

Creating a Financial Power of Attorney

This playbook describes the steps to create a financial power of attorney (FPOA) document. It outlines the process of appointing a trusted individual to manage your financial affairs in the event that you are unable to do so yourself.

Step 1: **Choose Agent**

Select a trusted individual who you believe will act in your best interest to handle your finances. This person is often referred to as your 'agent' or 'attorney-in-fact'.

Step 2: **Determine Powers**

Decide on the extent of powers you want to grant your agent. This can range from broad authority to handle all of your finances to limited powers for specific transactions.

Step 3: **Consult Lawyer**

Seek legal advice from an attorney who specializes in estate planning or elder law. They can help you understand the implications of an FPOA and ensure that it complies with state laws.

Step 4: **Draft Document**

Draft the financial power of attorney document. Your attorney can create this for you, or you can use a legal document preparation service or software, ensuring it meets local legal requirements.

Step 5: Review Details

Carefully review the drafted document. Check all details are correct, including the identification of the parties involved, the powers granted, and any limitations or conditions.

Step 6: Sign & Notarize

Sign the document in front of a notary public. Depending on your jurisdiction, the signing may also require witnesses. Check local laws for specific signing requirements.

Step 7: Store Safely

Store the signed and notarized document in a secure location. Inform your agent and any relevant family members or trusted friends where they can find the FPOA if it becomes necessary.

Step 8: Inform Financial Institutions

Provide a copy of the FPOA to your financial institutions. Make sure they have the document on file and understand its implications should your agent need to step in and manage your accounts.

General Notes

Consider Durability

Understand the difference between a 'durable' power of attorney and a 'non-durable' one. A durable FPOA remains in effect even if you become incapacitated, while a non-durable FPOA does not.

Keep Updated

Regularly review and update your FPOA to reflect any changes in your financial situation or personal relationships. Legal changes may also necessitate updates.

Legal Validity

Ensure that the FPOA conforms to current laws and regulations of the state in which it will be used. Requirements can differ significantly from state to state.

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