Renaissance Trust

Guide to Administration of Trusts

What are the duties of a Trustee?

The Trustees are under a duty to deal with the assets in the best interests of the Beneficiaries and, if they fail in this duty, they will be in breach of Trust. The Beneficiaries can ask the Court to make sure that the terms of the Trust are carried out. The duties of a Trustee are set out in legislation but can be altered or added to. Trustees must understand the terms of the Trust and act in the best interests of the Beneficiaries and not for their own benefit.

In order to carry out their duties, the Trustees have a range of powers that are defined by law or set out in the Trust Deed. General powers will cover matters such as investment, dealing with land, delegation to agents or nominees, insurance and remuneration of a professional Trustee. The Trust Deed may include additional powers relating to advancement of capital, appropriation of assets, maintenance for Beneficiaries (usually in the case of minors), appointment of Trust assets and lending funds.

What records does a Trustee have to keep?

It is essential that full records are kept by the Trustees. It is necessary to keep proper records of all Trust assets and financial transactions. In

Helpful definitions

A quick-reference guide to legal jargon, helping you understand Trust administration.

Trust

The formal transfer of assets from a person(s) to others to hold for the benefit of someone else.

Trustees

The people (or Trust company) holding the assets.

Beneficiaries

The person(s) who will benefit from the assets held in Trust.

Trust deed

A legal document setting out how the assets in a Trust should be used your children.

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particular, bank statements for Trust bank accounts and detailed statements for Trust investments. Records of interest received, expenses incurred and other information required for tax reporting purposes will also be necessary. The Trustees must record the decisions they make, including explanations of any payments made from the Trust's assets. It is advisable for Trustees to routinely hold meetings at least annually to consider the Trust's assets and the needs of the Beneficiaries. Minutes should be taken of these meetings.

How can Renaissance Trust help?

Fulfilling the role of a Trustee can be complex and it can be difficult for Trustees to understand what is required of them in order to manage a Trust on a day to day basis. Many Trustees find it useful to seek professional advice to help them fulfil their roles. We can help with this advising, as necessary, on the nature and extent of your powers and duties as a Trustee. We can also deal with the ongoing administration of the Trust by preparing annual accounts and tax returns, completing Inheritance Tax returns, advising Trustees on distributions from the Trust and any tax consequences, agreeing a suitable investment policy with investment advisers and monitoring investment performance. In addition, we can also relieve the burden by acting as a professional Trustee alone or with you.

If you would like to discuss this further, please call us on 01273 569 279 or email: info@renaissancetrust.co.uk

Complementary Services

Renaissance Trust is part of the Renaissance group of companies alongside Renaissance Legal and Renaissance Financial. Together, the group offers legal services, financial services, Inheritance Tax planning, welfare benefits advice and Trusts administration.

If you would like to appoint a professional Trustees to manage your Trust, or would like advice to help you fulfil your role as a Trustee, Renaissance Trust can assist in these areas. The specialist team can advise you on the nature and extent of your powers and duties as a Trustee, as well as the ongoing management, administration and compliance aspects.

When making a Trust it is a good opportunity to update or make a Will, review your financial circumstances, any tax planning you have in place and consider making a Lasting Power of Attorney. The expert team at our sister company, Renaissance Legal, can assist you with all aspects of planning for the future, including Wills, Letters of Wishes, Trusts, Powers of Attorney, Estate Administration and Court of Protection work.

Renaissance Financial, dedicated financial services company, provides tailored financial advice for families, individuals, Trustees, Deputies and Attorneys in relation to investment and wealth management services - including, retirement and Inheritance Tax planning, as well as the financial management of Trusts.

The main duties of a trustee at a glance:

- Read and understand the Trust documents
- Find out about the Beneficiaries of the trust
- Find out about the Trust property (if applicable)
- Observe the terms of the Trust
- Act impartially between Beneficiaries
- Exercise a reasonable standard of care
- Act personally
- Exercise powers unanimously with other Trustees
- Act without payment or remuneration (unless there is a professional Trustee)
- Provide information.

This guide is intended as general information for clients and other readers. It is not a substitute for considered advice on specific issues. Any action taken depends on your individual circumstances. Consequently, we cannot accept any responsibility for action which may be taken as a result of reading this guide or for errors or omissions contained within it.