

THE QUARTERLY LEDGER

Keeping you current on record keeping

2018 Edition

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Volume VII

LET - THE = RECORDS
SHOW * \$
POWER OF ATTORNEY
& ESTATE ACCOUNTING
MADE EASY

Welcome to *The Quarterly Ledger*, a newsletter designed to support and inform those concerned with record keeping and estate management whether under a Power of Attorney or involved in administering an Estate of a deceased person.

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Your questions, comments and feedback are always welcome.

Please send us an e-mail at: authors@showmetherecords.ca

EDITORIAL COMMENT

ALL GOOD THINGS...

Must come to an end—as is the nature of things, and *The Quarterly Ledger* is no exception.

For seven years, we've published the only continuing commentary devoted to Power of Attorney and Estate record keeping. It has been a wonderful seven years, as we're sure our faithful readers will attest.

Conceived as a means of providing timely and ongoing support to our book *Let The Records Show: A Practical Guide to Power of Attorney and Estate Record Keeping*, TQL soon became a stand-alone resource providing insight and guidance on the nuts-and-bolts of record keeping issues. Taken together, we are proud that TQL and *Let the Records Show* have provided practical information and solutions to legal and accounting professionals as well as the general public.

We are also proud of the fact that during these seven years, TQL has not shied away from taking an editorial stand that centres on service to others rather than to self. We may be old fashioned in a world that increasingly shouts "Me, me, me!", the reality, however, is that Equity and fiduciary principles are all about looking after another's affairs in a fair and unselfish manner.

Caring for each other undoubtedly can be hard at times—inconvenient and emotionally draining, but at the end of the day it does make us "better" people, kinder, gentler and more loving.

While this present life is far from perfect, it is also true that at the end of the day love draws forth love, and we are sure that one reason why people are *successful* POAs and Estate Trustees is that their commitment to

do so is transparently born of love—not a romantic sentimental love, but rather a love that is unselfish and sacrificial.

Over the years, we've discussed many issues and offered, we hope, practical advice so as to lessen the burdens of being an Attorney or Estate Trustee. Each quarter of TQL has presented its advice and commentary with a view to addressing the "real life" needs of the ordinary grantor/testator and their respective Attorney and/or Estate Trustee in a manner free of legal/accounting jargon. It has been gratifying to learn from our readers that we largely succeeded in keeping the discussion and advice accessible and practical.

There are many many we need to thank for their inspiration and feedback over the years; however, we would not embarrass them by unmasking them here. Suffice it to say, they know who they are, and we will be eternally grateful to them.

While retirement beckons for the legal half of TQL, the accounting half still has some time to go before she starts clipping coupons. Thus, our website <http://showmetherecords.ca/> will continue to "be up" which contains access to all seven years of TQL, as well as quick access to the Ten Steps Guide to Successful Record Keeping, and other resources including links to podcasts. And of course, *Let the Records Show* is still easily available online from Amazon.ca or Indigo/Chapters.

And so, it is with a deep sense of gratitude that we say "THANK YOU" to all of you who have allowed us over the years to be of assistance. We hope you've enjoyed the journey as much as we have!

Thank you for your referrals and feedback; we appreciate your continued support!

TIP-O-THE QUARTER

BEST TIP *EVER!*

We've given many tips over the years, and in this final edition of *The Quarterly Ledger*, we are pleased to give perhaps the "best tip *EVER*" to being a successful Attorney or Estate Trustee. Sure, we might say that the tip involves: documentation; review; communications; or respect. While these are important, they are means to an end; what matters is how these means are utilized in achieving the end of being a successful steward—and this comes down to motivation! In other words, **your attitude determines your altitude!**

Having a positive attitude about being an Attorney or Estate Trustee will go a long way to being a success in either role.

So, what are the hallmarks of having a positive attitude when it comes to being an Attorney or Estate Trustee?

- ✓ You are organized and have a plan for the prudent management of the grantor's financial affairs that is part of, if not the answer to, their needs—you are not part of the problem!
- ✓ You are proactive and think in terms of "How can I help?" and not reactive thinking in terms of "That's not my job"

- ✓ You set realistic goals with sufficient discipline to achieve those goals.
- ✓ You understand the difference between attitude and aptitude and recognize that attitude, more than aptitude, determines your altitude.
- ✓ Finally, you understand that you have a choice to make—you determine whether you will approach the tasks involved with a positive attitude or not.

It is easy to forget at times that something as simple as a positive motivation can make all the difference in the world for the better—dare to change your attitude for the better, be positive and soar!

Don't forget, past issues of *The Quarterly Ledger*, as well as other resources, are still

available at:

<http://showmetherecords.ca/>

QUESTION OF THE QUARTER

MY LAWYER IS RETIRING, WHAT DO I DO?

An excellent and timely question from the readership! Thank you!!

Hopefully, you don't find yourself relying on lawyers and/or accountants in the management of the grantor's/testator's estate, at least too often! Nevertheless, there are times and circumstances when retaining professional services is necessary and the best thing to do.

The retirement of a trusted professional, whether lawyer or accountant, who has been assisting you with your Attorney or Estate Trustee duties should not be cause for alarm.

Often, the lawyer/accountant works in a firm—so that the provision of professional services should be seamless and without much ado. Of course, getting to know a new lawyer/accountant takes time and getting use to the way another person does things may provide a challenge or two.

If you've been lucky enough to have enjoyed the services of a sole practitioner, then upon their retirement you will be faced with the opportunity of

finding a new lawyer or accountant. The retiring professional should be able to provide a referral or may have "sold" their practise to another professional. In either case, the Attorney or Estate Trustee is always free to choose a different lawyer or accountant.

The retirement of your lawyer or accountant provides an excellent opportunity to assess the quality of services provided and determine if changes are necessary.

At a practical level, retirement also presents an excellent opportunity to take stock of the "paperwork". Do you have "original" documents, such as the Power of Attorney or Will/Certificate of Appointment of Estate Trustee or merely copies? Who has the tax records including original copies of supporting documentation? Needless to say, you will want to determine whether the current location of original documents is appropriate given the retirement circumstances in which your lawyer or accountant find themselves in.

THE MOST IMPORTANT THINGS!

After seven years of publishing TQL, we've discussed a number of issues that are important to keep in mind when acting as an Attorney and/or Estate Trustee. In our final edition of TQL, it seems most appropriate to recap a number of fundamentals, which if adhered to, will ensure a successful tenure as Attorney or Estate Trustee.

1. IT IS NOT YOUR MONEY!

Always remember that it is NOT your money, it is either the grantor's in the case of a POA, or it is ultimately the beneficiaries in the case of a will. In either case, you are responsible for looking after someone else's property for their benefit and not your own. This means not only keeping assets safe, it also requires an awareness of the grantor's/testator's circumstances. In the case of the Grantor, you need to keep in mind their financial obligations and match them with their financial resources. In the case of a testator, you will need to understand the obligations of the estate, its resources and any terms of trust that have been imposed on the distribution. While most estates are fairly straight forward in terms of their distribution, if a trust has been imposed, for example, in the case of minor beneficiaries, then care must be taken to not only see that proper investments are made, but also that any distribution(s) made under the will are made in accordance with the terms of the trust.

2. DOCUMENT! DOCUMENT!! DOCUMENT!!!

We've said this many times over the last seven years, and it bears repeating yet again: Document! Document!! Document!!! You MUST keep receipts and other supporting documentation of all financial transactions. Not only is this required in the case of an audit by the Canada Revenue Agency, it is also required as part of your record keeping obligations under regulations pursuant to Ontario's *Substitute Decisions Act, 1992*. If accounts are ever required to be passed by a court, having the supporting documentation will be essential in providing the evidence of what money was spent, where it was spent and for what purposes.

Having the appropriate documentation is the quickest way to prove that you have been managing the affairs of the grantor, or the assets of the estate, in an appropriate and lawful manner. Not having supporting documentation merely provides the occasion for suspicion and distrust. Save yourself the headache and have supporting documentation available!

3. COMMUNICATIONS

Timely, appropriate and accurate communications with those who have a right to ask questions is a hallmark of transparency and responsible stewardship. Nothing sends the wrong signal to others when reasonable questions are not addressed. When the grantor is still mentally capable, it is easy enough to refer such questions to the grantor themselves; when the grantor is incapable, it is important to be able to address legitimate concerns that may arise from those who are "supportive family members and friends".

And don't forget your communications with the grantor! Even in cases where the grantor has become incapable, you have an obligation to "encourage the incapable person to participate, to the best of his or her abilities, in...decisions about the property."

4. KEEP CURRENT

Don't let those bank statements pile up on your desk for months at a time, review them within a week of receiving them. The same goes for investment account statements, bills and correspondence sent to the grantor from the government. Reviewing these statements on a monthly basis with the grantor will also provide some structure and help the grantor participate to the best of their abilities in decisions about their property. Keeping current on financial information is the best way to avoid surprises as well as catch anything that may suggest unauthorized access to the grantor's financial resources.

Let the Records Show provides answers to basic questions and guidance on the fundamentals of record keeping to assist you in the creation and maintenance of records required to be kept by law!



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Production Design: Tully's
Pretty Good Calligraphy &
Orthographic Scriptorium,
Lake Portia, Ontario

About *Let The Records Show*

Acting as a power of attorney or as an estate trustee carries a great deal of financial and legal responsibility. But in *Let the Records Show*, authors Linda A. Alderson and Douglas Alan Alderson have distilled the information and have provided a step-by-step guide to keeping financial and property affairs in order. *Let the Records Show* offers a ten-step guide for effectively handling record-keeping obligations, and it demystifies and simplifies the terminology and related work processes associated with creating a complete and proper information trail to satisfy legal interests. It also provides:

- ✓ Answers to questions to consider before acting as an attorney
- ✓ An overview of accounting and legal terms presented in plain English
- ✓ Tips on the fundamentals of being an attorney or estate trustee
- ✓ Guidance on inventory preparation
- ✓ Comparison between the roles of attorney and estate trustee
- ✓ A review of common problems and how to fix them
- ✓ Information on estate litigation basics
- ✓ Charts, templates, and checklists to help you stay organized

Filled with practical guidance on how to maintain financial records to meet the legal requirements, *Let the Records Show* helps to simplify the roles of power of attorney and estate trustee.

Available at Chapters/Indigo stores and on line at

www.Chapters.Indigo.ca www.Amazon.ca www.Amazon.com
www.barnesandnoble.com www.iUniverse.com

QUOTE OF THE QUARTER

Know ye not that they which run in a race run all, but one receiveth the prize? So run, that ye may obtain.
1 Corinthians 9:24

I have fought a good fight, I have finished my course, I have kept the faith:
2 Timothy 4:7

LET THE RECORDS SHOW:
A PRACTICAL GUIDE TO
POWER OF ATTORNEY &
ESTATE RECORD KEEPING

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