

ELDER CARE ASSURANCE SERVICES

The increasing demands on society as a direct result of an aging population, major technology advances, social security administration stability concerns, and medical health care provider troubles, have driven the CPA profession to provide new non-traditional services to the general public. “Elder Care Assurance Services” describes a new multitude of services provided by CPAs in their capacity as trusted advisers and professional public servants. A short list of these include:

ASSURANCE SERVICES

Because of the unique, ongoing familiarity with the client’s financial position, CPAs are best qualified to act as the coordinator between the client’s attorney, financial planner, insurance agent, bank trust officer, realtor, etc. Conversations with out-of-town children of the client helps assure that the parents are in good professional care. Children of elderly clients, otherwise known as the “sandwich generation”, are sometimes faced with caring for both their children and parents. A trusted CPA is most welcome in this scenario and provides peace of mind for all involved.

MEDICAL INSURANCE CONCERNS

Many individuals find that confusing medical forms, rejected claims and prescription drug coverage interpretation have become too complex to handle. The CPA can help make sense of these complicated situations by acting as a contracted organizer. Coordination of effort and contact with respite care providers, insurance company billing personnel and doctor offices can provide a much needed service in easing the mental anguish over these psychosocial, emotional, and medical related ailments.

ESTATE PLANNING

This area is improperly handled too many times by “self-proclaimed family financial experts” who think they know what is best for Mom and Dad. We’ve seen many situations where improper titling of assets, failure to complete the plan provisions, and lack of communication between affected parties have totally ruined all of the best intentions.

Clients need to be assured that the CPA, who has already completed the tax planning aspects, has the full cooperation of the attorney, trust officer, financial planner, etc. Funeral pre-arrangement and testamentary will preparation assistance are two areas that are neglected too often, leading to excessive emotional and financial stress that otherwise would have been avoided.

GIFTING

The days of children using inheritance as a quality of life enhancer are pretty much over. We find that the grandchildren, not children (due to the advancing average age of passing), are benefiting from gifting or “generation skipping” trusts. New provisions in the tax code allow for highly attractive education (Section 529) trusts which provide the donors with means of pre-funding post-secondary education for the grandchildren. The funds act similar to Roth IRAs in that earnings are tax-free or at worst case, tax-deferred. The funds may be used not only for college tuition, but for other education related

expenses such as room and board, books, etc. Charitable remainder trusts are also worth a look. These are additional areas, often ignored, where the CPA can provide technical assistance and act as a liaison between all concerned parties.

PERSONAL FINANCIAL CONTROLLERSHIP

Many individuals do not have the time, patience or desire to handle that dreaded task of bill paying! The CPA can act as a personal accountant, to ensure that bills are paid in a timely manner, bank accounts are reconciled, and funds properly transacted. Personal financial statements can be prepared to assist in estate planning and inventory asset classification.

WEBTRUST

Increased activity on the internet has caused many concerns relative to secured financial information data. The American Institute of Certified Public Accountants (AICPA) has developed WEBTRUST, which ascertains that select websites have a “stamp of approval” for secured financial transactions such as direct deposits of social security payments and other electronic payment provisions. This is one area that is very intimidating because of the rapid growth and undeterminable future.

My point, in summary, is to demonstrate how CPAs, as the trusted professional with high integrity, can assist the individual client with a multitude of financial related services in this exciting new millennium! As always, I welcome your questions and comments.