



## Financial Power of Attorney Guide: Empowering Your Financial Affairs

Welcome to our guide on Financial Power of Attorney—a crucial legal tool designed to provide peace of mind and effective financial management. This document empowers an appointed agent to make decisions on your behalf, ensuring your financial affairs are in capable hands, particularly in times of incapacity. Let's delve into the details.

### Understanding Financial Power of Attorney:

- Definition:
  - A Financial Power of Attorney is a legal document that grants someone you trust, known as the attorney-in-fact or agent, the authority to manage your financial affairs. This authority can be broad or specific, depending on your preferences.

### Importance of a Financial Power of Attorney:

- Incapacity Planning:
  - Crucial for incapacity planning, a Financial Power of Attorney allows someone to act on your behalf if you are unable to make financial decisions due to illness, injury, or other incapacitating circumstances.
- Avoiding Guardianship Proceedings:
  - Having a Financial Power of Attorney in place can help avoid costly and time-consuming guardianship proceedings, ensuring a smoother transition of financial management.

### Key Components of a Financial Power of Attorney:

- Principal:
  - You, as the individual creating the document, are known as the principal.
- Attorney-in-Fact or Agent:
  - The person you designate to make financial decisions on your behalf is the attorney-in-fact or agent.
- Scope of Authority:
  - Specify the powers granted to the agent, such as managing bank accounts, paying bills, investing, or even buying or selling real estate. It is important to note that you have the ability to provide as little or as much authority to your agent as you are comfortable with.

### Types of Financial Power of Attorney:

- Durable Power of Attorney:
  - Remains valid even if you become incapacitated.

- Springing Power of Attorney:
  - Becomes effective only upon the occurrence of a specified event, such as incapacity.

### Choosing an Agent:

- Trust and Confidence:
  - Select someone you trust implicitly, as they will have significant control over your financial matters. It's even better if you have two or three people in mind when deciding on an Agent. Just in case one of them is unable or unwilling to act.
- Communication:
  - Maintain open communication with your agent, ensuring they understand your values and preferences. First and foremost, your agent needs to act according to your wishes, even if your Power of Attorney says otherwise.

### Limitations and Safeguards:

- Clear Instructions:
  - Clearly outline the powers you grant and any limitations on the agent's authority. Working with an attorney will ensure your Power of Attorney is specifically tailored to your situation.
- Periodic Reviews:
  - Regularly review and, if necessary, update your Financial Power of Attorney to reflect changing circumstances or preferences.

### Revocation and Termination:

- Revocability:
  - Most Financial Powers of Attorney are revocable, meaning you can modify or revoke them at any time.
- Termination Conditions:
  - Include conditions under which the power of attorney terminates, such as your recovery from incapacity, the passage of time or the completion of a specific transaction, such as the sale of Real Estate.
  - A Financial Power of Attorney automatically terminates upon your death. Your Will or Revocable Living Trust will determine how your assets are handled and who oversees them after your passing.

### Financial Power of Attorney in Action

Unless otherwise limited by your Financial Power of Attorney, your agent can handle:

- Day-to-Day Financial Transactions:

- The agent can manage day-to-day financial transactions, pay bills, access bank accounts, and make investment decisions.
- Real Estate Transactions:
  - If authorized, the agent can buy, sell, or manage real estate on your behalf.
- Estate Transactions:
  - Your agent can make changes to your estate plan, amend, alter or revoke any trusts you may have, make gifts and complete any other aspects of estate planning, the same as you can.

Incorporating a Financial Power of Attorney into your estate planning is a proactive step towards ensuring the seamless management of your financial affairs, especially during any period of incapacity. At Roman Estate Law, we can guide you through the creation of a customized Financial Power of Attorney to align with your unique needs and preferences. Contact us at [www.romanestatelaw.com](http://www.romanestatelaw.com) to schedule a consultation and take control of your financial future.

Roman Estate Law - *Don't Leave Your Estate To Chance, When You Can Leave It To Your Loved Ones*