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Financial POA: How to Manage a Senior's Expenses

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You may have already been assisting your elderly parents with their finances, or maybe they told you to mind your own business, but the responsibility is put in your hands when you are given financial power of attorney (POA). You become the point person for managing your parents' money and making wise financial decisions on their behalf.

Your own financial obligations - those monthly bills, quarterly payments, annual contributions and other expenses that may stress you

out - don't go away. As a result, it can be taxing to keep track of a second set of expenses when you step in to handle your parents' finances.

"It just gets so overwhelming. You're trying to take care of you and your family and now you have your parents, their home and their bills," says Rosanne Roge, managing director of R.W. Roge and Co., a private wealth management firm based in Bohemia, N.Y.

Living costs, which occur whether your parents still live in their home, with family, or in a senior facility, as well as food, automobile, medical, personal care, charitable or religious contributions, and other expenses can constantly come your way. Your parents also might receive income from a variety of sources, including Social Security, one or multiple pensions, or an annuity.

If you're concerned about [staying organized](#) as their financial power of attorney, here are seven ways to stay on track.

- Contact financial institutions:** Start off your new role by contacting your parent's bank or investment firms to gain access to their accounts (typically you need to show a document naming you as having financial power of attorney).
- Keep accounts separate:** You will want to keep your checking and savings accounts separate from your parent's accounts, so that no family member can accuse you of taking money from your parents. Income, such as [Social Security](#)

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[benefits](#), is typically direct deposited into your parent's checking account, so there should be no issue if you are named on the checking or savings account as financial power of attorney, Roge says. The same step needs to be taken with your parent's regular bills. Contact the companies to inform them you have financial power of attorney. The bills can be sent to your address, or consider setting up a P.O. box to keep your parent's bills and other financial documents separate from yours. If your parents work with a [financial advisor](#), set up a meeting to look at existing expenses and discuss any changes to expenses or income.

4. Use personal finance software:One fast way to get organized is to purchase personal finance or money management software, such as Quicken. The software can bring all of your parents' bank and credit card accounts together to give you a snapshot of expenses and income - and keep a parent's account separate from your personal account. You can enter monthly bills (plus set up bill reminders), and keep track of regular mortgage or rent, utility, health care and other payments, and additional expenses. Personal finance software or money management sites, such as Mint.com, also have mobile apps.

5. Set up automatic bill pay: Arrange for living costs, healthcare expenses and other monthly, quarterly and annual payments to be deducted from a bank account or to be charged to a credit card. That way, you won't have to fret about missing a deadline and incurring interest or a penalty, for one of your parents' expenses.

6. Hire a bill-paying service:A bill-paying service can give peace of mind to a person with financial power of attorney, Roge says. Bill-paying services include PayTrust, which is cited by publications such as Forbes as the top bill-paying service. Other online services include ChoicePay and MyEZBills, and you also can look for bill-paying businesses in your town. In addition to paying bills, the service can provide receipts and records of all income and expenses, as well as prepare financial documents for taxes. Having a bill-paying service also helps eliminate any concern among siblings or other family members that you, as the financial power of attorney, are taking a fee or getting a cut for paying mom and dad's bills, Roge says. She adds that this option is a safe and convenient way to handle the financial power of attorney responsibility because a bill-paying service has limited access to a checking or savings account. The cost might be around \$10 month, or \$500 a year, depending on your location and the level of services you need.

7. Work with a daily money manager: A daily money manager can provide a wide range of services, including bill paying, record keeping, creating a budget, resolving credit disputes, and routine duties such as balancing checkbooks and sorting mail, according to the Society of Certified Senior Advisors. Although the term has the word "daily" in it, you might need them a few hours a week, and a daily money manager typically is paid by the hour (publicized rates range from \$25 to \$100 an hour). To find a daily money manager, a good first step is to visit the American Association of Daily Money Managers' website.

Being named financial power of attorney is a responsibility that you don't have to do alone. Getting organized is the first step. Then, finding help can help keep your sanity and free up time. Using money management tools and services from experts who don't miss a payment, you can feel more prepared and equipped to handle your parents' financial affairs.

Next: [The Difference Between a POA, Durable POA and Living Will](#)

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