



ENTRUST FIDUCIARY SERVICES, INC. ENTRUST GUARDIANSHIP SERVICES, LLC

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What is a Conservator and Why Would I Need One?

What is a Conservator? In Arizona, a conservator is appointed by the court to manage and protect, or *conserve*, the assets and property of another person, called the protected person. The conservator may be a professional fiduciary or an individual. A professional fiduciary receives substantial training regarding the appropriate management of another individual's assets.

Why would I need a Conservator? The protected person may be a minor or someone who is unable to manage their finances due to mental illness, a mental disorder, physical illness or disability, chronic use of drugs or alcohol, confinement -such as in a local, state or federal penitentiary, or because the person cannot be located. In all instances, the court believes that the protected person's assets will be wasted or lost unless someone is appointed to protect them.

What does a Conservator do? A conservator does everything one would do with their own finances and property such as paying the monthly bills, making sure there is sufficient insurance to protect all assets, filing annual taxes and ensuring that excess funds are invested properly. Conservators are monitored by the Superior Court and are required to post a bond. A bond is similar an insurance policy and would be used to reimburse the estate if the conservator acts inappropriately or misuses the assets of the protected person. In order to obtain a bond, the conservator must provide a personal financial statement to the bonding company and must consent to a review of their personal credit history. Much like a loan, not all individuals will be able to qualify for a bond.

Isn't this the same thing as a Power of Attorney? Not exactly. A power of attorney is a document executed by one person giving authority to another person to manage their assets and/or property. Typically, powers of attorney are drafted by an attorney and do not involve the courts.

How are a Power of Attorney and a Conservatorship similar? In each instance, the person acting on behalf of the other person is required to act in that person's best interest; meaning they may only use the protected person's assets and property for the protected person's benefit. In most instances, a power of attorney grants the agent the same authority that a conservator has under Arizona law.

How are a Power of Attorney and a Conservatorship different? The biggest difference between a power of attorney and a conservatorship is that with a power of attorney there is no third party watching over the actions of the agent. Arizona law does not require an agent to record a power of attorney or to notify any other individual that they are acting on another person's behalf.

Additionally, conservators must account to the court, the protected person and interested parties annually regarding how they are protecting the assets and spending the money of the protected person. This is not required of agents under a power of attorney. While the costs of a conservatorship may be slightly higher, the oversight and protection provided to the estate of the protected person make the increased costs worth it.