

ITA MEMBER BEST PRACTICES

BACKGROUND

ITA has been formed by a group of professionals who serve as trustees and also provide ancillary services for serving Trustees and those who work in the Trust industry. The reason the founders came together to form ITA is their desire to set a high bar of professionalism for those who wish to serve as an Independent Trustee, and provide dedicated, faithful service to the beneficiaries they have been asked or appointed to serve.

In addition to the ITA Code of Ethics, the founders have established a set of best practices that all ITA members are expected to follow in the course of their duties as Trustees. Those best practices are as follows:

1. Compliance with applicable law

The trustee shall comply with all local, state, and federal laws, regulations, and requirements developed by ITA as a minimum guide for the fulfillment of the fiduciary duties.

The trustee shall seek competent professional advice whenever appropriate and in the best interests of the beneficiary.

2. Fees and Services

Many members will come from other disciplines such as Law, Accounting, Banking and Financial Services. As an ITA member, when serving as a paid trustee, care must be taken to be sure that fees for services are for work as the trustee and not for additional services (e.g. The drafting attorney must consider carefully if also serving as trustee in the same matter is in the best interest of the settlor and beneficiaries, and then decide on appropriate compensation).

Other professional experience can be important background, adding to the ITA member's ability to perform the work as trustee the exercise of good judgment and the efficient performance of Trustee tasks, but should not be utilized to inflate a trustee's compensation for trust services. The duty of loyalty and absence of conflict of interest should be clear, in all agreements and activities of the ITA member, and in the performance of the ITA member's work as a trustee.

3. Faithful and Diligent Administration

The ITA member should generally be mindful of the impact of the administration on

- a. the beneficiaries,
- b. any other stakeholders, and
- c. family harmony

and make every effort to help the beneficiaries and the family function in a fashion that carries out the purposes of the trust.

4. Management of the Trustee's Risk:

- (a) A trustee shall not compromise his loyalty by acting (or by choosing not to act) solely in order to reduce his personal exposure to liability risk.
- (b) A trustee shall tend to the management of his own risks as well as that of the trusts he administers.
- (c) A trustee should be insured.

5. Commitment to regular Communication with the Settlor and all Beneficiaries:

Providing those whom a trustee serves with accurate and timely information regarding the administration of the trust is at the core of truly appropriate and faithful service by the trustee. The greatest cause of uncertainty, discomfort and fear on the part of beneficiaries is lack of communication to them by the trustee. ITA members when serving as trustee are expected to commit themselves to complete, transparent and timely information on their actions as trustee and proposed changes planned for the administration or operations of the trust.

6. Commitment to Continued Education and the Improvement of Professionalism.

ITA members are encouraged to continue to improve their knowledge and skills, through attending CE offerings, sharing ideas and information with colleagues and assisting them in their professional development.

Those who wish to raise their level of Professionalism above the level of Regular Membership are encouraged to apply for and attain accreditation as a Certified Independent Trustee®, through the ITA program for certification of Independent Trustees.

7. Duty of Care

One of the primary fiduciary duties required of a trustee is the duty of care to the beneficiaries served by the trustee. The duty of care requires the trustee to make decisions after taking all available information into account and then taking action that will be faithful to the purposes of the trust and in the best interest of the beneficiaries. Trustees are required to exercise the utmost care in making decisions in order to fulfill their fiduciary duty.