

FIDUCIARY COMPLIANCE AND TRUST ADMINISTRATION

A trusted family member may seem the obvious choice as trustee, as some clients may choose a family member to serve as executor of their will. And there are some advantages in doing so. The family member typically has great knowledge of the family dynamics. Unfortunately, there are a number of potential pitfalls as well. The family member may or may not have the skills or business acumen to handle the complex issues and responsibilities that surround trust administration. Even with the expertise, the position can put the family member at odds with the beneficiaries relationally.

The trustee must ensure that the administration of the trust is performed in compliance with state fiduciary laws and that proper records are maintained in order to comply with state and federal tax laws. Trust administration must also be performed in compliance with the specific terms of the trust instrument. That compliance can be extremely complicated and poses risks for the uninformed. An “off the cuff” approach to trust administration can lead to lawsuits at the worst and family squabbles and estrangement, at the least.

As an independent trustee, Cumberland Trust has the compliance processes and procedures in place to navigate applicable legal and regulatory requirements. Our administrative team has the training and the oversight to help work through family issues while staying current on the fiduciary compliance front.

To learn more about Cumberland Trust’s unique platform, visit cumberlandtrust.com.



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