

FINANCE OFFICE MEMO

PLEASE POST

TO: DENA Brothers
FR: Timothy J. Froehlich, FSC
RE: Personal Bank Accounts
Date: November 6, 2013

Brothers,

I would like to take this opportunity to offer some helpful reminders to those who have opened or plan to open a personal bank account in their own name and Social Security number.

First, let me reference our District Policy on the topic:

An individual Brother may have a bank account recorded under his name and Social Security number if he complies with Federal Income Tax regulations which may involve paying taxes and filing the annual tax form.

Someone other than the Brother who has the account should have power of attorney to act on the account in case the Brother cannot act on his own behalf. Brothers should not be co-signers on accounts since this reflects a legal ownership of such funds. This would not apply to accounts under the name and tax identification number (TIN) of the District since those accounts are legally owned by the District.

Bank accounts are to be used as an aid in managing a Brother's personal finances. These accounts should reflect the Brother's vow of poverty.

In light of our policy, here are some good reminders to keep in mind in reviewing your own situation:

- If your personal account is in the name of the District¹, you do not need to be concerned about co-signers, powers of attorney or federal income tax regulations.
- If you open a personal account in your name and Social Security number, I have two requests:

- Give to another the Power of Attorney to act on the account should you not be able to act on your own behalf. Your banking institution should be able to provide such a form.
- Instruct the bank that you wish to have a beneficiary designated on the account in case of your death. This should allow the proceeds to be distributed without having to go through the legal expense of probate. Such a designation as “POD” (Payable On Death to _____) or “ITF” (In Trust For _____) or some similar account description should be available from your bank. The beneficiary does not have to be an individual (e.g. *Brothers of the Christian Schools - DENA*).

Since DENA has been in existence, 58 Brothers have passed away. In a number of those cases, we discovered bank accounts that were improperly established. An unfortunate result was these bank accounts were lost to the State since the time and legal fees to claim the funds did not justify the expense. The probate process, with legal assistance, to claim a small bank account can cost \$1,000 or more.

Therefore, I ask for your cooperation in reviewing your own banking relationship so that when the good Lord calls us home (*for we know not the day nor the hour*) we have our financial affairs in order.

Thanks for your cooperation with this request.

Please feel free to contact me should you need any assistance.

NOTE: This memo does not pertain to Patrimony funds which should be held in a separate account and not co-mingled with stipends or other funds received from the community/District. Please consult our financial polices on this topic for additional information/guidance.

¹ District bank accounts via PNC Bank are available through the District Finance Office. Please call or email (froehlich@fscdena.org) for more information.