

# A guide for Power of Attorney



## What is a Power of Attorney?

It is defined as a legal document made by one person, who is called the 'principal' that allows another person to do things

with their money on their behalf. This includes bank accounts, shares, real estate and other assets. In some cases, the document may also allow for decisions on health requirements.

We accept a Power of Attorney document when the principal is a member of Community First Bank and all conditions have been met to invoke the Power of Attorney.

Community First Bank will apply the signing authority as presented in the Power of Attorney document and work with the attorneys to be able to access accounts in accordance with the authority.



## The two most common types of Power of Attorney

- 1 General Power of Attorney** – this gives power to an attorney/s to act on the principal's behalf. A General Power of Attorney can only operate whilst the principal has decision making capacity. It ceases if the principal loses capacity or, passes away.
- 2 Enduring Power of Attorney** – this authority can operate before or after the principal loses capacity to make decisions. It ceases if the principal passes away.



## Responsibilities

**Being appointed Power of Attorney carries considerable responsibilities.**

These responsibilities can be summed up as ensuring that any transactions you initiate are:

- In accordance with the limitations of the authority
- In the best interests of the principal you are representing

**Other responsibilities include (but are not limited to):**

- Assisting the principal while making financial transaction decisions
- Where possible, make the same decisions the principal would have made
- Make sure the autonomy and desires of the principal are honoured
- Completing transactions on the principal's behalf by using the principal's account
- The attorney must keep their money and property separate from the principal's
- Keep detailed records and receipts for all transactions conducted on behalf of the principal
- Ensure the principal (and if involved, any other attorneys) are kept informed of transactions you initiate
- Attorney/s must only operate as authorised in accordance with the Power of Attorney





**Q Can an attorney use a principal's money for gifts?**

**A** No. An attorney cannot make any gift of a principal's money or property unless the Power of Attorney form specifically allows the attorney to do so.

Power of Attorney authorities contain an optional clause for the principal to authorise an attorney to give reasonable gifts. If the box is ticked, the attorney will be able to use the principal's money to make certain types of allowable gifts.

**Q What are 'allowable' gifts?**

**A** These can include gifts to a relative or close friend of the principal of a seasonal nature (for example, birthday, Christmas or other religious occasion) or because of a special event (for example, birth or marriage). The gift's value is not more than what is reasonable having regard to all the circumstances and

the principal's financial circumstances and the size of the principal's estate.

**Q Can an attorney use a principal's money for their own benefit or the benefit of others?**

**A** No. An attorney cannot use a principal's money for their own profit, benefit, or the profit or benefit of any other person unless the Power of Attorney form specifically allows the attorney to do so.

**Q What changes in the principal's circumstances must you advise Community First Bank?**

**A** Some of these changes include (but are not limited to):

- An order is made by a court or tribunal appointing an administrator to act on the principal's behalf
- The principal revokes their Power of Attorney
- The principal loses capacity to make financial decisions
- The principal passes away

**Note:** As well as Power of Attorney, any Guardianships and/or authorities to operate on an account lodged at Community First Bank immediately cease upon the principal passing away

## For more information on Power of Attorney

Please refer to: [Power of Attorney in Australia – Compass](#) or, the appropriate information source relevant to your State or Territory.

## Community First Bank obligations

Our primary obligation is to our customer. The principal you are acting on behalf of.

Given this obligation, where it is not apparent to our staff that a Power of Attorney initiated transaction is in the principal's best interest, we may:

- ✓ Ask you additional questions in regard to the purpose of the transaction
- ✓ Contact the principal to confirm their approval of the transaction
- ✓ Delay the transaction where our staff need to seek further advice
- ✓ Decline the transaction where it remains unclear that it is in the principal's best interest

**Please note!**

This information should be viewed as a guide only. It does not cover all circumstances involving the use of a Power of Attorney. There can also be variations to Power of Attorney requirements in each State and/or Territory. Should you be unclear on your responsibilities under a Power of Attorney, we recommend you seek independent legal advice before initiating transactions.

## We are here to help

Should you have any questions about Community First Bank's requirements when dealing with Power of Attorney, please feel free to contact us:

**1300 132 277** 8am to 8pm Monday to Friday and 8am to 3pm on Saturdays  
**askus@communityfirst.com.au**