

Business

YOUR MONEY

On The Money**Hiring someone to pay the bills**

By Lorene Yue

The growing financial services field is capitalizing on one thing many people don't have — time.

Those bogged down by the billpaying process and budgeting are turning to 'daily money managers,' folks who will oversee your everyday finances.

"We do the day-to-day grunt work," said Pat Manalio, vice president of the American Association of Daily Money Managers, which began with six members in 1995 and now has close to 500. Its headquarters is in Woodbridge, Va. While each member must sign a code of ethics, the association does not endorse or guarantee the services of any of its members.

You can pay \$25 to \$100 an hour to erase the headache of writing checks and licking envelopes. Those who hire a money manager include owners of small or home-based businesses who don't want to pay their accountant to take care of routine bills. Or they can be adult children who want someone to help their parents sort through medical claims or ensure that the heat doesn't get shut off because of an overlooked payment.

Some local government agencies, along with AARP, have reduced-fee or free services available for low-income clients.

The amount of time you can expect to spend with a money manager will depend on the services needed. It could be anywhere from two hours a month to balance a checkbook and reconcile bank statements to two hours a week to write out checks, prepare taxes or sort out medical insurance claims and payments. Be sure you understand the billing arrangement before the work begins.

Faith Lambert of Oakton, Va., hired a money manager to help keep her bill payments on track. Once a month, Lambert hands her money manager a stack of bills and gets a pile of prepared checks ready for her signature.

"My affairs were in a huge disarray," she said. "I just have a mental block against sitting down and doing this. I just needed somebody to help me stay on top of it."

In a field such as this, which is not regulated, consumer advocates worry that seniors will become easy targets for con artists setting themselves up as daily money managers.

Some clients give daily money managers access to certain checking accounts.

Bonnie Bias, a daily money manager in Baltimore, writes checks to cover an elderly couple's bills. She'll even make deposits into the account, which holds a limited amount of funds. Other clients have an arms-length arrangement in which money managers organize payments but don't have access to funds.

Find out whether the person you are considering to keep your finances in order is bonded or insured.

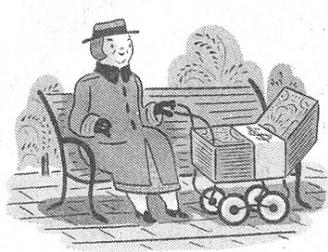
Here are some other steps to take when hiring a daily money manager:

Check references

"Any time you are giving out personal information to anyone, you really need to check them out," said Jen Schwartzman, spokeswoman for the Federal Trade Commission. "You should check with as many people as possible before hiring one."

Talk to their references and check with the Better Business Bureau and attorney general's office to see if there have been any complaints.

If the money manager holds a financial title — a certified public accountant or a certified financial planner — check with the designating organization for disciplinary problems.



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Separate your accounts

Consider setting up a checking account for bills handled by your daily money manager that is separate from your main checking account. Refrain from revealing passwords.

"I would be very suspect of a daily money manager who has access to your [main] checking account," said Mark Kaplan, a Chicago-area CPA and daily money manager. He doesn't sign checks or make deposits but will prepare bills, organize tax records and reconcile bank accounts for \$50 to \$75 an hour.

Double-check work

Look over what your money manager has prepared. It may seem like micromanagement on tasks you didn't have time for in the first place, but doing so could offer peace of mind and keep your funds intact. Consider this extra step particularly if you get the service for your parents, to monitor the activity that is taking place on their behalf.

Find out if the daily money manager is willing to involve another person in the work, such as a lawyer, accountant or family member.

Lorene Yue is a Your Money staff writer.