THE FAMILY TRUSTEE'S FIRST 90 DAYS

A Plain-English Guide to Getting Started Right



You've been trusted with something important.

This guide helps you honor that trust with confidence.

$124 trillion is transferring to the next generation.
Millions are becoming trustees for the first time. You're not alone.

Jeff Kohn, CPA | Fiduciary Books | fiduciarybooks.com

Someone Trusted You

You've been named trustee of a family trust. Maybe a parent passed away. Maybe they're still living but need help. Either way, someone chose *you*, and that means something.

Being a trustee is a responsibility, but it's also an opportunity to serve your family well. **You don't need to become an accountant.** You just need to understand the basics, set up good systems, and know when to ask for help.

> **A note before we start:** Being a trustee is a legal responsibility. This guide is educational, not legal or tax advice. When in doubt, consult a professional.



Get Oriented

Your first priority is understanding what you're working with. The checklist on page 4 gives you the complete list. Here's what matters most.

Call Your Lawyer

Your first call should be to the attorney who drafted the trust (or any estate planning attorney if you don't have one). Let them know you're taking over, ask about any immediate deadlines, and confirm who to contact with questions. They can also clarify anything confusing in the document before you dive in.

Read the Trust Document

This is your guidebook. Look for: Who are the beneficiaries? What should happen with the assets? What powers do you have? Are there co-trustees?

Identify All Trust Assets

List everything the trust owns: bank accounts, investments, real estate, business interests, valuables, life insurance. Check mail and email for statements.

Secure the Assets

Change locks on property if needed. Notify financial institutions. Collect valuables.

Open a Dedicated Bank Account

Trust funds should **never** be mixed with personal money. Open a bank account in the trust's name. All trust income goes in; all expenses come out.

Understand Principal vs. Income

This distinction trips up almost every new trustee, but once you get it, everything else makes more sense.

Principal

The original assets: the house, the stocks, the savings. This is the "body" of the trust.

Income

What those assets produce: rent from property, dividends from stocks, interest from savings.

Many trusts say "income to the surviving spouse, principal to the children." Misclassify something, and you're giving money to the wrong person. A trust bookkeeper handles classification for you. Your job is to know it matters.

Know Your Fiduciary Duties

As trustee you must: (1) Act in beneficiaries' best interests, (2) Be impartial, (3) Invest prudently, (4) Keep accurate records, (5) Provide accountings. These duties protect everyone, including you.

Set Up Systems

With the basics understood, create systems that make ongoing management smooth.



Create a Filing System

Keep records of everything: bank statements, receipts, beneficiary correspondence, professional invoices, the trust document.

Track Income and Expenses

Every dollar in and out, categorized correctly: date, amount, source/payee, category, and whether it's principal or income.

Set Up a Calendar

Track tax deadlines (Form 1041), required distributions, insurance and property tax due dates.

Communicate with Beneficiaries

Send a brief note: acknowledge your role, explain you're getting organized, give a timeline for updates.

Build Your Team

You don't have to do this alone. The best trustees know where they need support.

Professional	What They Handle
Trust Attorney	Interpreting the document, court filings, disputes
CPA	Tax returns (Form 1041), complex accounting questions
Trust Bookkeeper	Monthly records, principal/income classification, reports
Financial Advisor	Investment management, portfolio decisions

Tip: Look for professionals who specialize in trusts. A great small business CPA may not understand trust accounting.

Consider Your Time

Being a trustee takes 5 to 15 hours per month. If that's more than you can give, hire professionals for pieces (like bookkeeping), resign in favor of a professional trustee, or ask a court to appoint a co-trustee. There's no shame in getting help.

Your 90-Day Checklist

Get Oriented

- ☐ Call your lawyer
- ☐ Read the trust document
- ☐ Identify all beneficiaries
- ☐ List all trust assets
- ☐ Secure property and valuables
- ☐ Open a trust bank account
- ☐ Understand principal vs. income

Set Up Systems

- ☐ Create a filing system
- ☐ Track income and expenses
- ☐ Calendar key deadlines
- ☐ Communicate with beneficiaries

Build Your Team

- ☐ Identify a trust attorney
- ☐ Identify a CPA for trust taxes
- ☐ Consider a trust bookkeeper
- ☐ Assess your time commitment
- ☐ Schedule regular updates

Questions for Your Team

- ☐ Is this distribution appropriate?
- ☐ How should I classify this?
- ☐ What are key tax deadlines?
- ☐ What reports should I keep?

Ready for Support?

This guide gets you started, but every trust is different.
If you want help staying on track, we're here.

What We Do

- Principal vs. income tracking
- Monthly reconciliation
- Court-ready reports
- Tax-prep records for Form 1041

Why Families Choose Us

- Trust specialists since 2010
- Two staff members per client
- Nationwide service
- $300 to $1,500 per month

You've got this.

Thousands of family trustees navigate this successfully every year, and you can too.

Schedule a Free Consultation

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