

# Understanding your role as Power of Attorney: A Quick Guide

There are times when you may be asked to help a family member or friend with their financial affairs. They may be going on a holiday, working overseas, or perhaps have lost their capacity to manage their banking and finances. This is when they may request that you act as their attorney.

An attorney is appointed under a document called a power of attorney (POA), which is a legally binding agreement that gives the attorney authority to make financial and/or legal decisions on behalf of the principal/donor. The POA will set out what you can do and how you can act on behalf of the principal/donor as their attorney.

There are certain responsibilities that come with accepting this role. Particularly when it comes to managing the principal/donor's bank accounts and other finances.

This guide provides you with some helpful information about these responsibilities.

## As an attorney, you must:

- ✓ Understand that you have signed a legally binding agreement.
- ✓ Know the difference between an Enduring and General Power of Attorney. Depending on the circumstances, the Bank may not be able to accept a General POA.
- ✓ Always act in the best interests of the principal/donor.
- ✓ Support the principal/donor and follow their instructions and those outlined in the POA document.
- ✓ Provide the Bank with an original certified copy of the POA document to be added as a signatory to the principal/donor's bank account/s.
- ✓ If requested, provide the Bank with copies of invoices or receipts that support transactions being made are for the benefit of the principal/donor.
- ✓ Keep accurate and up-to-date records and receipts of transactions performed.
- ✓ Keep your money and property separate from the principal/donor's.
- ✓ Understand that the funds in a bank account belong to the principal/donor, not you personally as the attorney.
- ✓ Provide the Bank with a medical certificate if the principal/donor loses capacity to manage their finances.
- ✓ Let the Bank know if the principal/donor passes away.

## As an attorney, you should not:

- x** Make any transactions from the principal/donor's account that benefit you personally.
- x** Neglect the principal/donor's wishes, particularly if they still have capacity to manage their affairs.
- x** Breach your duty as an attorney as you may be required to compensate the principal/donor for losses caused.
- x** Gift the principal/donor's money to other's unless it is specifically stated in the POA document.
- x** Use a bank card in the principal/donor's name or log into their e-banking with their details.
- x** Make any careless or fraudulent transactions from the principal/donor's account.
- x** Make decisions or transactions without the other attorney/s approval if the POA instructs that you are to act jointly.

This is a guide only and does not reflect all your responsibilities as attorney. You should always refer to the power of attorney or seek legal advice to understand your role and responsibilities as an attorney.

### Need more help?

Refer to the Compass website, which is a handy resource to find more information on being an attorney, including:

- What is an Enduring Power of Attorney
- Understanding capacity
- How to be an attorney
- What applies in your state or territory
- And much more

[compass.info/featured-topics/powers-of-attorney](https://compass.info/featured-topics/powers-of-attorney)