FINANCIAL POWER OF ATTORNEY CHECKLIST

What to know when you're helping manage a parent's finances

Being named Financial Power of Attorney for a parent can feel like a huge responsibility especially when you're already navigating their care, health and other needs.

This checklist gives you a simple place to start.

Important: A Power of Attorney (POA) document and the laws that apply to it can vary by state. Always read the actual document and get legal or financial advice when you're unsure.

☐ 1. READ THE ENTIRE POWER OF ATTORNEY

Before making financial decisions, understand exactly what authority the document gives you.

Look for:

☐ When your authority begins
☐ Whether the POA is durable
☐ What financial powers are specifically granted
☐ Any limitations on your authority
☐ Whether there are other agents or successor agents named
☐ Whether special rules apply to gifts, real estate, investments, trusts or beneficiary-related decisions

Don't assume being named POA gives you unlimited authority.

☐ 2. KNOW WHOSE MONEY YOU'RE MANAGING

When you act under a Financial POA, you are acting as a fiduciary.

That means you are managing your parent's money and property for their benefit.

Your role is to act in their best interest, manage their property carefully and follow the authority given to you in the POA.

☐ 3. KEEP YOUR PARENT'S FINANCES SEPARATE

Avoid mixing your parent's money with your own.

☐ Keep accounts in your parent's name rather than combining their funds with yours
☐ Pay their expenses from their funds
☐ Avoid depositing their money into your personal account
☐ Clearly identify transactions you make on their behalf
☐ Ask an attorney or financial institution before changing account ownership

Being POA gives you authority to act for your parent; it does not automatically make you an owner of their accounts or property.

☐ 4. CREATE A SIMPLE FINANCIAL INVENTORY

You don't have to organize everything overnight.

Start by making a list of what exists:

☐ Checking and savings accounts
☐ CDs
☐ Investment and brokerage accounts
☐ Retirement accounts
☐ Pensions
☐ Social Security income
☐ Life insurance
☐ Long-term care insurance
☐ Real estate
☐ Vehicles
☐ Credit cards and debts
☐ Recurring bills and subscriptions
☐ Other significant assets

Also note where important documents and account information are kept.

☐ 5. START KEEPING RECORDS FROM DAY ONE

This is one of the most important habits you can establish.

Keep:

☐ Bank and investment statements
☐ Receipts
☐ Bills and invoices
☐ Records of deposits and withdrawals
☐ Records of transfers between your parent's accounts
☐ Tax documents
☐ Records relating to major purchases or sales
☐ Important emails or correspondence about financial decisions

For significant or unusual transactions, consider keeping a short note explaining what was done and why.

A simple digital folder or binder organized by month can make this much easier.

☐ 6. BE CAREFUL WITH CASH

Cash can be difficult to document later.

Whenever possible, use payment methods that create a clear record.

If cash is necessary:

☐ Keep the receipt
☐ Record the amount
☐ Record what it was used for
☐ Record the date

☐ 7. CONTACT FINANCIAL INSTITUTIONS

Banks, investment firms and other institutions may have their own procedures for working with an agent under a POA.

You may need to provide:

☐ A copy of the POA
☐ Identification
☐ Additional forms or certifications requested by the institution

Ask how the institution wants you to sign transactions when acting as your parent's agent.

**Be cautious about adding yourself as a joint owner simply because you are POA. Acting as an agent and owning an account are different things.*

☐ 8. REVIEW AUTOMATIC PAYMENTS AND INCOME

Make a list of money coming in and going out each month.

Money coming in:

☐ Social Security
☐ Pension payments
☐ Retirement distributions
☐ Investment income
☐ Other income

Money going out:

☐ Housing or assisted living
☐ Insurance
☐ Utilities
☐ Medical expenses
☐ Prescription costs
☐ Credit cards
☐ Subscriptions
☐ Other recurring expenses

This can help you spot missed payments, duplicate charges or expenses that are no longer necessary.

☐ 9. THINK TWICE BEFORE MAKING GIFTS OR TRANSFERS

Don't assume that because your parent previously gave money to children, grandchildren or charities, you automatically have authority to continue doing so.

The POA document and state law may limit an agent's ability to make gifts or certain other transfers.

This is an area where getting legal advice before acting can be especially important.

☐ 10. REMEMBER: YOUR PARENT MAY STILL BE IN CHARGE

Being named as someone's POA does not automatically mean that person loses control of their own finances.

Depending on the POA and the circumstances, your parent may continue making their own financial decisions.

Your role is to assist or act for them within the authority you've been given, not automatically take over every decision.

A SIMPLE "DAY ONE" FILE

Create one folder — digital, paper or both — and start with:

☐ Copy of the Financial POA
☐ Current account list
☐ Monthly income list
☐ Monthly expense list
☐ Insurance information
☐ Recent bank/investment statements
☐ Contact information for attorney, accountant and financial adviser, if applicable
☐ Receipts and transaction records going forward
☐ Notes about significant financial decisions

You don't have to have everything perfectly organized.

The important thing is to start.

FREE GOVERNMENT RESOURCE

The Consumer Financial Protection Bureau (CFPB) publishes a free guide specifically for people acting as agents under a Power of Attorney called:

Managing Someone Else's Money: Help for Agents Under a Power of Attorney

It provides additional information about fiduciary responsibilities, record keeping, scams and managing another person's money.

Check out this tool from the Consumer Financial protection Bureau Here:

https://www.consumerfinance.gov/consumer-tools/managing-someone-elses-money/

MPORTANT DISCLAIMER

Parent Care Workshop provides educational information and resources for families navigating the care of aging parents.

This checklist is provided for general informational and educational purposes only. It is not legal, financial, tax, medical or professional advice, and it is not a substitute for advice from a qualified professional who understands your individual circumstances.

Power of Attorney documents and the laws governing them vary by state and by individual document. The authority and responsibilities of an agent depend on the specific Power of Attorney, applicable law and the circumstances involved.

Before making significant financial, legal, gifting, ownership, beneficiary, investment, real-estate or estate-planning decisions on behalf of another person, consider consulting an appropriate attorney, CPA, financial professional or other qualified adviser.