significant responsibility with it. Before making a decision to take on that responsibility, there are some important things to know and consider.

The law imposes strict obligations and rules on trustees and it does not matter if it's you, a family member or a corporate trustee. All are held to the same standard of care and responsibility - and one can be held personally liable for mistakes made while acting as trustee.

The law requires all trustees to act independently and impartially. Sometimes people who establish trusts will be trustees and also beneficiaries. In those cases, it can be argued there is a built-in conflict of interest and that such a trustee lacks the ability and impartiality to properly administer the trust. Appointing an independent trustee like Credit Union Trust, avoids such potential complications and ensures that all beneficiaries are treated fairly.

Another consideration to note is that a trusteeship is not a passive role. Trustees must fairly and dispassionately deal with personal and financial issues, and oftentimes raw emotions. All trustees must take part in important decisions and are actively involved in the trust administration. In addition, there are clear functional responsibilities of trustees. They include:

- Ensure the assets (investments, real property, and real estate) are safe, under control and that all account records are in order;
- Investing the assets in a way that ensures the assets are preserved and productive for current and future beneficiaries. This includes selling assets and property if necessary;
- Administer the trust according to its terms, and distributing trust assets to the beneficiaries according to the trust agreement and without influence from family members;
- Making decisions that are discretionary in nature and determining when beneficiaries may or may not receive payments;
- Preparing all records and tax returns as needed and keeping them on file;
- Communicating regularly with all beneficiaries.

Credit Union Trust was established by Alpena Alcona Area Credit Union to serve the needs of our members by providing these and other related services at the critical times in life when they're needed. Credit Union Trust has an experienced team of professionals that are here to help with all such trust and family planning needs for today and future generations. If you would like to learn more or speak to an Alpena Alcona Area Credit Union-Credit Union Trust advisor, please contact us at Alpena Alcona Area Credit Union (800)-443-3577 or call Credit Union Trust at (877)-730-6109.