



The Role & Responsibilities of Being Someone's Power of Attorney

What is a Power of Attorney (POA)?

A Power of Attorney gives a person (known as the agent or attorney-in-fact) the authority and power to act on behalf of another person (known as the principal). How much power is given is explicitly determined and outlined in the document. It can be very broad, sweeping power, or it can be limited to specific circumstances and occasions. You can typically set a POA to go into effect immediately upon signing, or you can use what's known as a "Springing POA." The Springing POA only goes into effect if the Principal loses capacity. Most often, for estate planning purposes, the Springing POA is not as preferred, due to the fact that it can be difficult to prove incapacitation. There are a number of types of POA, too. So you should know what your specific document states prior to making any decisions.

*Note: There isn't a standard POA form for every state, and state law can vary. That said, all 50 states do accept some form of POA; it's important to know your state's laws.



Being named Power of Attorney (POA) essentially means that you have a legal document in hand granting you the power to act on someone else's behalf. Very often, POA will be used when someone becomes ill or disabled, or if they simply cannot be present to sign legal documents or transactions. It's a powerful Estate Planning tool, and if you've been named POA, it's important to understand how to best act in your role.

What To Expect If Your Role As POA Begins:

- Review the paperwork—all responsibilities will be clearly detailed in the POA document
- You may be required or expected to:
 - Be responsible for financial management
 - Have direct access to bank accounts
 - Make decisions about insurance
 - Be in possession of estate documents
 - File tax returns
 - Have access to a safe deposit box
 - Sign real estate transactions
 - Keep very detailed records of all financial transactions - keep receipts of bills paid, assets sold/traded or income collected
 - Keep records of your own expenditures if you want to be compensated — save gas receipts, document mileage, etc.

What a POA Cannot Do:

- Write, amend or completely revoke a Will, Trust or estate (in most states; some states permit POAs to authorize some estate planning transactions)
- Vote on behalf of the principal
- Make decisions on anything that's not directly stated in the document
- Transfer assets to your own name
- Borrow or lend money, unless explicitly authorized to do so

What To Know About “Durable” POA:

Depending on the type of POA, expectations of your role can change based on the health of the principal. Durable POAs stay in effect, even if the principal suddenly or unexpectedly becomes physically or mentally incapacitated. With a Durable POA, your duties and role will remain intact, regardless of the principal's health or well-being. Without that “durable” component, your responsibilities as POA would otherwise cease should the principal ever become incapacitated due to physical or mental illness or death.