

# ORGANIZING FINANCES



CAREGIVING

Finances may not be your favorite topic, but at some point, it is something that almost everyone must address with their older loved ones. Quite honestly, it's one of those topics that is better addressed sooner than later.

If you collect nothing else, the following documents are important to have access to (and to draft up if your loved one hasn't yet):



**A power of attorney form.** This allows you to step in and care for their finances should that become a necessity.



**A health care proxy.** This enables you to make critical medical decisions in the event that they cannot do it for themselves.



**A will.** Even if there are verbal agreements for assets, a legally drawn-up will is essential to ensure that the estate distribution runs smoothly.

These important documents should not be kept in a safe deposit box in a bank but in a fire-proof safe in the home. Unless you are listed on their safe deposit box, you will not be able to gain access without these forms. If they're inside the box you need access to, you can see the dilemma. If it's too late for this, you can gain access to the safe deposit box by having a new power of attorney drafted, if your loved one is still competent to authorize it. Otherwise, you will need a court order to open the safe deposit box.

Making sure that these specific documents are lined up well ahead of time will ensure that you do not have to make a contentious trip to court to have them drafted. Should you be in a position where a court trip is necessary, hire an experienced elder law attorney as you will need to prove medical and/or physical incompetence, as well as the possibility of a judgment that your senior will require additional financial oversight over your own expenditures. An elder law attorney is uniquely qualified to guide you through this process. It is very expensive and time consuming and can be avoided simply by having the power of attorney form at hand.

Source: [Bankrate](#)



## Types of Powers of Attorney



A power of attorney names a person who can act on your behalf.

**Specific powers of attorney** are limited to handling certain tasks, such as paying bills or handling retirement accounts, usually for a set amount of time.

**General powers of attorney** give your agent wide-ranging authority to handle all legal and financial matters.

Specific and general powers of attorney can end authority when you become incapacitated.

**Durable powers of attorney** may be limited or give your agent general authority to handle all your legal/financial matters, but your agent keeps the authority even if you become physically or mentally incapacitated.

Rules vary by state and your needs may change over time, so it's important to research and understand your options before creating a power of attorney.

Source: [AARP](#)

## Other Documents

There may come a time when you need to step in to handle your loved one's larger financial investments. If all the information is not at hand and they are not able to point you in the right direction, a good place to start sleuthing is their tax returns.

Schedule B will list dividends and interest income, as well as the names of financial institutions. If your loved one worked with an accountant or financial advisor, they should be able to help. Obviously, it is helpful if you are listed as a contact with their financial advisor or accountant and have the power of attorney document at hand. Many financial advisors will even ask to have a family member listed in the event that your loved one seems to be making unexpectedly rash or unstable decisions.

Source: [Bankrate](#) and [AARP](#)



## In A Fire-Proof Lock Box

The following are documents and information that are helpful to also keep on hand in an in-home lock box. This is a good list to collect for yourself in your home as well.



☐ Will (including name, firm name, location, contact information of attorney)

☐ Labeled keys

☐ Lock combinations

☐ Deeds; titles of registration for land, condo, home, vehicle(s)

☐ Social Security card

☐ Education and military records

☐ Marriage license

☐ Divorce decree

☐ IOUs, private loan agreements

☐ Stock certificates, bonds

☐ Information about any pre-purchased funeral service, cemetery plot, and funeral requests

☐ Computer login and passwords for all online accounts, including PayPal and other money transfer services; checking and savings; department stores and national credit card companies; and social media

☐ Account numbers for all credit cards

☐ Locations of living will and other legal documents

☐ The last three years of federal and state tax returns (Save seven years if the person in your care has filed a claim for worthless securities or taken an unpaid debt deduction.)