

## *Considerations for naming a trustee in your Will or Trust*

# Duties of a Trustee in New York State

## 1. Understanding the Role:

- **Trust Management:** A trustee is a person or entity appointed to manage a trust, which is an arrangement where assets are held and managed for the benefit of one or more beneficiaries.
- **Fiduciary:** As a fiduciary, a trustee must act in the best interests of the beneficiaries, manage the trust assets prudently and avoid conflicts of interest.

## 2. Key Responsibilities:

- **Asset Management:** Managing trust assets, including investments, real estate and other property, in a prudent and responsible manner.
- **Record Keeping:** Maintaining accurate records of all trust transactions and activities, including financial statements and tax records.
- **Communication with Beneficiaries:** Keeping beneficiaries informed about the trust and its administration, including providing regular updates and responding to their inquiries.
- **Tax Compliance:** Ensuring that the trust complies with all relevant tax laws and regulations, including filing tax returns and paying any taxes owed.
- **Distributions to Beneficiaries:** Making distributions to beneficiaries as required by the terms of the trust document or as allowed by law, considering the needs and circumstances of the beneficiaries.
- **Investment Management:** Developing and implementing an investment strategy that is consistent with the trust's objectives and that prudently manages risk.
- **Legal Compliance:** Complying with all legal requirements and obligations related to the administration of the trust, including fulfilling any reporting or disclosure requirements.
- **Successor Trustee Planning:** Planning for the appointment of a successor trustee to take over the trust administration if and when the current trustee is no longer able to perform their duties.

## 3. Additional Considerations:

- **Legal and Financial Expertise:** Trustees should have a good understanding of legal and financial matters or be willing to seek advice from professionals in these areas, to effectively manage the trust.
- **Communication Skills:** Effective communication with beneficiaries, co-trustees and professionals engaged for assistance is essential in order for a trustee to fulfill their duties and manage expectations.
- **Ethical Considerations:** Trustees must act with integrity and honesty, always putting the interests of the beneficiaries first and avoiding any conflicts of interest.