What is Power of Attorney (POA)?

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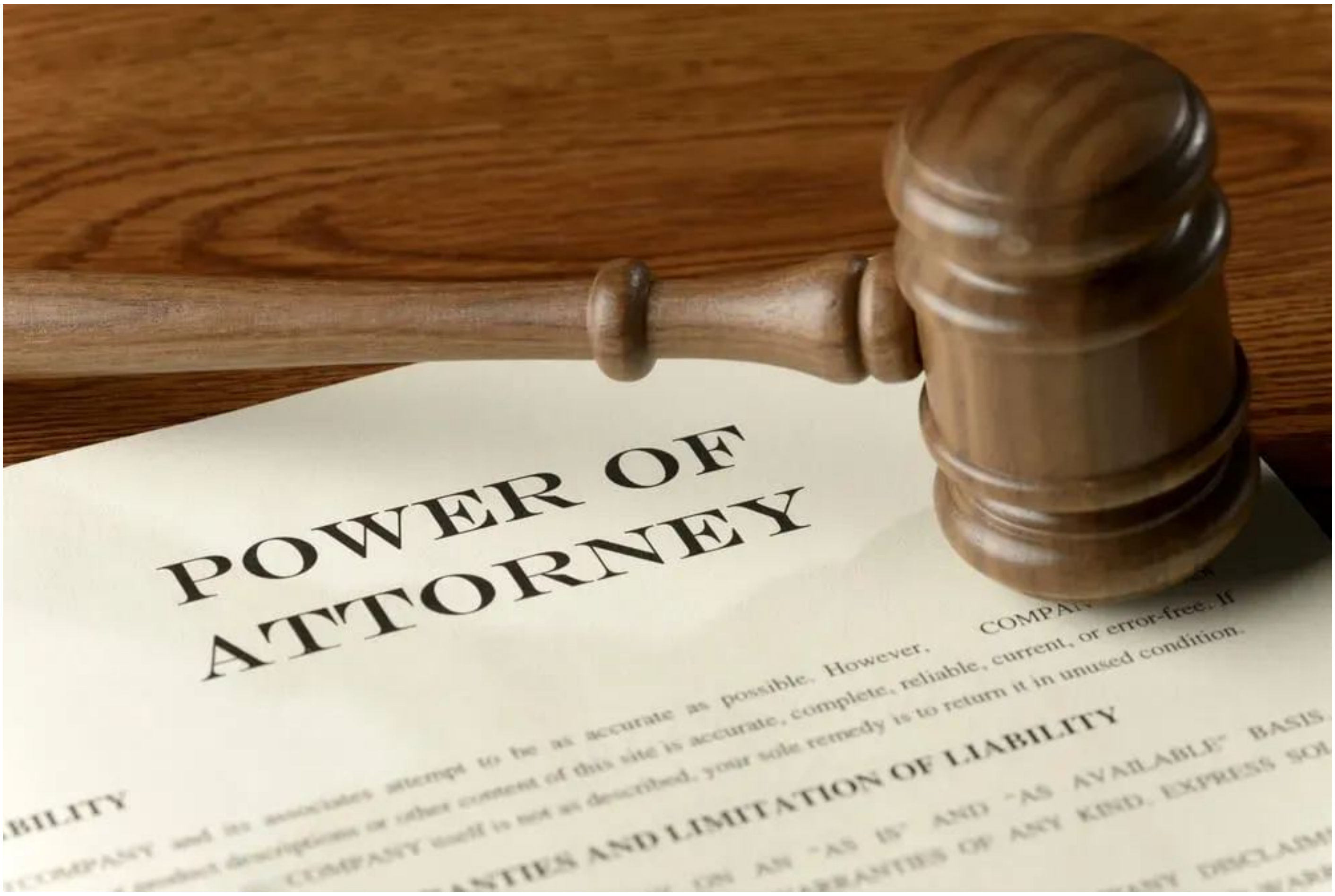

About Power of Attorney (POA):

- It is a **legal authorization** that **gives the agent or attorney**-in-fact the **authority to act on behalf of an individual** referred to as the **principal**.
- It is just a **delegation of power** by one person to another, who in turn, acts as his agent. There is a **principal-agent relationship** between them.
- The agent may be **given broad or limited authority** to make decisions about the principal's **property, finances, investments**, **or medical care**, depending on the terms of the POA.
- A POA comes into play **in the event that** the **principal is incapacitated** by an illness or disability.
- The **agent may also act** on behalf of the principal **in case the person** is **not readily available to sign off on** financial or legal **transactions.**
- **Types** of POA **include conventional**, also known as a **limited power of attorney**, **durable**, which **lasts for a lifetime unless you cancel it**, **springing**, which only comes into play **for specific events**, and **medical**, also known as a durable power of attorney for healthcare.

- The POA **lapses when the creator dies, revokes it,** or when it is **invalidated by a court** of law.
- A POA also **ends when the creator divorces a spouse** charged **with a POA or** when an **agent is not able to** continue **carrying out the outlined duties**.

Q1: What is a Financial Power of Attorney (POA)?

A financial POA allows an agent to manage the business and financial affairs of the principal, such as signing checks, filing tax returns, depositing Social Security checks, and managing investment accounts when and if the principal becomes unable to understand or make decisions.

Source: Power Of Attorney Impliedly Revoked When Principal Acts Independent Of Agency With Knowledge To Agent & Third Parties : Supreme Court

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