



Safeguard Your Parent's Finances

Protect your loved one
from elder financial abuse

An Overview and Checklist

by

Anne Hamner Rosales

Safeguard Your Parent's Finances: Protect your loved one from elder financial abuse

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About the Author

Anne Hamner Rosales blogs about the midlife journey at JubilantAge.com. She offers tips and inspiration to help readers live with purpose, confidence and joy at midlife. Anne holds degrees from Yale College and Stanford Graduate School of Business, but she considers her life's greatest achievement to be raising her three amazing children.

Personal experience stimulated Anne's interest in topics like caring for aging loved ones, retirement and longevity. She has earned certificates in Health Care Advocacy from the University of California, Berkeley, and in Non-Fiction Creative Writing from Stanford University.

Anne lives in Northern California with her husband of over thirty years and two Portuguese Water Dogs. If not at her computer, you'll probably find her in the kitchen or on the tennis court.

Elder Financial Abuse

The National Center on Elder Abuse reports that financial exploitation of elders costs older adults \$2.6 billion annually in the US. Reported financial abuse affects nearly one in twenty older adults, and more remains unreported. Unfortunately the perpetrators are usually people close to the elder: family members, friends, neighbors and health care workers account for as much as 90% of elder financial abuse. Strangers also exploit elders through telephone and internet scams.

It's more important than ever to help your vulnerable loved ones safeguard their finances. Although they may assure you that all is fine and you needn't worry about them, it's best to set up safeguards ahead of time. Anyone can become confused, and scams are growing in number and sophistication. Even people who aren't cognitively impaired can fall victim to a scam.

Protect your loved one's finances

This checklist will guide you through assessing your loved one's financial situation and setting protections in place. By monitoring her key accounts and safeguarding information that could be used in identity theft, you can increase your own and the older adult's confidence that everything is ok.

Most likely, your involvement will increase over time. Initially your loved one may allow you only limited oversight. But hopefully in time, as the elder sees you are trying to help him, not to steal his money, he'll cede ongoing financial management to you.

Document all transactions

It's also important to document everything you do. Ideally you have a sibling or other trusted family member whom you can keep informed about your loved one's financial situation. Why do this? It's generally good practice to have supervision and backup when you're working with another person's money. Remember, almost 90% of elder financial abuse is perpetrated by a family member or someone close to the elder. You don't want other family members to regard you with suspicion. And should something happen to you, another trusted individual who already knows what's going on can step in to assist.

Power of Attorney

These materials assume you hold the elder's Power of Attorney (POA) for Finances. If you don't, at some point you may need POA authority to assist your loved one. If she has designated someone else as POA alongside or instead of you, you should work out details and possibly modify arrangements if appropriate.

If the elder has not designated a POA for Finances, help him take care of this important legal matter before the need arises. This is particularly urgent if your loved one is experiencing any degree of cognitive decline, since adults with dementia are at higher risk for financial exploitation. It's in your loved one's best interest to have a person he trusts safeguard his assets proactively. Waiting for the courts to declare an individual with health issues "incompetent" can result in costly delay and additional risk to their savings.

How to use this checklist

There are multiple areas to include in your oversight and eventual management of your loved one's finances. While I've separated them into sections corresponding to the order in which you generally should address them, there may be reasons you need to focus on a particular item first, or that you need to move forward through the list and come back to an earlier step.

Recognizing that many of us live in different locations from an elder who needs our help, I've tried to separate tasks that must be done at the elder's home from those you can do remotely. If you aren't able to go to your loved one's home in person, try to obtain assistance from a sibling or friend who lives closer to the older adult.

Don't procrastinate

My main advice is to get started. Some of these activities require longer lead times and multiple follow-up calls. As always, getting organized ahead of time can make things easier for everyone, if and when a crisis occurs. If you are already at crisis stage – for example, if you just realized that dementia has compromised your loved one's ability to manage her finances – you'll have to do as much as you can, as quickly as you can.

Let me know how it goes for you

Please tell me about your experiences with safeguarding your loved ones' finances. I also want to hear your suggestions, modifications and additions to this checklist. Everyone's situation is different, and we can benefit when we all share our learnings with each other.

Thanks and good luck!

Anne

anne@jubilantage.com

P.S. Remember to download the free spreadsheet!

One of the key tasks in the checklist below is to create a list or spreadsheet with your loved one's account information. I suggest putting it into a Google Sheet or Dropbox/iCloud Drive file that you can share with a sibling or other trusted individual online. This will eliminate the need to email a file attachment every time you update the spreadsheet information.

If you didn't already get a copy, [CLICK HERE](#) to download an example spreadsheet that you can adapt to your own use.

Sources

National Center on Elder Abuse, What We Do/Research/Statistics. Retrieved from <https://ncea.acl.gov/whatwedo/research/statistics.html>.

Petersen et al. (2014). Financial Exploitation of Older Adults: A Population-Based Prevalence Study. *J Gen Intern Med* 29(12):1615–23. Retrieved from https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4242880/pdf/11606_2014_Article_2946.pdf.

The Elder Justice Roadmap: A Stakeholder Initiative to Respond to an Emerging Health, Justice, Financial and Social Crisis. (2014) US Department of Justice. Retrieved from <https://www.justice.gov/file/852856/download>.

✓ Safeguard Mom's Finances: Checklist

Things that require access to your loved one's home

(1)

Gather bills and income statements

- Pull together whatever you can find – files may be disorganized
- Remember to look for bills that come once or twice a year, like property taxes, car registration, insurance and so forth
- Record your loved one's Social Security number

Take one or more checkbooks so you'll be able to assist with bill paying

- If elder still wants to pay bills, see if he will sit down and do it with you
- Or you might offer to write out checks and bring them for him to sign

Review loved one's wallet to obtain account numbers from cards

- Use your smartphone to snap photos of front and back of elder's debit/credit cards, plus any other important cards, i.e., Medicare card

(2)

Gather legal documents like elder's will, trust (if any), power of attorney documents, etc.

- Make copies as needed so you can review later

Have loved one add you as an authorized signer on her bank accounts

- Obtain complete list of accounts and balances while at bank to double-check against elder's records

Help loved one sign agency forms where required in addition to POA documents

- Some financial institutions require that their own agency form be on file, even if you provide a POA document from your attorney

(3)

Remove checkbooks and reduce access to credit cards IF circumstances warrant

- Only take this step if your loved one's judgment is impaired to the point that he poses a financial risk to himself

Swap out existing credit and debit cards for a pre-paid debit card

- Consider doing this especially if dementia is present and/or others with access to elder's cards may use them for purchases
- Pre-paid cards allow independent spending but mitigate risks. Only the value pre-loaded onto the card is at risk if card is lost or stolen



Safeguard Mom's Finances: Checklist

Things that DON'T require access to your loved one's home

(1)

Make list of accounts, both income and expense (see ex. spreadsheet or download)

- Include account numbers, customer service phone numbers

Set up new email address to manage elder's account information and communications

- Use gmail or another free service
- Provide sibling or trusted person the email ID and password

Create online accounts with creditors, utilities, etc.

- Use new email you set up as the contact point and note down IDs and passwords in the spreadsheet
- If your loved one is still paying bills, continue to have paper bills mailed to her, but monitor accounts online to detect any problems
- If you have taken over bill payment, direct paperless bills to the new email account so elder is not confused by still receiving bills in the mailbox

(2)

Contact elder's financial institutions

- Determine if providing POA document is sufficient for them to give you agency over account, or if they require another form to be submitted
- Obtain copies of all required forms and fill them out for elder to sign and notarize if required
- If unable to assist elder in person, mail forms to him or a trusted person who can assist and accompany to a notary public if needed

Sign up for online access to loved one's income accounts

- For example: IRAs, annuities, Social Security, Medicare
- These will help you obtain account history if needed and develop elder's total financial picture

Establish direct deposit for all income sources

- For example: Social Security, pension and IRA distributions, paycheck if elder is still working

Arrange for automatic bill payment wherever possible

- Best if you wait until you are main bill payer to take this step -- by waiting you avoid having the same bill paid twice (automatically as well as by the elder)
- Automatic payment will save time and avoid late fees, letting you focus on monitoring bank activity and the potentially more variable expenditures from remaining credit cards



Safeguard Mom's Finances: Checklist

Things that DON'T require access to your loved one's home (continued)

(3)

Simplify accounts, consolidating as appropriate

- *Close credit accounts as appropriate*
- *If warranted, order a pre-paid debit card to provide to elder in place of existing credit cards*

Analyze income and expenses, develop approximate annual budget

- *Track actuals v. budget to estimate how long her money will last*

Consult with financial advisor as appropriate

- *Determine how best to invest and deploy elder's assets*

Account Name	Account Number	Email	Username	Password	Notes
Amazon					
Bank account(s)					
Costco or Sam's warehouse card					
Credit Card #1					
Credit Card #2					
Credit Card #3					
Email Account					
Health Ins: Dental					
Health Ins: Long term care					
Health Ins: Medicare Part A (hospital)					
Health Ins: Medicare Part B (doctor)					
Health Ins: Medicare Part C (HMO/PPO)					
Health Ins: Medicare Part D (Rx)					
Insurance: Auto					
Insurance: Homeowners					
Investments: 401K account					
Investments: Annuity					
Investments: Broker account					
Investments: IRA institution					
Investments: Pension account					
Personal property tax (auto, etc.)					
Property tax (home, land)					
Retail store charge card					
Utility: Cable/Satellite					
Utility: Electricity & Gas					

Account / Notes
<i>This page is to help you keep track of details you're working on.</i>
<i>Here are some examples -- erase and add your own!</i>
Wells Fargo
need to add me as authorized signer
need to close old savings account, merge with other
PG&E
set up auto debit, need to keep paying until it starts in 3-4 weeks
DirectTV
see if Dad uses all channels, consider changing package to save \$
Genworth
Called to request statement of benefits