If you are responsible for administering a trust, the person who created the trust demonstrated considerable esteem in choosing you for the position. That’s the good news. The not-so-good news is that you now have some serious responsibilities and can potentially face legal liability if you do not perform your duties correctly.

For that reason, many people chose to consult a McKinney trust attorney to assist them with the process. A lawyer experienced in trust administration can either handle administrative tasks on your behalf or explain your obligations and set you up to manage the functions on your own going forward.

Understanding Trusts

While many people think a trust is some type of account, it is actually a legal entity that is created to hold property. Some people view it as a virtual container. A trust can hold all types of property, from real estate to financial accounts to personal property such as jewelry and collectibles.

Property is transferred into the trust by the grantor—the person who created the trust. That property is then managed by the trustee, but the trustee does not get to use or enjoy the benefits of the property. Instead, the trustee has a fiduciary duty to manage the property for the best interests of the beneficiary. If you are expected to administer the trust, chances are you have been named as the trustee or possibly a successor trustee who took over administration when the original trustee passed away or was otherwise unable to continue with the role.

The Terms of the Trust Agreement are Crucial

A McKinney trust attorney can create a wide variety of different types of trusts to fulfill

an array of different purposes. One of the most important things for you to realize if you are charged with trust administration is that the terms of the trust govern your obligations to a large degree. You need to have a copy of the trust agreement and read every provision carefully. If you do not understand what you will be expected to do, it is vitally important to seek legal counsel to get an accurate explanation of your duties.

For instance, some trusts are set up so that the trustee is expected to distribute assets to the beneficiaries right away. With other trusts, the trustee will be managing the property for the trustee’s benefit until a certain milestone is reached. The trust may allow you to distribute assets as needed for certain expenditures, or it may require you to make regular payments.

General Legal Requirements Also Apply

The fiduciary duties of a trustee require that trustee to act in the best interests of the beneficiary rather than their own interests. If you make investments that benefit you in some way, for instance, you could be held accountable for a breach of fiduciary duty.

In addition, the person administering a trust owes other legal duties as well, such as the duty to pay taxes and file tax returns on behalf of the trust.

Find Out How a McKinney Trust Attorney Could Assist

Your duties for trust administration will depend on the complexity of the trust, the assets involved, and a number of other factors. You may discover that the task is quite manageable, or you may determine that you need help to meet your obligations correctly.

To get started on the right footing, it is a good idea to talk to an experienced McKinney trust attorney. At The Nordhaus Firm, we are happy to put our experience to work for you to assist with trust administration and estate planning in whatever way you require. We invite you to contact us now to learn more about how we can help.