CPA OPPORTUNITY SPOTTING GUIDE

A PRACTICAL REFERENCE FOR IDENTIFYING TRUST PLANNING & ADMINISTRATION OPPORTUNITIES

YOUR ROLE IS CRITICAL
CPAs are often the first to see the financial, tax, and family dynamics that create trust planning opportunities. Early identification helps clients avoid problems and make better decisions.

WHAT THIS GUIDE HELPS YOU DO
Identify situations in your practice where clients may benefit from trust planning, trust administration review, or coordination with specialized advisors.

WHO BENEFITS
High-Net-Worth individuals, business owners, multigenerational families, and anyone with complex assets or family dynamics.

TOP OPPORTUNITY AREAS FOR CPAs

1 AGING TRUSTEES OR OVERWHELMED FIDUCIARIES

- ✓ Elderly or declining trustee health
- ✓ Trustee handling everything alone
- ✓ Stress, burnout or delays
- ✓ No clear successor plan

Opportunities
- ❑ Trustee succession planning
- ❑ Co-trustee or corporate trustee
- ❑ Administration support solutions

2 OUTDATED OR INFLEXIBLE TRUST DOCUMENTS

- ✓ Trust created decades ago
- ✓ No updates after tax law changes
- ✓ Family or financial circumstances have changed
- ✓ No digital asset provisions

Opportunities
- ❑ Trust review & restatement
- ❑ Decanting or modification
- ❑ Update governance provisions

3 POOR ADMINISTRATION OR RECORDKEEPING

- ✓ Missing or incomplete records
- ✓ Comingling of assets
- ✓ Undocumented distributions
- ✓ No annual trust accounting

Opportunities
- ❑ Clean up & reconstruct records
- ❑ Implement bookkeeping systems
- ❑ Fiduciary accounting review

4 FAMILY CONFLICT OR COMMUNICATON GAPS

- ✓ Disputes over distributions
- ✓ Perceived favoritism
- ✓ One beneficiary dominates
- ✓ Lack of transparency

Opportunities
- ❑ Improve communication
- ❑ Establish processes & policies
- ❑ Mediation or third-party support

5 ILLIQUID OR CONCENTRATED ASSETS

- ✓ Real estate or businesses
- ✓ Closely held stock
- ✓ Private investments
- ✓ Liquidity concerns

Opportunities
- ❑ Investment policy review
- ❑ Liquidity planning
- ❑ Valuation coordination

6 CALIFORNIA & MULTISTATE ISSUES

- ✓ Trustee or beneficiaries in CA
- ✓ CA real estate or income
- ✓ Administration drifting into CA
- ✓ Unclear trust residency

Opportunities
- ❑ Situs & residency review
- ❑ State tax planning
- ❑ Administration restructuring

7 BUSINESS OWNERSHIP & SUCCESSION RISKS

- ✓ Trust owns business interests
- ✓ No succession plan
- ✓ Family members employed unevenly
- ✓ No buy-sell agreement tie-in

Opportunities
- ❑ Succession planning
- ❑ Governance alignment
- ❑ Liquidity & valuation planning

8 UNCOORDINATED ADVISOR ROLES

- ✓ Unclear advisor responsibilities
- ✓ Investment advisor making distributions
- ✓ CPA or attorney acting without documented authority
- ✓ Lack of communication

Opportunities
- ❑ Clarify roles & authority
- ❑ Establish communication protocols
- ❑ Directed trust structure review

9 UPCOMING WEALTH TRANSFERS

- ✓ Expected liquidity events
- ✓ Sale of business or property
- ✓ Inheritance from parents or relatives
- ✓ Stock options or RSUs

Opportunities
- ❑ Pre-liquidity planning
- ❑ Advanced tax planning
- ❑ Trust structure evaluation

10 LACK OF LONG-TERM GOVERNANCE

- ✓ No family governance structure
- ✓ No investment policy
- ✓ No trustee meeting process
- ✓ No long-term plan

Opportunities
- ❑ Trustee succession planning
- ❑ Co-trustee or corporate trustee
- ❑ Administration support solutions

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CONVERSATION STARTERS

- ❑ "Who is currently handling the trust administration?"
- ❑ "If something happened to the trustee tomorrow, what would happen?"
- ❑ "When was the trust last reviewed?"
- ❑ "Are the records organized and complete?"
- ❑ "Are distributions handled consistently and documented?"
- ❑ "Have there been any changes in the family, assets, or goals?"

CLUES YOU MAY NOTICE IN YOUR PRACTICE

- ❑ Client keeps asking tax questions about a trust.
- ❑ Incomplete or missing K-1 information.
- ❑ Distributions don't match trust income.
- ❑ Family members disagree about finances.
- ❑ Client expresses stress about administration.
- ❑ Complex ownership without clear documentation.
- ❑ Multistate property residency.
- ❑ Business sale or ownership transition.

YOUR OPPORTUNITY

By recognizing these signs early, you can help clients:

- ❑ Avoid costly mistakes.
- ❑ Reduce tax and compliance risk.
- ❑ Protect family relationships.
- ❑ Improve long-term outcomes.
- ❑ Strengthen advisor relationships.

You don't need to be the expert in everything.

You just need to know when to start the right conversation.

POTENTIAL NEXT STEPS

- ❑ Schedule a trust administration review.
- ❑ Engage trust or estate planning counsel.
- ❑ Coordinate with investment advisors.
- ❑ Update or restate trust documents.
- ❑ Implement governance & reporting processes.
- ❑ Create a long-term trust roadmap.

KEY TAKEAWAYS

Many trust problems don't start with the trust document. They start with life. CPAs are in a unique position to spot the early signals, start meaningful conversations, and help clients take proactive steps.

Observe the signs → Start the conversation → Connect with advisors → Help clients make better decisions → Create long-term value

IMPORTANT DISCLAIMER

This guide is for educational purposes only and does not constitute legal or tax advice. Each situation is unique. Consult qualified professionals regard specific circumstances.

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