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News & Insights

# Oklahoma City Attorney Allie Crawley for the Journal Record - Mitigating Risk When Trust Administration Is Delayed

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https://journalrecord.com/2026/08/19/allie-crawley-trust-administration-delays-liability/

Trustees undertake significant responsibility. Largely governed by statute, they owe duties of loyalty, impartiality, prudence, and should proactively administer the trust in accordance with its terms and applicable law.

Delays in administration happen for a multitude of reasons outside of a trustee's control. Trustees, however, cannot fall derelict in their duties during delays. Unwarranted or prolonged delays in administration implicate several Trustee duties.

First, delay can evidence a failure to administer the trust expeditiously in the interests of the beneficiaries, raising exposure for breach of the duties of loyalty and reasonable care. Second, delays that favor one beneficiary over another can implicate the duty of impartiality. Third, postponement of administration that results in avoidable losses, missed market opportunities, or increased expenses risks violating the duties of prudent administration and investing. Fourth, inaction in the face of known tax, compliance, or safeguarding obligations can constitute breach of the duty to protect trust property. Finally, inadequate communication may violate the duty to keep qualified beneficiaries informed.

Where such disputes or administrative obstacles prevent timely administration, trustees may petition a court for instructions or other relief. The court may, among other actions, interpret ambiguous provisions, approve or compel distributions, authorize transactions, approve accounts, allocate receipts and disbursements, resolve valuation disputes, and modify administrative terms. Early resort to courts for instruction can reduce risk exposure when ambiguity or conflict exists. This requires a trustee to identify disputes early, evaluate their materiality, and, where appropriate, seek court instruction.

Additionally, transparent, timely, and complete accounting and notice practices are crucial to managing delay-related risk. Trustees should provide periodic reports that describe assets, liabilities, receipts, disbursements, fees, transactions, and valuation methodologies, and issue required notices for proposed actions, distributions, or settlements. Not only is this a duty of the trustee, but also, claims for breach of trust are subject to statutory limitation periods that may be shortened when a trustee provides a report or accounting that adequately discloses the existence of a potential claim. Trustees can therefore limit liability through timely, detailed disclosures and adherence to notice formalities.

Delays in trust administration can expose trustees to significant risks and may invite court scrutiny. Trustees can mitigate these risks by acting prudently, documenting decisions, communicating transparently, providing accountings with appropriate disclosures, and seeking court guidance when necessary. Proactive planning, timely action, consistent record keeping, and communication remain the most effective safeguards against liability and loss of trust value.

## Attorneys

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