



CONTRA COSTA SENIOR LEGAL SERVICES

Durable Financial Power of Attorney

What is a Durable Power of Attorney and how does it work?

- It is a legal document that lets you appoint a trusted person called your “agent” to manage your finances.
- You can choose to have your agent manage your finances now if you want or need help right away.
- You can have a “springing” durable power of attorney where the document does not take effect until you become incapacitated or when you are unable to make financial decisions for yourself. “Durable” means that the document stays in effect after you are incapacitated.
- You can authorize your agent to handle specific personal and family maintenance, banking, and other financial transactions.

Why is a Durable Power of Attorney important?

- It enables your financial affairs to be managed when you are unable to do so.
- It makes it much easier for your family to take care of you if you become incapacitated.
- It may diminish the need for a conservatorship, an expensive and cumbersome legal process in which a court appoints a legal representative to handle your financial and personal affairs.

Questions to ask yourself when appointing an agent....

- Is this person willing to handle financial matters for you?
- Do you trust this person enough to have broad authority over your finances?
- Is your agent the same person who is your agent for health care or does he/she get along with that person?
- Would this person be able to act on your wishes and not his/her own?
- Will this individual be available in the future to handle your finances?

Basic responsibilities of an agent.

- An agent is required to act in your best interests and to handle your finances honestly and prudently.
- An agent must keep your property completely separate from his or her own and to keep adequate records.
- The agent needs to keep you informed and follow your instructions as much as possible.
- The agent is to use any special skills that the agent has.
- An agent is not allowed to give him/herself a “gift” without express written permission from you.
- Under California law, an agent is entitled to reasonable compensation and to reimbursement for reasonable expenses incurred on your behalf. However, in family situations, an agent is normally not paid if the duties will not be complicated.

Planning now can make your life—and the lives of those who love you—better.