

What Does a Trustee Do?

The trustee's role is to manage and distribute the assets in the trust according to your wishes, as expressed in the trust document. There are three primary elements to the trustee's role:

- **Custody** – The custodial role is that of a financial secretary and security guard. The trustee must identify and then take title to the trust's assets, keep accurate records, report to the current beneficiaries, execute and settle all transactions, protect and insure the property, and defend the trust against claimants. The trustee oversees the preparation of appropriate tax returns and all of the trust accounting in compliance with complex state and federal laws.
- **Asset Management** – The trustee is ultimately responsible for the preservation and investment of assets in the trust, ensuring that invested assets are productive and managed appropriately given the trust's objectives. The trustee has the legal responsibility to reassess the objectives of the trust and current market conditions at least annually and to be sure that the investments match those objectives. Trustees will often hire professional managers to handle the day-to-day specialized activities such as securities investment or real estate management.
- **Administration** – The administrative role is central to carrying out your wishes regarding the use of assets in the trust. The trustee carries out your directions and follows your guidelines in handling the specific circumstances of each request for funds from trust beneficiaries. This involves legal interpretation of the language in the document, and appropriate input from family members. Experienced and unbiased trust administration is a vital component to implementing your plan.