



10 Questions to Ask When Hiring a Fiduciary

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When it comes to choosing a fiduciary it's important to have a thorough understanding of their background and their business operations in order to ensure your experience will be a successful one. As a practicing fiduciary, I have come up with a list of 10 questions to consider asking a potential fiduciary during the interview process.

1. How long have they been in business and how many clients do they have? No two clients are alike so hiring someone with a wide variety of experience will prove beneficial and will cost you less money in professional and legal fees down the road.
2. Are they properly insured? Do they have fiduciary errors and omissions, general liability, or cyber fraud insurance? If they have employees, do they have a third party dishonesty bond to cover theft?
3. Do they perform in depth background checks and credit checks on all new hires and employees?
4. When do they plan on retiring and what is their exit strategy when that happens? How do they handle vacations and holidays and is there a back up plan in place for unforeseen health issues that may arise?
5. What type of procedures and practice management software are in place to manage customer data, tasks, controls and protection of the client's information and financial affairs?
6. What is their education and background? Do they have the appropriate certifications for their profession? Some examples would be: NCG, PDMM or a Certificate in Professional Fiduciary Management.
7. Are they active members of their respective national associations such as the National Guardianship Association or the American Association of Daily Money Managers? Both of these associations have codes of ethics and standards of practice that their members are required to adhere by.
8. Request a list of testimonials from clients, families and other professionals who have worked with them. You may also want to request a copy of their resume which will typically outline education, certifications, accolades and community involvement.
9. Do they work out of their home or have an office? In either case, it's important to know what security measures are taken to protect your personal information. How do they handle visitors, do they have a security system and what protections are in place for their software and computers? Where and how do they store personal property?
10. Request a copy of their service agreement or contract. How do they bill for their services? Do they charge for travel time, mileage, out of pocket expenses, and/or staff conferences? Do they charge variable rates for different tasks performed by employees? If so, what is their average hourly rate?

Whether you are the client or a family member it's important to do your due diligence so you can have the confidence knowing your affairs will be handled properly and with confidence.

If you have further questions or comments, feel free to contact me at Courtney@lotusfiduciarygroup.com