



Pioneer Bank & Trust

Trust & Investments

The Best For The West!

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Q & A: Who Should be Your Trustee?

Although a will serves as the foundation of your estate plan, very often a trust arrangement, either established during your lifetime or in your will, serves as a versatile financial management tool to meet a wide variety of your planning objectives.

People choose trusts for a long list of reasons: to obtain unbiased investment advice; to provide financial support for their families beyond their lifetime; to have someone stand in their shoes in the event that illness or disability strikes; for the peace of mind of knowing that the details of their financial life will avoid public scrutiny; and to meet any other number of needs.

For whatever reasons you establish your trust, you have to decide who will serve as trustee. Here are some answers to the questions that you are likely to ponder as you make your decision.

What does a trustee do?

As a start, your trustee must understand your goals and have the capability to follow your instructions to the letter. And, literally, your trustee should be someone you trust.

Beyond that, there are a wide range of responsibilities that fall on a trustee's shoulders. Among them:

- Taking initial control of the trust's assets, reviewing the instructions in the trust document and meeting with the trust's creator or the trust beneficiaries to discuss their needs.
- Handling all the administrative chores, such as transferring assets to the trust and inventorying them; setting up the recordkeeping tools; obtaining adequate insurance on insurable assets.
- Supervising investments by developing an investment management strategy framed by the needs of both current and future beneficiaries.
- Filing all the necessary tax returns, keeping a record of taxable income and furnishing data for the beneficiaries' tax returns annually.
- Distributing the trust assets, calculating the proper share for the beneficiaries and arranging for the transfer of the trust's assets to them.

Why should I choose a professional trustee rather than a family member or friend?

Consider these reasons. A professional (corporate) trustee:

Is accustomed to managing investments and special assets (a family business, collectibles, etc.). A nonprofessional may have some investment knowledge but is not likely to match the abilities of a professional trustee's investment specialists.

Is available full-time. A nonprofessional's time may be limited by work, vacation or illness.

Has many years of experience. A nonprofessional is not likely to be well versed in all the necessary disciplines that comprise a trustee's duties. The same is true for *the knowledge required for the job.*

Will be sensitive and impartial, understanding the need for sympathy, tact and complete impartiality. With a nonprofessional, it depends upon the individual. In some instances, there may be the potential for conflicts of interest or favoritism.

Whom should you choose as *your* trustee?

Choosing a trustee is an important step and deserves careful thought.

We would be glad to tell you more about our capabilities as a corporate trustee. We can serve as sole trustee, or as cotrustee with a family member, friend or someone else whom you designate.

Contact us to find out more.

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