



FORT MCKAY
FIRST NATION

Fort McKay First Nation

Business Capita Distribution Information for Parents and Legal Guardians

In order to ensure that minors receive the full benefit of their entitlements, certain laws such as the Alberta *Minors' Property Act* have been enacted to make sure only the minor can benefit from the minor's property. These laws require that money which is due to a minor must be held in trust for the benefit of the minor by a trustee. As required by these laws, Fort McKay First Nation will pay a minor's per capita distribution to their parent or legal guardian to be held in trust for the benefit of the minor.

If you accept funds on behalf of a minor then you are a trustee and have taken on important legal obligations.

The duties of a trustee are legal obligations of the highest order and the Courts severely punish trustees who fail to meet their legal obligations. The fundamental obligation of a trustee who receives a minor's per capita distribution is to ensure that the per capita distribution funds are properly invested and then paid to the minor when they attain the age of 18. Funds may only be used for the benefit of the minor.

If you agree accept a minor's per capita distribution funds in trust, your legal obligations will include but are not limited to the following:

Invest the Funds: You may make investment choices that are reasonably safe and that will grant a reasonable return. The particular investment is up to you but they must be reasonable having regard for the minor's particular circumstances. The *Trustee Act* of Alberta says that investments must be "prudent". It is up to you to make a wise decision on how best to invest the funds.

Use the Funds Only for the Minor's Benefit: In rare circumstances, it may be appropriate to use some of the funds for the minor's benefit before they reach 18. For example, funds may be accessed if the minor has a serious medical problem and requires some treatment or assistance that is not covered by Treaty health benefits. It is not proper to use trust funds to pay for things that a parent or legal guardian would normally pay for. For example, you should not use the funds to buy household furnishings, school supplies, groceries, or other normal expenses.

Keep Proper Paperwork: You must account to the minor when he or she reaches the age of 18. That means that you must pay the trust funds to them and be able to show how you invested the funds, how much the investments earned, and provide a detailed explanation of any withdrawals including the dates, amounts, and specific reasons for the withdrawal.

Avoid Conflicts of Interest: The fundamental duty of every trustee is to be loyal to the minor and act only for their benefit. You are prohibited by law from making any use of the minor's funds for your personal benefit. You must be careful to avoid even the appearance of a conflict of interest.

Acting as a trustee involves serious legal obligations. Courts of Law will strictly enforce these obligations and will punish a trustee who fails to fulfil their duties. If you are ever unsure of what your obligations as a trustee are, get legal advice.