

NYSARC TRUST UNRESTRICTED FUND

(A Trust for Person with Disabilities)

INFORMATION & PROCEDURES

NYSARC, Inc. Trust Services

P.O. Box 1531

Latham, NY 12110

518-439-8323

800-735-8924

www.nysarctrustservices.org

*This document is distributed with the understanding that **NYSARC, INC.** is not rendering legal, accounting or other professional advice or opinions on specific facts or matters, and, accordingly, assumes no liability whatsoever in connection with its use. Persons with disabilities and their families are strongly encouraged to consult with an attorney who has the knowledge and expertise in the estate planning process as it pertains to the special needs of persons with disabilities.*

**NYSARC Trust-Unrestricted Fund
Information and Procedures**

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NYSARC Trust-Unrestricted Fund Information and Procedures

Mission:

NYSARC, Inc. Trust Services' mission is to create the opportunity, through the administration of a family of supplemental needs trust programs, for persons with a disability to remain in their natural home setting for as long as possible while maintaining the eligibility for Community Medicaid or other government benefits.

Contact Information:

NYSARC, Inc. Trust Services
P.O. Box 1531
Latham, NY 12110
E-Mail Correspondance to: trustdept@nysarc.org
Phone: 518-439-8323 or 800-735-8924
Primary Fax: 518-860-1243
Secondary Fax: 518-439-2670
www.nysarctrustservices.org

The NYSARC Trust:

The NYSARC Trust Unrestricted Fund is established and funded by a third party, such as a parent, grandparent, friend or relative. A Trust may be created via InterVivos Trust Agreement or Testamentary Trust. The NYSARC Trust Unrestricted Fund has been in operation since 1972.

Eligibility:

The Beneficiary must have a diagnosis of an intellectual or other developmental disability in order for the Grantor to be eligible to establish an account with the NYSARC Trust Unrestricted Fund.

The following information is provided to assist with understanding how your Trust will be administered.

Establishing an Account:

Prospective donors, grantors, or settlors should consult with their attorneys. The NYSARC Unrestricted Trust may be established via an InterVivos Trust Agreement or Testamentary Trust.

Upon receipt of an Unrestricted Trust document, it will be reviewed for consideration. The submitter will be notified of the decision.

Minimum to Establish an Account:

The minimum deposit to open or establish a NYSARC Trust Unrestricted Fund is account \$25,000.00.

Enrollment fee:

There is no enrollment fee to open a NYSARC Trust Unrestricted Fund account.

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Monthly Fees:

NYSARC, Inc. does not charge trustee commissions or administration fees during the Beneficiary's life time. However, a monthly bank fee is assessed to each account.

In addition, a small annual fee for the Trust tax preparation will be charged.

Reporting of Accounts to Beneficiaries:

Account statements are prepared monthly and mailed approximately three weeks after the end of each month. Statements include detailed monthly activity for your convenience. Detailed accountings required for benefit recertification are prepared upon specific request.

Reporting Taxable Income:

NYSARC Trust files Federal form 1041 and New York State IT-205 for tax purposes. Each Beneficiary with earned taxable interest reportable on their personal income tax return will be issued a form K-1.

Interest earned but not distributed via disbursements during the year will be calculated at the Trust tax rate and reported on the Trust's tax return. Any tax incurred within the Trust is allocated to the appropriate Beneficiaries and will be deducted from their account.

Requests for Disbursement:

Requests for disbursement must be submitted in writing (disbursement request form) and include appropriate substantiation (receipt, price quote, invoice, etc.). The request must be signed by an authorized individual (i.e. the Guardian).

The request and appropriate documentation may be faxed or mailed to NYSARC, Inc. Trust Services. The disbursement request will be reviewed by an authorized NYSARC, Inc. Trust Services representative and upon approval the requests may take up to fourteen (**14**) days for processing. Approval is at the sole discretion of the Trustees. The primary consideration in all request reviews is to protect the Beneficiary's government benefits. Lack of documentation will result in delayed processing time of disbursement requests.

All requests must be for the sole benefit of the account Beneficiary and have been incurred within 90 days of submission.

Mail Disbursement Request To:

NYSARC, Inc. Trust Services
P.O. Box 1531
Latham, NY 12054

Fax Disbursement Request To:

Primary Fax: (518) 860-1243
Secondary Fax: (518) 439-2670
(Both are available 24 hours)

E-Mail Correspondence To: Trustdept@nysarc.org

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Disbursement Limitations:

Every request for disbursement is individually reviewed. Approval is at the sole discretion of the Trustees in conjunction with the terms of your Trust document. The primary consideration in all request reviews is to protect the Beneficiary's government benefits. Requests that may adversely affect government benefits, or are not for the sole benefit of the account Beneficiary may be denied.

Prohibited Distributions (may not be limited to the following):

- *Disbursements payable to the Beneficiary (unless specifically directed in the Trust document)*
- *Tobacco*
- *Alcohol*
- *Bail, restitution, and related legal fees*
- *Fire arms*
- *Gift cards*

Trust documents are reviewed for consideration of any disbursement request.

Expenses must be incurred within **90 days** of submission. However, unusual or special circumstances will be given consideration.

Disbursement Limitations for Individuals living in supportive or supervised housing:

- ◆ Furniture: A Furniture requisition form must be completed and submitted in addition to a disbursement request form, an invoice and/or price quote.
- ◆ Clothing: Documentation from agency regarding clothing allowance and/or community funds is required.

Beneficiary's Death:

Consistent with Federal statute, the Trust account terminates upon the death of the Beneficiary.

The party authorized to speak with us on behalf of the Beneficiary must notify NYSARC, Inc., Trust Services immediately upon the Beneficiary's death and will be required to provide a copy of the death certificate.

Upon the death of the Beneficiary the first \$25,000.00 of the remaining principal, or balance if less than \$25,000.00, shall be paid to the Exempt Fund of the NYSARC Trust. The remaining amount, if any, will be paid to residual beneficiaries whom the Grantor has designated in the trust document.

Funeral Expenses:

NYSARC, Inc. Trust Services encourages the purchase of a *Medicaid eligible irrevocable prepaid burial contract* during the Beneficiary's lifetime.

Funeral Expenses are reviewed on an individual basis and the Trust document governs this expenditure.