

## **CORPORATE TRUSTEE INTERVIEW QUESTIONS**

Sitting across the table from bank and trust officers can be intimidating. You may not be as familiar with the legal, tax and financial world as those you are interviewing so you might feel you're at a disadvantage.

Allow me to level the playing field for you.

Here is a list of suggested questions when interviewing financial advisors, banks and trust companies you are considering naming as your successor trustee. I've provided subheadings based on different topics you may be interested in. Don't be afraid to ask any question, including those not found on this list. If you don't understand an answer, follow up with other questions until you do.

### **SERVICES**

Why should I become a client of your institution?

Are you willing to serve as my successor trustee?

Are you willing to serve as a co-trustee with me? With my spouse? With my adult children? With [name person who you are considering]?

What does it mean to act as my agent? As my trustee? Describe the difference in the level of services you offer.

If I am disabled, do you write my checks and pay my bills? Will you change the bank where my primary checking account is located? What about my automatic deposits and drafts that are established?

Will you interact with my attorney and CPA? Have you had regular interaction with them? Describe your overall impression and experiences.

How do you deliver your services during my lifetime and to my family following my death?

Do your trust officers come to my residence or must we schedule meetings at your office? How do you interact with my family members who are not local?

Who will be my trust officer? My investment officer? How long have those individuals been with your institution? Who are their backups in case they leave your firm or when on vacation?

Will I have to deal with any 1-800 numbers? Will my spouse? Family?

Do you have electronic banking services? Please describe them.

## **ASSETS AND INVESTMENT PHILOSOPHY**

Where are investment decisions made? In the local office? Somewhere else?

If you were to become my trustee, would you transfer all of my assets from their various institutions to yours?  
How do you decide what investments I should own when acting as my trustee?

Do you consider the capital gains consequences before making trades? Do you notify me before acting?  
Same question for when you are trustee of a testamentary (after my death) trust? How do you decide what investments are appropriate for my spouse? For my children when serving as their trustee?

Do I own any investments you won't hold in a portfolio? What happens to those investments when you become my agent? My trustee?

What is your policy towards letters of retention?

How do you handle non-investment assets such as my residence, closely held business interests and other properties that my trust owns?

How do you handle my annuities and life insurance policies?

## **SAFETY**

How safe is my money at your institution? If your institution fails do I lose all of my money?

What is the financial strength of your institution?

Have you been audited by a state or governmental agency? What resulted from those audits? Do you also conduct your own private audits? Please describe.

How do you keep my personal financial information safe from hackers and other online menaces?  
Are your employees bonded? Please describe.

Have you ever had an issue with an employee or related party stealing money or assets from a client? What was the result? Was the client made whole?

How is my information kept confidential? Do you have me sign a release that allows you to speak to my family members? If not, how do you keep a record of which family members I would want you to speak with and which I wouldn't?

Does your institution require any special language to be drafted into my trust? Describe it please. If it contains releases from self-dealing or conflict of interest, please describe why this is necessary.

How do you feel about my attorney drafting a clause into my trust that allows certain family members to remove and replace your institution during my disability or death?

## **HIRING AGENTS**

After my disability and/or death will you continue to work with my attorney to administer my estate/trust?

Does your institution prepare my tax returns or will you continue to use my CPA?

What other agents do you hire? How do you go about hiring them? Who pays for their services?

## **TRUST ADMINISTRATION**

Describe your services during the immediate period following my death and during my trust and/or probate administration?

What information is provided to my beneficiaries?

What are the normal timelines?

How do you deal with my non-investment assets owned by my trust (residences, properties, closely held business interests) after my death?

Do you prepare the fiduciary income tax returns and estate tax return if any? Or do you work with my CPA? How is this decision made?

## **TESTAMENTARY TRUSTS**

If I name your institution as a trustee or co-trustee of a testamentary trust for my spouse or any child or other beneficiary, how does that work?

How are investment decisions made?

How are discretionary distribution decisions made? Who makes them? How often are they made? Is there a process for any dispute resolution?

How do you deal with beneficiaries who are not local?

How are the interests of the beneficiaries balanced out? What if my trust contains specific direction? Will you review and comment on my trust now before I become disabled or die?

If my trust provisions call for my spouse and/or adult children to become trustee rather than your institution following my death, how are the accounts turned over to them? When are they turned over? Can my spouse or other beneficiary move the account to any institution they choose?

## **FEES**

How are your fees determined and calculated? When acting as my agent? When acting as trustee or co-trustee?

Do you charge fees when named in my trust but not acting in any capacity?

Are your fees based on all the assets owned by my trust, even non-investment assets such as residences, real estate and closely held business interests? What fees might my trust incur with those assets?

Describe the difference between your administration fees in the period following my death and ongoing trustee investment management fees?

Are my family's assets congregated when determining the marginal rate fee charged? How does that work?

Do you charge fees over assets where I have signed a letter of retention? Please describe.

Are your fees the same for cash and cash equivalents? Do you charge different fees for actively managed accounts and how is it determined what kind of account my trust owns?

Am I paying any other asset management fees to anyone else when you are serving as trustee?

Contrast the fees I am incurring now with your fees, including the difference in services provided.

Are your fees tax deductible?