Executing your Fiduciary Duty!

Assuming the Role of Financial Caregiver

Vancouver CGA Computer Users Group
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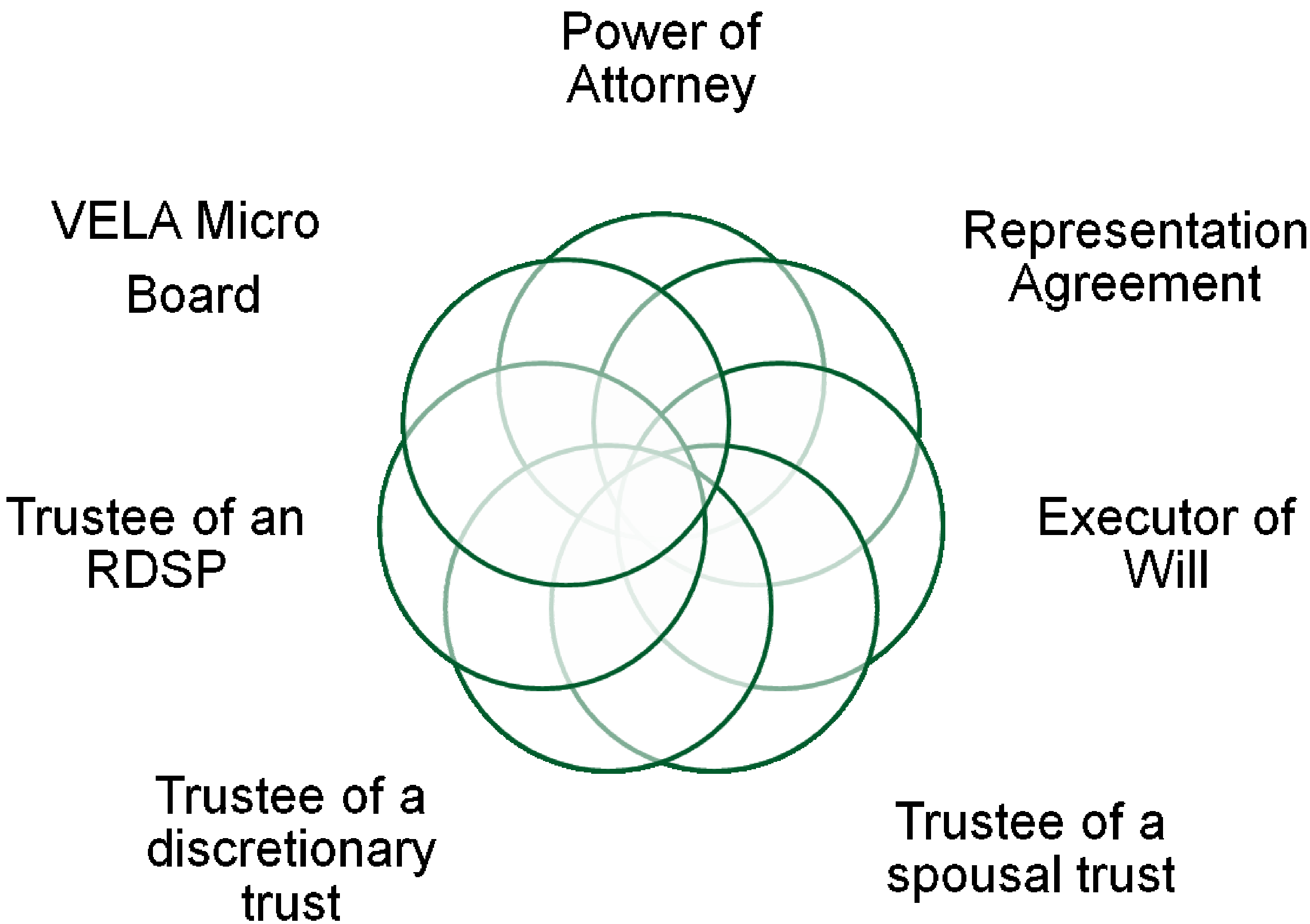
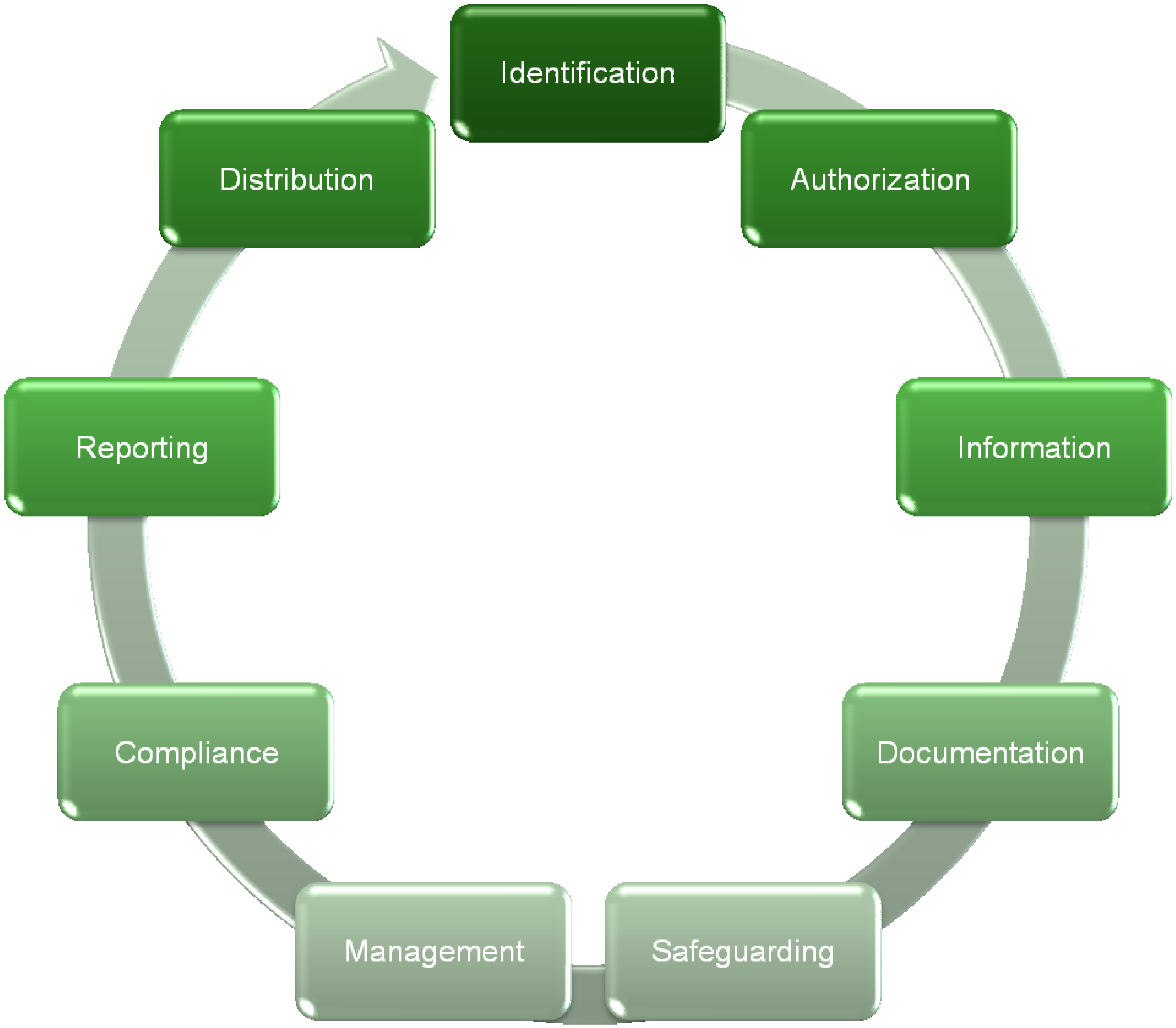
www.taxdetective.ca

Roles


Power of Attorney
Representation Agreement
Executor of Will
Trustee of a spousal trust
Trustee of a discretionary trust
Trustee of an RDSP
VELA Micro Board

Responsibilities



Tasks

Manage
- Capture paper
- Manage assets
- Read the will
- Review authorization
- Consult a lawyer

Account
- Record financial transactions
- Investment accounting

Safeguard assets
- Ensure insurance valid and paid up
- Initiate or monitor claims

Report
- Prepare working papers
- Reconcile tax and accounting
- Prepare tax returns
- Report to Beneficiaries

Distribute
- Beneficiary identification
- Income distribution
- Income allocation to preferred beneficiaries
- Capital distribution
- Residue distribution

Communication

Medical Practitioners
- Doctors
- Caregivers
- Care facilities
- Medical suppliers

Financial Accounts and Assets
- Banks
- Safe Deposit Box
- Investments
- Retirement plans
- Insurance
- Strata Council
- Vacation property
- Neighbours

Creditors / Utilities
- Banks
- Credit card companies
- Telephone
- Hydro
- Terasen
- Cable

Municipal
- Property taxes
- License and permits
- Parking
- Business license
- Dog license

Provincial
- Probate
- Property tax deferrals
- Property tax grants
- Fuel tax rebates
- Land Titles
- Medical Services Plan
- Pharmacare

Federal
- Tax
- Fuel tax rebates
- GST credits
- Benefit programs (HRDC)
- Veterans Affairs

Beneficiaries
- Family
- Others
- Charitable or non profit organizations entitled to a percentage

Checklist

Authorization

- Power of Attorney
- Representation Agreement
- Living Will
- Committee ship
- Will
- Probate
- Engagement letter
- T1013 (individual and trust)
- BN59 (business)

Documentation

- File for each asset
- ACB of each asset
- Insurance policies
- Proof of ownership
- File for each account
- All monthly statements since inception
- Purchase documentation
- Deposit documentation

Management

- Proof of reasonability for decisions
- Automatic payments
- Request bank monitor for fraud
- Joint accounts may not equate to joint ownership
- Review insurance coverage
- Notification of insurers
- Initiate insurance claims

Compliance

- Past Tax Returns 10 years or more
- Claims for credits and expenses to minimize tax
- Review historical information
- Review carry forward amounts
- Account for Deemed Deposition at DOD
- Calculate capital gains and losses
- Review for carry back's to DOD return in year one

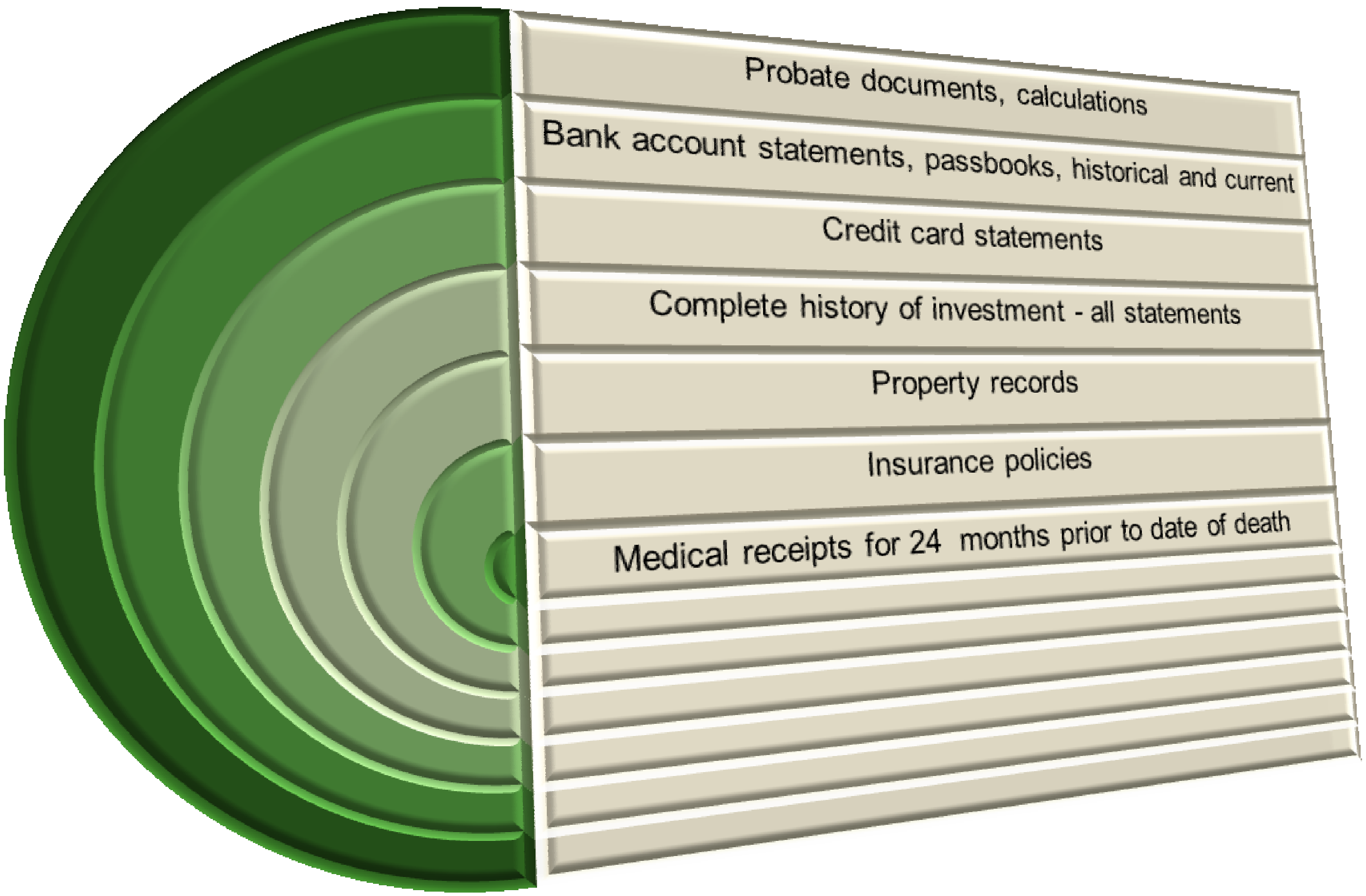
Reporting

- DOD return(s)
- Estate return(s)
- Cash and Investment Management
- General Ledger
- Financial Statements
- Distribution of Residue

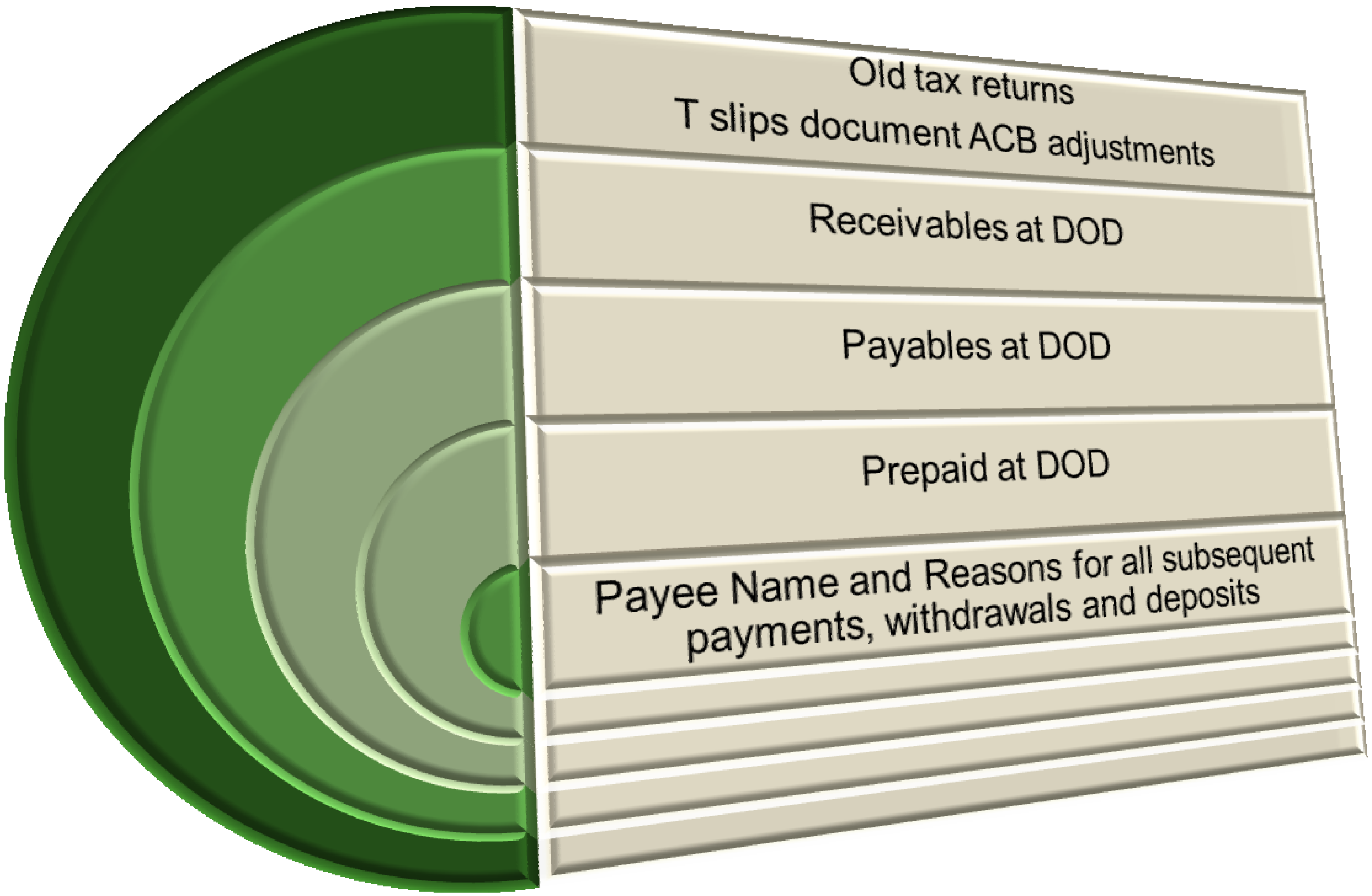
Tax and planning considerations ...not an all inclusive list...

- Identify source of funds (Proceeds of Crime, Money Laundering and Terrorist Financing Act – FINTRAC provides good reasons to CYA)
- Review original source of invested funds to review for attribution of income (i.e. Inheritance, loans, assets sold, earnings, gifts)
- Look for documentation of gifts in advance of death, review large lump sums disbursed pre-date of death
- Joint accounts or transfers to joint names may require income attribution to 'owner' of funds, always ask: whose money is it?
- Look for Documentary evidence of ownership of joint accounts and assets
- T slips do not include capital gains and losses (exception "Seg" funds do include gains and losses)
- Reinvested dividends - adjust ACB
- Return of capital affects ACB calculation (available on T slips)
- Income distributions are split into types of income at year end
- Review whether income or income distributions may require accrual or allocation
- Income distributions for Limited Partnerships and iShares/no units or funds disbursed but income recorded /affects ACB
- Segregated Fund investments are insurance products
- Segregated Fund T slips include capital gains or losses plus allocations of income and gains or losses
- Losses on identical properties require ACB bumps so review all capital losses against new acquisitions
- Stop loss rules may apply to non arms length and RRSP contributions
- Review S.50(1) elections for de-listed stocks
- Spousal elections to defer taxes not always in your best interest

Gather before it gets shredded!



Review, document, record



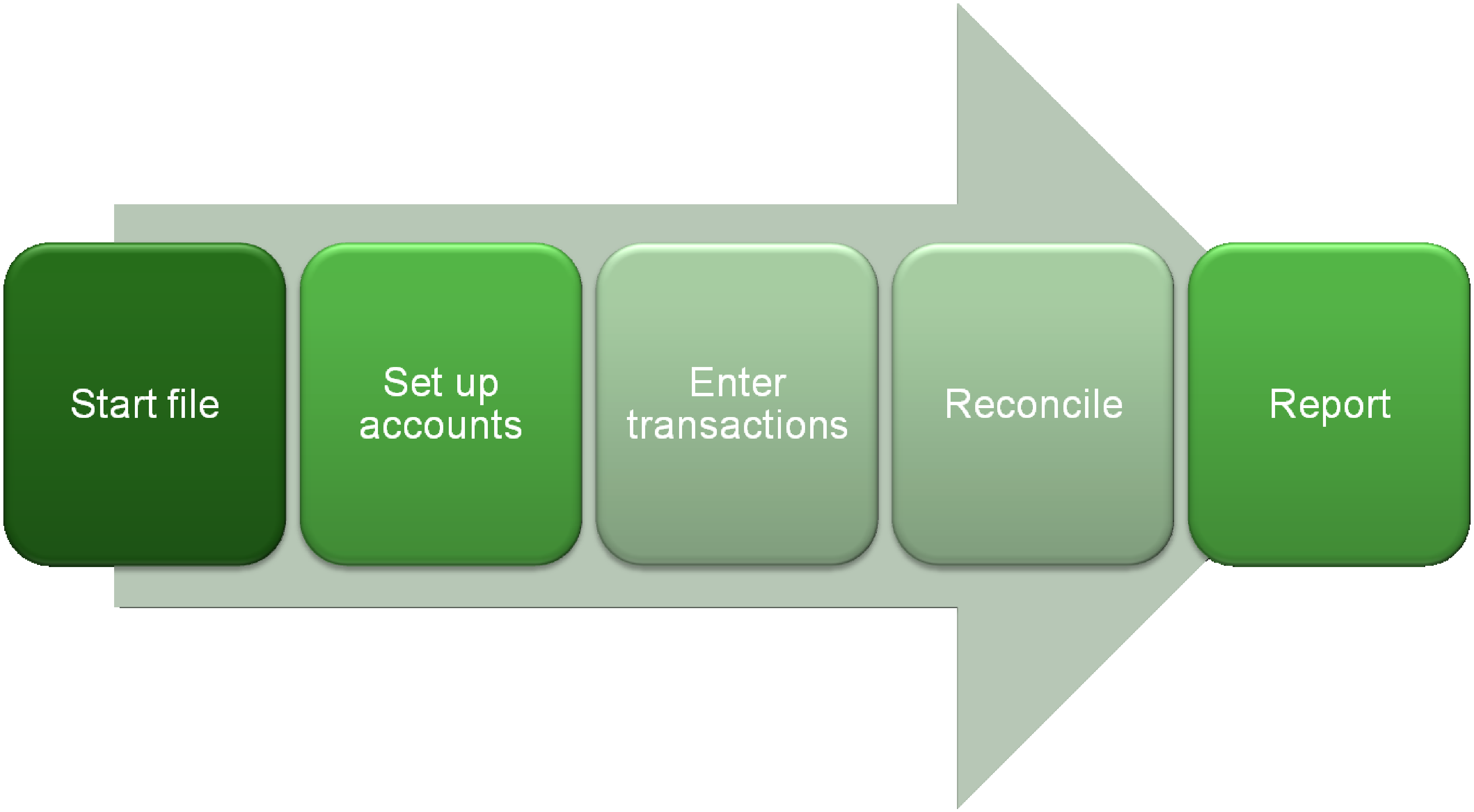
Software to use: Quicken ®

Inexpensive
- Only $ 99
- Start using it today
- Upload from www.intuit.ca

Easy to use
- Eileen is available for online lessons
- 2 hours minimum
- Includes e-book and case study

Provides
- Easy bank reconciliation
- Full accrual accounting
- Portfolio reconciles to cash
- Reports for Working Papers

Demonstration



Expect interested 3rd party review

- **Canada Revenue Agency**
  - What to do when someone has died
  - (November 2005 Auditor General's report)

- **Public Guardian and Trustee of BC**
  - Reports and publications / services to adults
  - Review of competence to write a will or declare a Power of Attorney or Representation Agreement
  - Committee ship

- **Beneficiaries**
  - Charities and non profits with a vested interest require reports
  - Estate administration resources available:
  - Canadian Association of Gift Planners
    - Guide on how to report to a charity if the will has left a % of the estate to the charity – order from:
      - Info@cagpvancouver.ca

- **CGA BC**
  - Public Practice rules may apply to preparation of financial statements for beneficiaries
  - Check with Tina Peters, CGA

Estate Administration Resources

The Greater Vancouver RoundTable has prepared two publications to assist charities with the management of gifts from estates.

- Estate Guide for the Not-for-Profit Beneficiary (2006)
- Estate Administration Communications Package - Gifts of Residue to Charities (2006)

These materials are offered free to CAGP members of the Greater Vancouver RoundTable and at a nominal cost to non members. Copies can be obtained by emailing the Greater Vancouver Roundtable Membership representative or info@cagpvancouver.ca.

Estate Guide for the Not-for-Profit Beneficiary (2006)

This guide provides an overview of the estate administration process in British Columbia and introduces the reader to estate administration terminology. It has been prepared to assist charities to increase their knowledge about estate administration. More >>

Estate Administration Communications Package - Gifts of Residue to Charities (2006)

This package contains summaries of specific topics relevant to the estate administration process in British Columbia, in a non-intimidating one-page format. The package was developed to assist charities to communicate with private executors and/or their professional advisors about estate administration and thereby avoid problems that can occur in the absence of communication. More >>

Cost:

- **Members of CAGP - Greater Vancouver RoundTable**: one copy of each of the packages, in pdf format, free along with the right to use them to print as many copies as the member requires in the exercise of his/her duties as a planned giving or allied professional.
- **Non-members of CAGP - Greater Vancouver RoundTable**: $25 (not including applicable taxes) for one copy of each of the packages, in pdf format, along with the right to use them to print as many copies as the non-member requires in the exercise of his/her duties as a planned giving professional.

TaxDetective….www.taxdetective.ca

Quicken	• 2 hour minimum online sessions (include your team) • Includes Procedures Manual and Case Study • Online support
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Tax research	• Workshops and keynotes • No time to look for links? Subscribe to TaxLinks • FOFI, Tax Investigations and Tax Planning
Personal tax credits	• Parent support groups • Tax and financial coaching, Insurance claimants • Tax support for Accountants and Executors