

Future Care: First Party Pooled Trust: Information and Procedures

March 21, 2021

Information & Procedures

The Trust

The Future Care First Party Pooled Trust is established pursuant to federal and state law(s) that permit a disabled person to shelter her/his own income and/or resources in order to remain eligible for government benefits that are subject to income and resource limits. **Disbursements are made at the sole discretion of the Trustee and must be used for the sole benefit of the disabled Beneficiary.**

The AI Sigl Community of Agencies is Co-Trustee and Grantor. Canandaigua National Bank and Trust (CNB) acts as limited Co-Trustee. Future Care Planning Services administers the Trust.

Eligibility:

Individuals who are disabled as defined in Social Security Law Section 1614(a)(3)[42USC 1382c(a)(3)] are eligible to establish a FCPS Pooled sub-trust account. There are no funding restrictions with respect to an individual's disability, ethnicity or religious beliefs. Disability determination from Social Security or Department of Human Services is required.

Suitability:

The Beneficiary and her/his representatives are solely responsible for determining whether this trust meets the needs of the Beneficiary. Fees are charged each month, which means there may be more efficient ways to spend small amounts in the interest of the disabled person. The Trustees do not know the specific circumstances of any individual and cannot determine if the Trust represents the optimal solution for a particular person. Prospective Beneficiaries should consult with their attorneys, case managers or other advisors before depositing funds in the trust.

Becoming A Participant of the Trust

A completed Sponsor Agreement (signed and notarized), Beneficiary Profile sheet, any other required information, and "guaranteed" funds (made payable to Future Care Pooled Trust, FBO (For Benefit of) Beneficiary's name) must be sent to:

Future Care Planning Services
Pooled Trust Dept.
1000 Elmwood Ave
Rochester, NY 14620

The funds to establish the account must be "guaranteed" (cashier's check, money order, or certified check drawn on the Beneficiary's bank account). Please allow 30 days for the account to be accepted. FCPS will contact the Beneficiary and/or their representative regarding any questions or problems with the submitted information/funds. Once accepted, a copy of the signed Sponsor Agreement and other information regarding administration of the sub-trust account will be mailed to the Beneficiary or the contact person listed in the Sponsor Agreement.

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It is the responsibility of the account Beneficiary to submit trust documents to Medicaid and/or other government agencies for approval.

Acceptable Sponsor Agreement signatures:

The Sponsor Agreement may only be signed by the Beneficiary or her/his parent, grandparent, legal guardian or an officer of the court. If the Sponsor Agreement is signed by an agent pursuant to a Power of Attorney document executed after August 31, 2009, the power to establish and fund Trusts must be specifically included.

The following must be submitted with the Sponsor Agreement if not being signed by the account Beneficiary, parent or grandparent.

Signed by the Guardian: Letter of Guardianship

Signed by Power of Attorney: POA document that specifically includes the powers to establish and fund a trust.

Account established by court order: Contact the FCPS office for instructions regarding the completion of Sponsor Agreement

Minimum to establish account:

- ❑ **First Party Lump Sum Trust** - The minimum deposit to open or establish a First Party Pooled Trust is \$3,000.00. The initial funds to establish the account must be “guaranteed” (cashier’s check, money order or certified check drawn on the Beneficiary’s bank account).
- ❑ **First Party Medicaid Spend Down Trust** – The greater of one month’s spenddown or \$330.00.

Minimum balance requirement:

- ❑ **First Party Lump Sum Trust** - A minimum balance equal to \$100 is required to always remain in the account.
- ❑ **First Party Medicaid Spend Down Trust**, A minimum balance equal to \$100 is required to always remain in the account. Note: The \$200.00 one- time enrollment fee is deducted from the initial deposit. In addition, the first month’s administrative fee will be charged in the month the account is established. Please keep this in mind when calculating whether you have achieved your required minimum balance.

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Subsequent deposits:

Deposits subsequent to approval of the Trust **must** be sent directly to **Future Care Planning Services Trust Department**. Indicate the name of the beneficiary on the face of the personal check, cashier's check or money order. Cash is not accepted at any point in time.

Disbursement Requests:

Disbursement requests must be submitted in writing by postal mail, fax, or by email to FCPS Trust Dept. Appropriate supporting documentation (receipt, price quote, invoice, etc.) must be included. The request must be signed by the Beneficiary or other authorized individual. The authorization is initially given in the Sponsor Agreement. Subsequently, authorized persons may be changed only by written request of the Sponsor Agreement signer.

Disbursement requests will be reviewed upon receipt. Approved requests are disbursed approximately 8-10 days later. Please plan accordingly, FCPS is not responsible for incurred late charges. Requests other than day- to- day living expenses must be presented and approved by the Trustee Committee and will require additional time for processing.

All disbursement requests **must** be for the sole benefit of the account Beneficiary and incurred with 90 days of submission.

Requests to pay credit card invoices will be limited to current charges only. The complete detailed statement and individual receipts must be submitted. Items ineligible for disbursements will not be paid (see "Disbursement limitations" below).

Lack of documentation or available funds will result in delayed processing time of disbursement requests.

Required Documentation:

Rent – A current signed lease indicating the Beneficiary as tenant **must** be on file. *Note: a lease between spouses will not be honored.*

Maintenance Fees – a payment coupon in the name of the Beneficiary must be submitted.

Mortgage – a mortgage document or payment coupon in the name of the Beneficiary.

Automatic payment for rent/mortgage/monthly living expenses

Automatic payments can be requested once the trust is established and funded. Please contact the trust department directly for information on setting up this option. Guidelines:

- ❑ Monthly deposits must be received at least 3 business days prior to issue of an automatic payment. **Failure to do so may result in cancelation with little or no notice.**
- ❑ Minimum balance requirement must be met at all times. If the account balance falls below this level, automatic payment may be canceled with little or no notice.
- ❑ If a monthly deposit is missed or returned for insufficient funds, the automatic payment will be canceled. Three additional consecutive monthly deposits may be required, as well as, a new request for automatic payment submitted, prior to restarting.

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Disbursement Limitation:

Every request for disbursement is individually reviewed. Approval is at the sole discretion of the Trustees. The primary consideration in all 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.

In addition, prohibited distributions include, but may not be limited to the following:

- disbursements payable to the Beneficiary
- rent relating to a lease between spouses
- tobacco and alcohol
- bail, restitution, and related legal fees
- fire arms
- Medicaid eligible expenses incurred after the trust was established.
- gifts
- donations
- medical expenses eligible to reduce monthly surplus income
- cash advances taken on credit cards
- Payments to financial institutions for debit charges, overdraft fees/expenses and lines of credit.
- Pornography

Expenses must be incurred within 90 days of submission.

Credit cards – only current month charges can be paid.

Disbursements will not be issued directly to the Beneficiary. All Disbursements will be made to third parties.

The Trust does not employ individuals to provide any service to the Beneficiary; therefore, all third party service providers and vendors must be *legitimate registered businesses*.

Fees: Charged according to the current fee schedule. Fees are subject to change.

A one-time enrollment fee of \$200 will be charged to establish a FCPS First Party Pooled Trust account. The fee will be deducted from the initial deposit. In addition, for spend down accounts the first month's administrative fee of \$30 will be charged in the month the account is established and in all subsequent months.

Trust expenses and fees are deducted before requested disbursements; therefore, please remember to consider this when submitting disbursement requests.

- First Party Spenddown accounts: A maximum of 4 disbursements per month will be allowed. For each additional disbursement, the sub-trust account will be charged \$5 at the time of disbursement.
- First Party Lump Sum accounts: A \$10.00 check writing fee is charged for each check written.

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Calculating Available Balance for spend down accounts: A pooled supplemental needs trust is very complicated in nature. Account information is only available to the trustees after month-end processing by the bank. We suggest you keep a record of your deposits and disbursement requests. Please do not submit requests in excess of your available balance.

The formula below will assist you when calculating the amount available for use between statements:

Account balance on last account statement.
+ Deposits made since your last statement
Subtotal
-Disbursements submitted since your last statement
-monthly administrative fee (\$30)
= Total current balance available for disbursements

Reporting of Accounts to Beneficiaries:

Account statements are prepared monthly and mailed to the individual designated in the Beneficiary Profile approximately one week after the end of each month. Statements include a summary of the month's activity; detailed accountings required for benefit recertification or by court order are prepared upon specific request.

Reporting to Government Agencies:

It is the responsibility of the Beneficiary, or her/his representative to report Trust activity to applicable government agencies. FCPS will provide additional information to the Beneficiary or directly to a government agency to assist in their reporting requirements if necessary.

Income Tax Reporting:

Al Sigl Center files Federal form 1041 and New York State IT-205 for tax purposes on behalf of the FCPS Trusts. Each Beneficiary with earned taxable interest reportable in 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 trust sub-accounts.

Required Assistance with Trust Transactions:

Al Sigl Center, on behalf of the Future Care Pooled Trust acts as fiduciary only and cannot provide service coordination type services. Persons authorized to discuss trust matters and/or submit requests on behalf of the Beneficiary are designated in the Sponsor Agreement. Only written changes to that designation will be accepted. Designation of a (new) contact person will be required if FCPS determines that the Beneficiary or contact person does not adequately handle trust matters.

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Beneficiary entering a Skilled Nursing Facility for Long-Term Care:

FCPS Trust Dept. should be immediately notified in writing. Monthly trust fees still apply.

Disbursements may continue throughout the lifetime of the Beneficiary and will continue until the \$100 minimum balance is reached.

The Beneficiary no longer has a spend-down/surplus income:

If the Beneficiary no longer has a spend-down/surplus income, FCPS should be notified in writing immediately. A copy of the Medicaid determination indicating there is no spend-down/surplus is required. The full balance, less unpaid fees and expenses, will be made available for use. There will be no change to the procedures regarding disbursements. The minimum monthly administrative fee will be charged until the account is fully expended. The \$100.00 minimum balance is kept as a closing fee.

Termination of sub-trust account upon the death of Beneficiary:

Consistent with federal statute, the sub-trust account terminates upon the death of the Beneficiary and all funds remaining in the sub-account shall remain with the trust to further its purposes.

The Party authorized to speak with us on behalf of the Beneficiary must notify FCPS immediately upon the Beneficiary's death and will be required to provide a certified death certificate.

Per Federal Statute, no disbursements may be made after death. Any individual requesting and/or receiving disbursements for expenses incurred after the death of a Beneficiary will be required to repay the amount disbursed.

Funeral Expenses:

Per Federal Statute disbursements for expenses incurred after death, may not be made from the sub-trust account. FCPS encourages the purchase of a Medicaid eligible irrevocable prepaid burial contract during the lifetime of the Beneficiary.

NO disbursements for funeral arrangements will be made from the sub-trust account after the death of the Beneficiary.

Contact Information:

Web: www.futurecareplanning.org trustservices@futurecareplanning.org jhelmbold@lifespan-roch.org

Telephone: (585) 402-7840 Fax: (585) 210-4048

Mailing Address: Future Care Planning Services
Trust Dept.
1000 Elmwood Ave.
Rochester, NY 14620