

Voelz Law, LLC

James K. Voelz
Attorney at Law

Blake C. Reed
Attorney at Law

Lora R. Mount
Attorney at Law

Fax 812-378-9516

427 Washington Street
P.O. Box 544
Columbus, IN 47202-0544

812-372-1303

Roger A. Walby
Medicaid Paralegal

Legal Assistants

Dianna L. Freese
Liza M. Spencer
Linda S. Chilcote
Vicki L. Howarth
Katrina M. Palmer

INSTRUCTIONS FOR PERSON SERVING AS ATTORNEY-IN-FACT UNDER A POWER OF ATTORNEY

If you serve as the attorney-in-fact for someone (the principal) pursuant to their power of attorney, then you need to be aware of your duties and responsibilities as follows:

1. Make Sure That You Have Authority to Act. You should read the terms of the power of attorney and make sure that you are able to act. Some powers of attorney do not give authority to act unless there is a written doctor's statement (some require two (2) doctor's statements) that the person is incapable of managing their financial affairs or some other certification as set forth in the power of attorney. Do not act on behalf of the principal until you have the required certification, if one is required.

2. Duty to Follow the Terms of the Power of Attorney. You should carefully read the provisions of the power of attorney and fully understand the extent of your authority to act on behalf of the person who signed the power of attorney. It is illegal for you to exceed the authority that has been granted to you so it is very important for you to understand what authority you do have. Remember that if you exceed the authority granted to you by the provisions of the power of attorney, then you can be accused of committing a crime and can be held liable for damages, including attorney's fees.

3. Social Security and Other Governmental Benefits. The power of attorney prepared according to State law will not permit you to deal with Social Security benefits, the IRS, the Indiana Department of Revenue, or Federal or State agencies. The Social Security Administration does not recognize any authority to act pursuant to a power of attorney. In order to be able to receive Social Security and to expend it on behalf of a Social Security recipient, you must be appointed Representative Payee by the Social Security Administration. Also, many governmental agencies, such as the IRS, Indiana Department of Revenue, and Department of Agriculture, have their own power of attorney forms, and they will not permit someone to act pursuant to other powers of attorney. You should check the provisions of the power of attorney granting you authority to make sure that it gives you authority to sign the principal's name on a power of attorney form that is approved by the IRS, the Indiana Department of Revenue, or some other governmental agency that you need to deal with.

4. Duty to Act in the Person's Best Interests. You should make reasonable financial judgements and perform transactions that are designed to serve the best interests of the person. You should consult with other professionals, such as an attorney, accountant, or financial advisor, if you need help making the best decisions or if you need help performing certain transactions.

5. Duty to Not Self-Deal with the Person's Property. Unless the provisions of the power of attorney provide otherwise, you are not allowed to self-deal with the person's property or money. This means that you should not put any of the person's money in your account or spend any of the person's money for your own personal benefit, nor should you use the person's property, such as an automobile, for your personal use, unless this is permitted by the power of attorney.

6. Gifting Authority. Many powers of attorney grant "gift transactional authority" or gift transactional authority under Indiana Code 30-5-5-9. These provisions give the attorney-in-fact authority to make gifts to the principal's spouse, children, other descendants, the spouse of a child or other descendant, and to charitable or other organizations that the principal has made gifts to and to satisfy pledges that the principal has made to organizations. These provisions do not authorize the attorney-in-fact to make gifts to anyone else, unless specifically authorized by the power of attorney. These provisions also mean that the attorney-in-fact, or the attorney-in-fact's spouse, or someone that the attorney-in-fact has a legal duty to support, cannot receive gifts that exceed the annual Federal gift tax exclusion amount that is \$13,000.00 per calendar year per person for gifts made during 2012. This amount may increase in the future due to an inflationary index that is built into the law.

7. Keep the Principal Informed. If the principal has mental capacity, then you should inform the principal of the transactions that you are performing on behalf of the principal and to get permission to conduct these transactions.

8. Duty to Account. You are required to keep detailed and accurate financial records of all transactions that you perform on behalf of the principal. You may be required to prove the amounts of money or property that you received as the attorney-in-fact, all of the person's income that you received as attorney-in-fact, and every expenditure that you made on behalf of the person. You should keep copies of all bank, credit union, brokerage account, retirement account, and other statements and all other financial records that show transactions that occurred during all periods of time that you were acting on behalf of the person.

9. How to Sign Checks and Legal Documents. You should put a copy of your power of attorney on file with each bank, credit union, broker, or company that has deposits or assets that you will be dealing with as attorney-in-fact. You should sign checks and legal documents on behalf of the principal as follows:

_____ by Name of principal by your name, POA

or

Name of principal by your name, attorney-in-fact

10. Ability to Be Paid for Your Services. If the provisions in the power of attorney state that you are not entitled to a fee for services rendered, then you cannot charge a fee. If the power of attorney does permit you to charge a fee for your services, then you can charge a fee, but it should be reasonable. You should keep track of your time and other expenses if you are later required to prove that your fee was reasonable. If the power of attorney was signed in Indiana after June 30, 1991 and if the power of attorney has no provisions concerning your ability to pay yourself for services and to reimburse yourself for expenses, then the Indiana law will permit you to charge a reasonable fee and to be reimbursed for your expenses. However, you must submit a bill for your fees and expenses to the principal within twelve (12) months after you performed any service for which you are seeking compensation, or you will not be entitled to be compensated for that service.

11. Power to Delegate. If you are leaving town or need someone else to act for you, then you should check the provisions of the power of attorney to see if you have the power to delegate your authority. If you do, then you should contact an attorney so that an appropriate legal document can be prepared to be signed by you so that the proper delegation of authority can be given by you to someone else who can act during your absence or inability to act.

12. Recording Power of Attorney. It is not necessary to record the power of attorney in the County Recorder's office, unless you will be signing a deed, mortgage, or other legal document on behalf of the principal that involves real estate located in that county.

13. Revocation of Power of Attorney. The power of attorney can be revoked, and if the principal informs you that the power of attorney is revoked, then you should seek legal advice as to whether you continue to have authority to act.

14. The Power of Attorney Ends at Death. If the person who signed the power of attorney dies, then you no longer have any authority to act for that person under the power of attorney. The powers that you have cease when the principal dies.

15. Get Legal Advice. If you are unsure as to your duties and responsibilities or whether you have authority to perform certain acts on behalf of the principal, then you should consult with an attorney who can review the power of attorney and give you legal advice.