



Fiduciary Choices for Administration of Charitable Estates and Trusts

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Factors to Consider in Choosing a Fiduciary

Ability and Experience



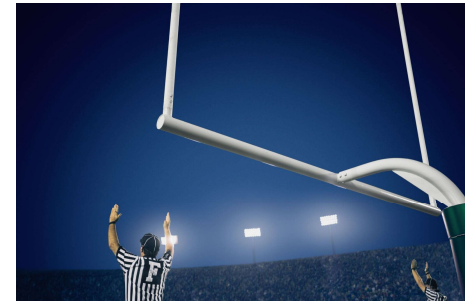
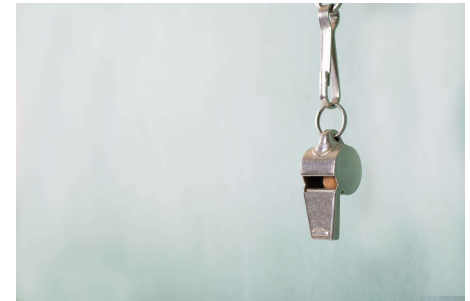
Multiple Tasks and Deadlines

- Technical Expertise
- Legal Background
- Tax Preparation
- Financial Acumen
- Knowledge of Complex Asset Management
- Project Management and Multi-tasking
- Impartiality and Independence
- People Skills

Factors to Consider in Choosing a Fiduciary

Duty to be Impartial and Independent

- Is the fiduciary also a beneficiary? A family member?
- Do they understand their fiduciary duties? Can they be impartial?
- Are they aware of the tension between the need for transparency and confidentiality?
- Do they know that the estate or trust includes charitable gifts?
- Do they appreciate that the duties owed to individual beneficiaries are the same as those owed to the charities?



Factors to Consider in Choosing an Individual Fiduciary (Spouse, Family Member, Friend)

Availability and Willingness – Individual Executors and Trustees

- Do the individual(s) know that they have been nominated?
- Do they know how much work is involved? Have they agreed to act?
- Are they aware of the deadlines? Do they have the time?
- Are they also beneficiaries? Are they aware of the other beneficiaries? Can they be impartial?
- Can they do the work if they are grieving the loss of a loved one?
- Are they aware of the risk of exposure to personal financial liability?
- Is there a back-up plan if they are not willing or able?
- Will they hire the needed professionals and then accept and follow their advice?



Factors to Consider in Choosing a Corporate Fiduciary

Availability and Willingness – Corporate Fiduciaries

- Minimum estate size? Minimum fee for post-death administration?
- Sufficient liquidity for debts, taxes, expenses and fees?
- Does the fiduciary know that they have been nominated?
- Has the fiduciary reviewed the estate plan documents?
- Are there complex assets that may be difficult to manage, sell or transfer?
- Are there any “toxic” assets?
- What about “toxic” people?
- Are they authorized to act in all the necessary jurisdictions?



Factors to Consider in Choosing an Individual Professional Fiduciary

Availability, Accessibility, Experience and Qualifications

- Are they licensed by the State of California? [Licensees - Professional Fiduciaries Bureau](#)
- Are they properly and sufficiently insured and bonded?
- What is their level of experience with post-death administration of estates and trusts in general? With charitable estates and trusts?
- Will the estate or trust hold assets that require specialty asset management skills and experience? Real estate? Interests in closely held business entities? Fine art and collectibles? Does the fiduciary have the required skills and experience?
- Does the fiduciary know that they have been nominated, and have they reviewed the estate plan documents? Are they willing and able to act, currently or in the future?
- Is the professional fiduciary geographically desirable? Do they typically work in the county or region in which the estate or trust will be administered? Will they be accessible to the beneficiaries?
- Are there “toxic” assets or “toxic” people? If so, is the fiduciary prepared to deal with them?
- Are they authorized to act in all the necessary jurisdictions?
- Have they been referred by a reliable and trustworthy source? (Estate planning attorneys, CPA’s, financial professionals)
- Are they a member of the Professional Fiduciary Association of California? [Fiduciary Search](#)



Navigating Fiduciary Options Before a Death Occurs

Inquire

Ask donors to share information about:

- Family
- Other Beneficiaries
- Estate Plan
- Assets and Liabilities
- Beneficiary Designations for IRAs, Life Insurance, and other POD and TOD Assets and Accounts
- Professional Advisors
- Financial Institutions
- Nominated Fiduciaries

Minimize the Element of Surprise



Navigating Fiduciary Options Before a Death Occurs

Advise

Share your war
stories

Facilitate inter-
generational family
discussions

Maintain a network
of professional
advisors and
fiduciaries

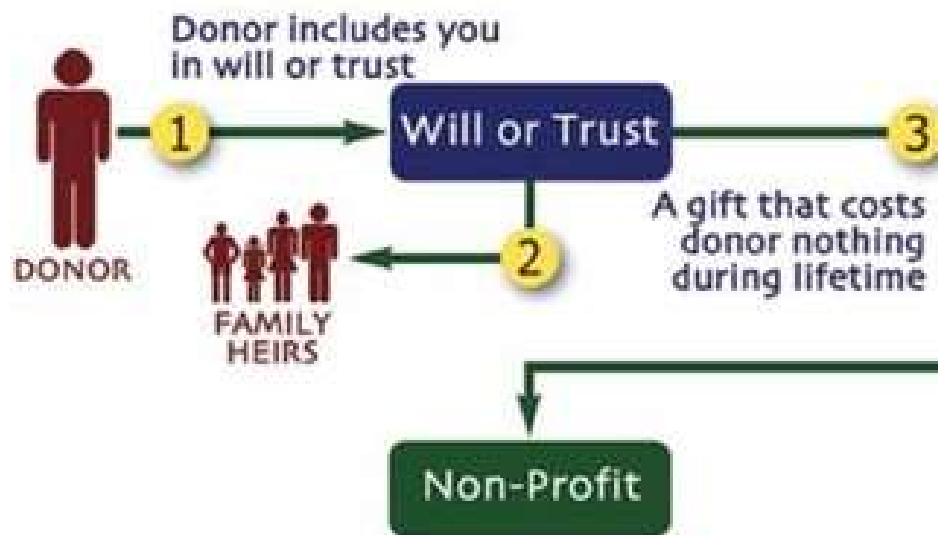
Make thoughtful,
appropriate, and
informed referrals

Help donors gather
and maintain up-to-
date asset and
liability information

Set realistic
expectations for
post-death
administration

Navigating Fiduciary Options Before a Death Occurs

Post-Death Administration is NEVER this simple...



Educate

- The post-death administration process is complicated, time-consuming and often full of surprises
- Create and provide opportunities to demystify the post-death administration process
- Teach donors and clients how to manage the expectations of their beneficiaries, including charitable beneficiaries
- Help identify and nominate fiduciaries who will be willing and able to carry out their wishes

Navigating Fiduciary Options Before a Death Occurs

Create opportunities to answer the “Why?” questions before its too late



“I have one further suggestion for all parents, whether they are of modest or staggering wealth. When your children are *mature*, have them read your will before you sign it. Be sure each child understands both the logic for your decisions and the responsibilities they will encounter upon your death. If *any* have questions or suggestions, listen carefully, and adopt those found sensible. You don’t want your children asking ‘Why?’ in respect to testamentary decisions when you are no longer able to respond.”

– Warren E. Buffett – November 25, 2024

Navigating Fiduciary Options Before a Death Occurs

Have a Back-up Plan in Case Your Chosen Fiduciary Cannot Act

- ❑ The actor, Gene Hackman, 95, died on February 18, 2025 (The bodies of Hackman and his wife, Betsy Arakawa, 65, were found together in their Santa Fe, NM home on February 26, 2025.)
- ❑ An investigation found that Hackman's wife died on February 12, 2025.
- ❑ Public documents indicate that Hackman named Arakawa as his personal representative and as successor trustee of his living trust.
- ❑ Hackman has three adult children from a prior marriage.
- ❑ Naming a spouse to act as a fiduciary, post-death makes sense, but contingent successor fiduciaries should be named in case the spouse cannot act.
- ❑ The 30-year age difference between Hackman and Arakawa made it reasonable to assume that Arakawa would survive and would be able to act
- ❑ In the absence of a named successor, it will be up to Hackman's three adult children to determine who will act. Hopefully, they have a good relationship.



Navigating Options for Charitable Gifts at Death Before a Death Occurs

What is the best type of charitable gift at death?

- Beneficiary Designation
 - Transferrable on death (TOD) or Payable on death (POD) gifts are easy for donors to set up during life
 - Gather as much information as possible about these gifts before death
 - Be aware of the challenges that charities (and other beneficiaries) may face when they seek to collect these gifts, post-death



Navigating Options for Charitable Gifts at Death Before a Death Occurs

What is the best type of charitable gift at death?

- Pecuniary charitable bequest
 - Will or Trust



Navigating Options for Charitable Gifts at Death

What is the best type of charitable gift at death?

- Asset specific charitable bequest
 - Know the charity's gift acceptance policy
 - Real estate
 - Tangible personal property
 - Securities and other intangible assets



Navigating Options for Charitable Gifts at Death Before a Death Occurs

What is the best type of charitable gift at death?

- Share or percentage of estate or trust residue
 - Appropriate Transparency
 - Duty to Account



"Whoa, let's not go crazy. How about we just make our accounting translucent?"

“The Executor”



THE EXECUTOR

I had a friend who died and he,
On earth so loved and trusted me,
That ere he quit this earthly shore,
He made me his executor.

He tasked me through my natural life,
To guard the interests of his wife,
To see that everything was done,
Both for his daughter and his son.

I have his money to invest,
And though I try my level best,
To do that wisely, I'm advised,
My judgment oft is criticized.

His widow once so calm and meek,
Comes, hot with rage, three times a week,
And rails at me, because I must,
To keep my oath appear unjust.

His children hate the sight of me,
Although their friend I've tried to be,
And every relative declares,
I interfere with his affairs.

Now when I die I'll never ask,
A friend to carry such a task,
I'll spare him all such anguish sore,
And leave a hired executor.

– Edgar A. Guest 1881 – 1959



Thank you!

With preparation, patience, persistence, and clarity, we can create powerful legacies for our families, for our communities, and for the causes and institutions we hold dear!





Questions?

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