

When someone is appointed trustee, it can be an honorable responsibility and an overwhelming duty. Fulfilling a loved one's wishes in the manner required by law can be especially difficult during times of grief or hardship. As a trustee, it's important to understand the position's legal responsibilities and administrative requirements. Trustees should consult with their legal and tax professionals about the specific requirements for their trust.

### Important Duties of a Trustee

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Each trust is unique, and a trustee has numerous duties and obligations to uphold under the terms of the trust and applicable law. Though each state has its own requirements, trustees are generally expected to carry out the following duties:

#### **Administer the Trust According to Its Terms**

Read and understand all details of the trust document.

#### **Exercise Reasonable Care, Skill and Prudence**

Manage the trust assets prudently to fulfill its objectives.

#### **Invest Prudently**

Invest assets appropriately, based on the trust's investment objectives. The trustee must act as a prudent investor and should generally invest in quality, diversified assets, considering the trust's expected duration, financial needs and risk tolerance, as well as beneficiaries' needs and tax liabilities.

#### **Supply Information**

Provide accurate and timely information to beneficiaries about the trust's assets, investment performance and any other details they may request.

#### **Maintain Impartiality**

Treat all beneficiaries, including remainder beneficiaries, fairly and impartially.

#### **Provide Complete Accounting**

Provide current beneficiaries with an accurate written accounting of the trust's assets, liabilities, disbursements and receipts. Trust accounting requirements vary by state.

#### **Maintain Loyalty and Avoid Conflicts of Interest**

Manage the trust solely in the interests of its beneficiaries, and avoid personal conflicts of interest. The trustee may not use trust property for personal gain or in a way that harms beneficiaries.

#### **Maintain Confidentiality**

Keep all matters concerning the trust confidential unless otherwise legally mandated. This includes withholding trust information from anyone besides beneficiaries or authorized administrators as well as keeping beneficiaries' personal information private.

### Record-keeping and Accounting Requirements

A trustee generally must provide an annual accounting of the trust's assets, liabilities, disbursements and receipts. In addition, the trustee is required to keep accurate legal, financial and operational records, such as:

#### Governing Documents

Includes trusts, wills, disclaimers, powers of appointment, court orders, and written resignations and appointments of trustees.

#### Legal Records

Legal counsel opinions and out-of-court agreements regarding administration/distribution/termination of the trust and trust compensation agreements.

#### Discretionary Action Records

Documentation of discretionary actions taken, investment decisions, adjustments between principal and income, and selection/change of advisors.

#### Financial Records

Includes asset and transaction statements (e.g., bank and brokerage statements), real estate paperwork, deed or certificate, and appraisal of any nonfinancial asset.

#### Accountings

Comprehensive accounting of trust assets and transactions separated into principal and income.

#### Tax Returns

Includes income, gift, estate, real estate, employment, tax receipts and tax basis.

#### Beneficiary Information

Includes names, Social Security numbers, addresses, telephone numbers and all communications sent or received by the trustee.

If you serve as trustee and need help fulfilling your duties, contact your Edward Jones financial advisor. He or she can work with you and your legal and tax professionals to determine whether Edward Jones Trust Company can assist you.

As a professional trustee, Edward Jones Trust Company offers experienced trust administration and asset management. Therefore, you will be served not only by a team of trust professionals, but also by the people you've come to know at your local branch.

Edward Jones, its employees and financial advisors are not estate planners and cannot provide tax or legal advice. Please consult your attorney or qualified tax advisor for guidance in these areas.

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