



# Trust Services Capabilities



# Overview:

At Archford Trust Services (ATS), we provide bespoke trust solutions, focused on helping you and your family realize your financial goals. Backed by experience and commitment to service, we aim to deliver peace-of-mind for you and those you care about.

## The Value of a Trust

A well-structured trust does more than manage your assets:

- ✓ **Avoid Probate:** Avoid lengthy and potentially costly court proceedings held to oversee the collection, appraisal, and distribution of your assets
- ✓ **Protect Your Well-Being:** Be confident that you will be cared for and your financial affairs managed properly if you become incapacitated
- ✓ **Safeguard Beneficiaries:** Help your heirs make wise choices with their inheritance, reducing the chances of mismanagement
- ✓ **Guard Against Financial Abuse:** Shield yourself from potential elder financial exploitation
- ✓ **Preserve Family Harmony:** By appointing a corporate trustee—an impartial entity staffed with legal and financial professionals bound to act in the best interests of your beneficiaries—you can minimize conflicts and ensure every decision prioritizes their well-being

## What a Trustee Does

- **Notify Creditors:** Notify creditors of decedent's death; pay debts
- **Secure & Sell Property:** Change locks on trust properties; prepare for sale
- **Ongoing Communication:** Keep beneficiaries informed about the trust's administration
- **File Taxes:** File income taxes and federal death taxes if necessary
- **Collect & Appraise Assets:** Collect assets; conduct appraisals to determine value
- **Provide Accountings:** Provide accounting to beneficiaries
- **Distribute Assets:** Distribute remaining assets to beneficiaries



## Benefits of Designating Archford as Your Trustee

One of the most important decisions you can make is the selection of a trustee. Archford Trust Services is the ideal solution for you if you're looking to relieve your family of the burden of dealing with the complex details of trust administration, fulfilled with the stewardship and sensitivity every family deserves. Trusteeship is a serious fiduciary responsibility that takes time and understanding of tax, legal and investing implications. Leaving it to Archford's team of professionals not only frees those you care about, but ensures objective, unbiased management from professionals who do it every day.



# Corporate Trustee:

Our team of fair and objective legal and investment professionals have an obligation to act in the best interest of your beneficiaries, and we're regularly audited to ensure proper trust administration.

## Selecting a Successor Trustee

When you establish your Revocable Trust, you may serve as the Trustee during your lifetime but you must name a Successor Trustee in the event of death or incapacity. When considering the options, there are three common choices: an individual/family member, an independent fiduciary, or a Corporate Trustee. It is often the perception that an individual/family member would be an obvious choice due to the appearance of cost savings and familiarity with the Grantor.

However, few individuals have the time, financial knowledge, business expertise, and resources to manage your trust effectively and will likely outsource the various duties to professionals-increasing the overall fee of administration. And as corporate trustees, we're subject to both internal compliance reviews and external regulations that help provide peace of mind that decisions are in the hands of thoughtful stewards. **Choosing a Corporate Trustee may be the proper solution.**

## Top 5 reasons why you may find there is a benefit and potential cost saving by appointing Archford as your corporate trustee:



### 1. Knowledge and Experience

Our team has extensive knowledge and experience administering trusts, even those with specialty assets. We understand the legal landscape and know how to implement sound, tax-efficient investment strategies aligned with your goals.



### 2. Impartiality

Corporate trustees, as impartial entities, play a crucial role in overseeing trusts by prioritizing the interests of beneficiaries and managing assets with transparency. Their independent status helps minimize potential conflicts, fostering fairness in decision-making and efficient trust administration.



### 3. Compliance and Risk Management

Archford corporate trustees have a thorough understanding of legal and regulatory requirements and stay current with the evolving changes related to trusts. We are proactive about compliance and mitigating risks that might otherwise put your legacy at risk.



### 4. Professional Administration

Archford corporate trustees provide professional administration services, handling tasks such as record-keeping, tax filings, asset management, bill pay, and distributions.



### 5. Reliable Stewardship

Unlike an individual trustee who may become incapacitated or pass away, Archford corporate trustees provide continuity and consistency throughout the trust's administration.



## Advantage of a Co-Trustee:

Serving as a trustee can be a demanding responsibility, especially when family relationships, legal requirements, and long-term financial oversight intersect. By naming Archford as a co-trustee along with a trusted individual, you and your family can gain the benefit of professional management while retaining meaningful family involvement in decision-making.

In a co-trustee arrangement, Archford brings objectivity, consistency, and deep fiduciary knowledge to the table. We handle the administrative, legal, and investment duties with precision, while the individual trustee offers valuable insight into personal preferences, family dynamics, and unique legacy goals. This partnership promotes harmony and confidence, especially when sensitive issues arise or when long-term trust management is required.

## Benefits of Naming Archford as a Co-Trustee:

- ✓ Share responsibilities, making things easier for family members
- ✓ Draw on objective decision-making, free from emotional bias
- ✓ Gain extra assurance with professional oversight on investments and compliance
- ✓ Ensure the trust's intentions are maintained over the long term
- ✓ Improve communication and reduce risk of misunderstandings
- ✓ Assistance navigating complex tax, legal and regulatory matters

*By working together, we help ensure the trust functions as intended—honoring your legacy and serving your beneficiaries well into the future.*

## Agent for Trustee:

If you're serving as a trustee, we offer guidance and hands-on assistance to help you meet your responsibilities confidently. We are here to help you navigate legally complex situations and difficult family conversations.

Whether you've been appointed to serve as trustee of a revocable or irrevocable trust, Archford offers a full suite of accounting, administration and consulting services designed to help you meet your fiduciary obligations efficiently and professionally. Our personalized guidance is tailored to meet your unique needs, making trust administration smooth and efficient.

## Archford Provides:

- 1. Access to Resources**
  - Managing Specialty Assets
- 2. Trust Accounting**
  - Accurate Records
- 3. Professional Investment Management**
- 4. Fiduciary Tax Administration**
  - Tax Compliance
  - Oversight and Reporting
- 5. Compliance Advisory**
  - Legal Adherence
  - Risk Mitigation
- 6. Professional Consultative Services**
  - Tailored Advice
  - Network of Professional Resources
- 7. Communication with Beneficiaries**
  - Clear, Consistent Communication
  - Beneficiary Relations



# The Role of an Executor or Personal Representative:

If you pass away without a will, your estate may be subject to probate. Instead of subjecting your loved ones to enduring the lengthy court process, Archford can settle your estate and distribute your assets to beneficiaries.

## Key Considerations When Choosing an Executor or Personal Representative:



### **The Role of an Executor or Personal Representative:**

- Understand state probate laws and federal tax laws
- File personal and estate taxes
- Prepare and file mandated court documents
- Publish legal notices
- Adhere to the terms of the estate planning documents and/or account agreements



### **Emotional Commitment:**

- Maintain impartiality
- Preserve family harmony
- Manage beneficiary expectations
- Navigate personal grief and loss



### **Ability to Handle Adversity:**

- Resolve disputes, including lawsuits
- Mediate conflicts among beneficiaries
- Persistent follow up with creditors and vendors to obtain information required to keep the process moving



### **Attention to Detail:**

- Maintain asset records
- Maintain family and beneficiary records
- Maintain copies of all filings and provide to interested parties as required
- Reconcile all assets and transactions
- Make distributions in the correct amounts, timely and efficiently



### **Address Complex Matters:**

- Real estate administration
- Tax accounting and filings
- Dispose of personal property and collectibles appropriately
- Secure appropriate legal representation for contentious or complicated issues



# Real Estate and Specialty Asset Management

Archford attends to the management of real estate and specialty assets owned by trusts. From real estate and closely-held businesses to vehicles and artwork, we help ensure that your unique assets are managed efficiently and productively.

## We manage:

- ✓ Real estate, which also includes ranches, farmland, and vehicles
- ✓ Oil, gas, and mineral rights
- ✓ Closely-held businesses
- ✓ Fine art, jewelry, and rare collectibles like wine, books, stamps, sports memorabilia, and coins

To ensure your specialty assets are managed at the highest level of professional care, we strategically leverage partnerships with industry professionals who specialize in fiduciary consulting and asset management.

Archford commits to industry education, staying informed of legislative changes, and awareness of industry trends that may impact our real estate portfolio.

## Guardianship and Conservatorship Services:

When someone can no longer manage their personal care or financial affairs due to age, illness, or incapacity, Archford can be appointed to serve as a guardian or conservator. In this role, we act with compassion, integrity, and professionalism to protect the interests of vulnerable individuals. Whether we are appointed to manage assets, coordinate health care decisions, or both, our team works closely with family members, caregivers, and the courts to ensure that every decision is in the best interest of the person under care.

We understand that every situation is unique. Our experience allows us to navigate the legal complexities, family dynamics, and ongoing responsibilities that come with guardianship and conservatorship, always keeping dignity and quality of life at the forefront.

## How Archford Attends to Vulnerable Loved Ones:

- Managing financial accounts and real property
- Coordinating health care services and living arrangements
- Authorizing medical decisions that align with the individual's values
- Protecting the individual from financial exploitation
- Filing required court reports and maintaining detailed records
- Working alongside family and professionals to support the individual's well-being

*By naming Archford, families can rest assured that their loved one's affairs will be handled with the utmost care and competence.*



# Estate Administration and Settlement Services

## How We Can Help

### **Executor/Personal Representative:**

- In this role, Archford is responsible for the proper administration and execution of all necessary tasks and duties required to settle the estate.

### **Custodian for the State:**

- As the custodian of the estate's assets, Archford maintains accurate accounting records required to manage the estate properly. We receive and hold all cash and securities, pay bills and estate expenses, including legal fees, pay creditor claims, and distribute to the heirs.

### **Agent For Executor/Personal Representative:**

- If you or a family member have been named Personal Representative, we can help relieve you of the administrative burden of settling your loved one's estate during this emotional time. Our team is here to support you, performing designated duties such as asset marshaling, account maintenance, tax filings, and asset management.

Our experienced consultants will help you reduce the possibility of administrative errors or oversights, thereby reducing the risk of personal liability.

## Estate Administration Steps and Responsibilities

As you plan for the future, our estate professionals help fulfill your wishes and preserve your legacy. Here's how we support you and your loved ones through this process:

1. Locate your important documents and your beneficiaries
2. File necessary court paperwork
3. Notify relevant agencies
4. Marshal and administer your assets
5. Pay your debts and expenses
6. Process qualified retirement plan assets
7. Conduct appraisals
8. Publish notice to creditors
9. Manage tax matters
10. Report and account to beneficiaries
11. Manage other important responsibilities
12. Distribute your assets





# Special Needs Trust

A Special Needs Trust can be created by the parents or guardians of a loved one with special needs or by an individual with special needs seeking to preserve their assets; it is designed to safeguard the disabled beneficiary's ability to receive means-tested government benefits like Supplemental Security Income (SSI) and Medicaid, to guard against potential financial abuse, as well as to provide oversight to ensure funds are spent wisely.

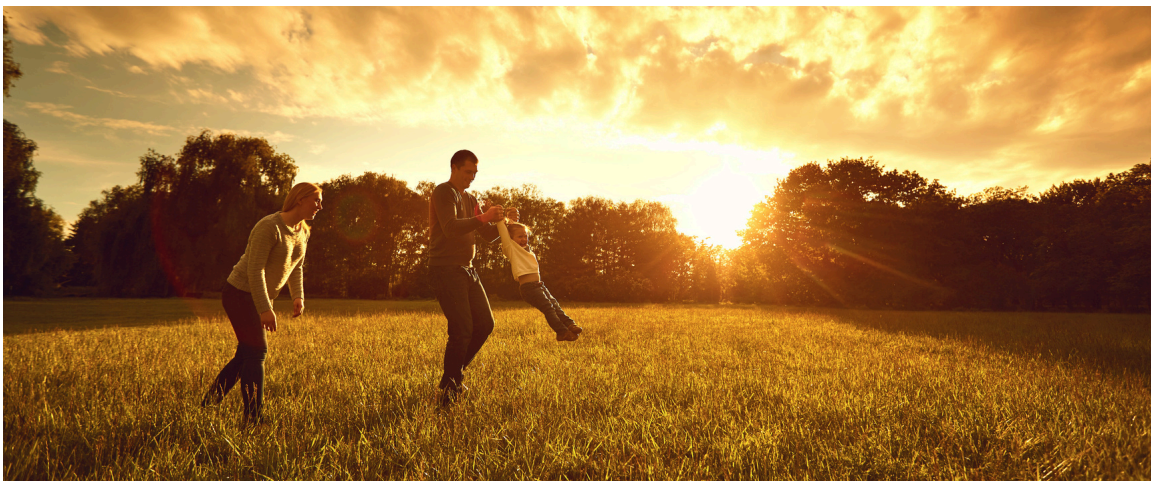
By leaving funds in a trust instead of making a direct gift to your disabled loved one, you can avoid affecting eligibility for government benefits, as the trust funds are not counted as the beneficiary's resource.

## Key Benefits of a Special Needs Trust

- ✓ Preserves eligibility for needs-based government programs, allowing the beneficiary's inheritance to supplement the care received from the government.
- ✓ Holds a wide range of assets, including cash, stocks, real estate, and life insurance.
- ✓ Provides guidelines for where and how you want your loved one to live after you are gone, maintaining your values and your loved one's quality of life.
- ✓ Provides a source of additional income to help with a loved one's caregiving needs.
- ✓ It helps pay for expenses that wouldn't otherwise be available through needs-based programs, such as travel, computers, higher-quality medical and dental care, education, and rehabilitation.

## What Funds Can be Used For

- ✓ Personal care attendants
- ✓ Recreation
- ✓ Physical rehabilitation
- ✓ Education
- ✓ Vehicles
- ✓ Home furnishings
- ✓ Vacations
- ✓ Out-of-pocket medical and dental expenses





# Settlement Trust Services

## Using a Settlement Trust for a Complete Solution

By entrusting the management of settlement proceeds to a corporate trustee and skilled investment professionals, a Settlement Trust protects a claimant from exploitation and spendthrift tendencies while affording controlled liquidity and financial flexibility. In addition, a Settlement Trust is versatile; it can be used alone or in combination with a structured settlement annuity. In fact, a Settlement Trust can be designed so that payments from the structured settlement flow into the trust to ensure funds are used in the best interest of the claimant.



## Some Settlement Trust Variations

**Health Care Management Plan:** Tragically, many claimants suffered long-term injuries, requiring intensive health care management plans. In these circumstances, our strategy is to develop a support team comprised of the trust officer, family members, and caregivers to help provide the optimum care for the claimant. We help coordinate payments to caregivers, reporting income on W-2s or 1099s.

**Special Needs Trust:** If the claimant is receiving SSI and Medicaid benefits or may qualify for these benefits in the future, a Special Needs Trust may be required to protect their eligibility. Archford is skilled and experienced in administering Special Needs Trusts, ensuring their trust funds are used only to supplement—and not replace—vital government benefits.

**Medicare Set Aside Trust:** To maintain eligibility for Medicare, a portion of the settlement may be allocated to fund a Medicare Set Aside Trust. The Medicare Set Aside Trust can be a perplexing component of the settlement and we will help the parties understand the need for this trust and the ongoing management to pay for future medical costs related to the injury.

## Structured Settlements & Lump Sum Payments

Archford helps the parties involved in a legal settlement achieve the maximum financial protection and security for the claimant.



# Revocable Vs. Irrevocable Trusts

## Revocable Living Trust

A Revocable Living Trust is the most common type of trust and offers the settlor, or person creating the trust, the flexibility to alter its terms while they are alive and competent. In this arrangement, the settlor typically serves as both the trustee and beneficiary, retaining the ability to make changes to the trust if necessary and receive any income or benefits from it during their lifetime. This level of control over the trust assets allows for adjustments to be made as needed, and it also facilitates smoother distribution of assets upon the settlor's death by bypassing probate court proceedings. However, it's worth noting that assets placed in a Revocable Living Trust may still be subject to taxation.

## Irrevocable Trust

Conversely, an Irrevocable Trust does not permit any changes by the settlor once it has been established. This type of trust offers benefits such as asset protection, tax planning, and disability planning, as it effectively removes assets from the individual's estate. By relinquishing control and ownership of the assets to the trust, the settlor gains more flexibility in how those assets are managed and distributed upon death. However, since an Irrevocable Trust cannot be amended by the settlor, it is crucial to ensure that all wishes are accurately documented prior to its creation.

## Comparison



**Control:** Revocable Living Trusts offer the settlor control over the trust assets and the ability to make changes, whereas Irrevocable Trusts require relinquishing control once the trust is established.



**Flexibility:** Revocable Living Trusts provide flexibility by allowing alterations to the trust terms, whereas Irrevocable Trusts offer more flexibility in asset management and distribution strategies.



**Asset Protection:** Irrevocable Trusts provide greater asset protection by removing assets from the individual's estate, while assets in a Revocable Living Trust may still be vulnerable to creditors and taxation.



**Tax Planning:** Both types of trusts offer opportunities for tax planning, but Irrevocable Trusts are typically more effective in minimizing estate taxes due to the removal of assets from the estate.



# Delegated and Directed

## Understanding Delegated and Directed Trusts

Let's explore the benefits of Directed and Delegated Trusts, and how expanding your practice to include them can benefit you and your clients.

### What are Directed and Delegated Trusts?

These types of trusts are also known as bifurcated trusts. Bifurcation simply refers to the division of trustee duties between the following parties, and describes who is responsible for the execution of the trustee duties:

- ✓ **Administration:** The administrative trustee is responsible for keeping financial records for the trust and for filing trust tax returns.
- ✓ **Distributions:** The distribution trustee is responsible for determining proper distributions to the beneficiaries, and for making those payments.
- ✓ **Investment Management:** The investment management trustee or advisor is responsible for overseeing the investment management of all trust assets, which may include marketable securities, real property, and closely held business entities, among other types

### Benefits:

Directed and Delegated trusts allow for different trustees to be responsible for each of the above functions. Choosing a trustee that is able to focus on their area of expertise:

- ✓ Provides a system of checks-and-balances to reduce administrative errors
- ✓ Enhances professional accountability
- ✓ Helps guard against potential breaches of fiduciary powers
- ✓ Provides flexibility for more tailored or customized trust management

### Directed Trusts vs. Delegated Trusts

The ultimate fiduciary responsibility differs based on who has the power to make decisions:

- ✓ **Directed Trust Model:** The trust grantor allows someone they designate in their trust document to direct the trustee to make certain decisions, such as investment management. In a directed trust, the trustee is not responsible for the actions or performance of the investment advisor, or for overseeing the chosen investments. This reduces the trustee's liability because they must follow the direction of the investment advisor pursuant to the terms of the trust document.
- ✓ **Delegated Trust Model:** The trustee appoints a delegate to administer certain aspects of the trust, such as an investment advisor to manage the trust assets. Since the trustee is responsible for the appointment, they are ultimately responsible for conducting due diligence on the advisor, overseeing the chosen investments, and monitoring the investment advisor's performance on an ongoing basis.



Archford  
13 Wolf Creek Dr., Suite #2  
Swansea, IL 62226  
PHONE: 618.416.7085



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