

APPENDIX 1A

Checklist of Factors to Consider in Selecting a Trustee

Desirable characteristics of a trustee

- _____ Willing and able to devote the time necessary during the trust term
- _____ Good judgment and decision-making ability
- _____ Integrity
- _____ Independence from the grantor and beneficiaries (if needed for decision-making)
- _____ Adequate financial, business, tax, and legal knowledge (including fiduciary responsibilities) Financially secure
- _____ Fair and impartial (no conflicts of interest)
- _____ Accurate understanding of grantor's goals
- _____ Knowledge of individuals involved with the trust (personalities)
- _____ Experience managing unique assets to be placed in trust
- _____ Adequate administrative ability, attention to detail, and flexibility
- _____ Capable of working with professional advisors the trust may hire
- _____ Discretion over confidential matters
- _____ Adequate proximity to trust assets and beneficiaries for the trust term
- _____ Previous experience as a trustee
- _____ Willingness to surrender trusteeship to a successor if appropriate

_____ **Legal requirements regarding the trustee**

- _____ Knowledge of state law requirements, including the trustee's state of residency and age
- _____ Need for an *ancillary* trustee in another state (for real estate)
- _____ Non-U.S. fiduciary—applicability of *foreign status* rules

Fee charged (including fees for inception, termination, and transactions)

- _____ Professional trustees often charge a relatively high fee for small trusts
- _____ Individuals sometimes handle trusts too small for a professional
- _____ Individuals often accept a trusteeship for no fee or a small fee
- _____ Are tax preparation and asset management services included as part of the overall trustee fee?

Ability to work with co-trustee(s) (if any)

Complementary skills

_____ Willingness to follow dispute resolution procedures

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