



What does good trust management involve

“Look to the future, because that is where you will spend the rest of your life”
- **George Burns**

Being a trustee carries with it many responsibilities that people are often not aware of. There can be very real consequences for getting it wrong.

Trustees have many duties and are required to act honestly, reasonably, responsibly, diligently, prudently and in good faith.

The level of trust management required can vary greatly depending on the complexity of the trust.

Trustees also have important requirements to consider around investment and tax. They also need to know when to take professional advice.

A 2001 High Court case gave the following recommendations for good trust management.

Guidelines for good trust management

- a) *The need for regular meetings of the trustees (at least annually);*
- b) *The need for formal agenda for those meetings;*
- c) *The need to keep formal minutes of those meetings;*
- d) *The need for a formal minute book to be available to all trustees, such minute book to contain approved copies of minutes and any resolutions that may be made by the trustees;*
- e) *The need for formal and timely consideration and approval of financial statements;*
- f) *The need for formal decisions on the treatment of income;*
- g) *The need to ensure that the power to use majority voting is exercised only after all trustees have been formally consulted and each has had an opportunity to express his or her views at a meeting and to try and persuade his or her co-trustees (in the event of initial disagreement) at that meeting to his or her point of view.”*



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