

Greenway Capital Advisors, LLC

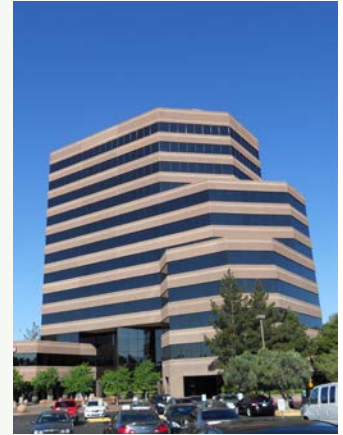
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Developing a Fiduciary Policy Manual for a Private Trust Company

In light of the fact that there is no public interest to protect with a private trust company, states, as a general rule, subject private trust companies to less regulation than a public trust company and a bank trust department. However, it is in the best interest of a private trust company and present and future family members that a private trust company operates in accordance with sound fiduciary policies and procedures.

The following are some key policies for a private trust company to consider when developing a fiduciary policy manual:

- 1. Acceptance of New Trust Accounts.** A process should be in place for the formal acceptance of new trust accounts. It is commonplace for the acceptance of new trust accounts to be approved by the board of directors or a separate committee designated by the board.
- 2. Annual Administrative Review.** A review of all trust accounts should be performed to assure that the fiduciary duties and responsibilities are being carried out. The review can be performed by the trust officer assigned to the trust account with oversight from a senior officer or a committee designated by the board.
- 3. Discretionary Distributions.** All requests for discretionary distributions by beneficiaries should be documented and reviewed by the board or a committee designated by the board. The board or committee will approve or disapprove the request and document its decision in the appropriate set of meeting minutes.
- 4. Termination of Accounts.** There should be a process for documenting the termination of trust accounts. A report of the terminated trust accounts should be presented to the board or a committee designated by the board.
- 5. Initial Investment Review.** Upon the acceptance of a trust account for which a private trust company has investment discretion, a prompt review of all trust assets should be conducted. The purpose of the initial review is to evaluate the appropriateness of the assets for the trust account, and determine what investment program is consistent with the needs and objectives of the trust account. It is customary for the board of directors to assign a private trust company's investment duties and responsibilities to an Investment Committee.
- 6. Annual Investment Review.** At least once every calendar year, a review should be made of all assets of each trust account for which a private trust company has investment discretion. The purpose of the review is to evaluate whether the assets are appropriate, individually and collectively, for the trust account. Once again, the responsibility for such a review typically rests with the Investment Committee.



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