

LCG COMMUNITY TRUST III

(A Trust for Persons with Disabilities)

INFORMATION

&

PROCEDURES

Guardians Of Our Children, Inc.
5614 16th Avenue
Brooklyn, NY 11204

This documents is distributed with the understanding that LCG Community Trust 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.

LCG Community Trust III

Information and Procedures

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The Trust:

The LCG Community Trust is a pooled trust established pursuant to federal and state law that permits a disabled person to transfer their own excess income to the trust to remain fully eligible for governmental benefits. Disbursements are made at the sole discretion of the Trustees and must be for the sole benefit of the disabled beneficiary.

The Trust is administered by LCG Community Trust. Herein after referred to as LCG.

Contact Information:

LCG Community Trust
5614 16th Avenue
Brooklyn, NY 11204
(P) 718-466-2200 Ex: 511/512
(F) 718-466-2202

Email Disbursements to: jmartinez@lcgcs.org

Email Correspondence to: jmartinez@lcgcs.org

Eligibility:

The trust is available to all individuals who reside in New York and are disabled as defined in Social Security Law Section 1614(a)(3)[42USC1382c(a)(3)]. Disabled individuals are eligible for the trust regardless of their religion, race, creed, color, ethnicity, or sexual orientation.

Suitability:

The beneficiary and his/her representative are solely responsible for determining whether this trust meets the needs of the individual. The fees charge by LCG may not make it financially suitable for an individual. The trustees do not know the individual circumstances of any individual and cannot determine if the trust represents the optimal solution for a particular person. Prospective beneficiaries should consult with their attorney's, case managers, or other advisors before depositing funds in the trust.

Establishing an Account:

A completed Joinder Agreement, together with any other required information and a check or money order in the amount of \$250 (signup fee) made payable to LCG Community Trust f/b/o Beneficiary's name, must be sent to:

LCG Community Trust
5614 16th Avenue
Brooklyn, NY 11204

Required documentation when submitting an application:

- Copy of POA or Guardianship, if Joinder is signed by agent or guardian
- Copy of any funeral information already in place, i.e. irrevocable pre-need contract, burial plot deed, etc.
- If account is established pursuant to court order, a copy of the court order is required

Please allow 14 business days for the processing of the application. LCG will contact the beneficiary or their representative if there is any further information required. To ensure the timely review of your application, please submit all required documentation as listed above on the submission checklist. Missing or incomplete information may delay the account approval.

Once the Joinder Agreement has been accepted by LCG, the beneficiary or their representative will receive a start-up binder containing all the necessary information regarding administration of the sub-trust account.

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

Fees:

Fees are charge in accordance with the fee schedule as outlined below.

Enrollment Fee: An initial enrollment fee of \$250.00 will be charged to establish an account.

Monthly Administrative Fee: A monthly administrative fee will be charged to each sub-trust account. At the present time this fee shall equal to 8.5% of the required monthly deposit (income determined by Medicaid to be “spent-down”). The monthly minimum fee shall be \$42.50

Annual Renewal Fee: A renewal fee of \$100.00 will be applied to each account annually. This fee is deducted from the beneficiary accounts on the anniversary date of the account opening.

Annual Audit and Tax Return Fee: Guardians of our Children, Inc. incurs both direct and indirect costs associated with the annual audit by an independent accounting firm and for the preparation of the annual tax return filed by the Trust. Beneficiaries are charged \$100.00 annually to assist in covering these costs. This fee is deducted from beneficiary accounts annually, in January, for the prior year audit and tax preparation.

Minimum Monthly Deposit:	\$500
Monthly Fee:	8.5% of monthly deposit
Minimum Monthly Fee:	\$42.50

Additional Fees:

Returned Insufficient Funds Check	\$30.00
Stop Payment on Check	\$30.00
Overdraft of Account	\$30.00
Copy of Cancelled Check	\$20.00
One-day Processing	\$50.00
Overnight Mail	\$30.00

Sample Fee Calculation

(Deducted monthly from surplus deposit)

Monthly Deposit - \$500.00
Monthly Administrative Fee (8.5%) = \$42.50
Annual administrative fee charged (\$42.50 x 12) = \$510.00

Subsequent Deposits:

Monthly deposits after the initial enrollment deposit must be accompanied with a deposit slip. (Monthly deposits must come from the beneficiary's account). Deposit slips will be provided in your start-up binder. Should you require more slips, please contact the trust and they will be provided to you. Do not include any sort of correspondence with the deposit slip.

Disbursement Requests:

Disbursement requests must be submitted in writing and include the appropriate proof of the expense such as a bill, invoice etc. All disbursement requests must be signed by the beneficiary or their representative.

All requests must be for the sole benefit of the beneficiary and have been incurred within 90 days of request.

The request and proof should be mailed or faxed to the trust to be reviewed. Approved disbursements may take up to five (5) business days to be processed. Please plan accordingly since the trust shall not be liable for any late charges. Lack of documentation or funds will result in delayed processing time of request.

Requests to pay credit card invoices will be limited to current charges only. A complete statement must be submitted. Items ineligible for disbursement will not be paid.

Disbursement Limitations:

Every request for disbursement is individually reviewed. Approval is at the sole discretion of the Trustees. 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.

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
- Bills for payment of monthly "excess income"
- medical expenses eligible to reduce monthly excess income
- cash advances taken on credit cards

- payments to financial institutions for debit card charges, overdraft fees/expenses, lines of credit

Expenses must be incurred within 90 days of submission. Only current month's bills can be paid on a credit card.

Under no circumstances will disbursements be made to the beneficiary. All disbursements must be made to third parties.

Request for Automatic payment for rent, mortgage, or maintenance fees:

Once the beneficiary account has been established, automatic disbursements for rent, mortgage, or maintenance fees may be requested. An automatic disbursement request form must be submitted. This application will be provided in your start-up binder.

In each instance, the appropriate proof must be submitted.

- For rent, a copy of a current rent receipt or signed lease agreement in the name of the beneficiary/spouse must be given to the trust upon submission of automatic disbursement request. For legal reasons, a lease between spouses will not be considered.
- For mortgage payments, a copy of the mortgage or current monthly statement in the name of the beneficiary/spouse must be given to the trust upon submission of automatic disbursement request.
- For maintenance fees, a current receipt in the name of the beneficiary/spouse must be presented up automatic disbursement request.

Automatic Payment Guidelines:

- Monthly deposits must be received at least four (4) business days prior to issue of the automatic payment. Failure to do so may result in cancellation of payment.
- Automatic payment amount must be the same each month.
- Please allow two (2) weeks for approval and processing of the automatic payment request. A disbursement request form is required while automatic disbursement request is pending approval.

Reporting to Government Agencies:

It is the responsibility of the disabled beneficiary, or their representative, to report Trust activity to applicable government agencies. LCG Community Trust will provide, upon request, additional

information to the Beneficiary, or directly to the government agency, to assist in their reporting requirements if necessary.

Beneficiary entering a Nursing Home:

If the beneficiary enters a nursing home and is not expected to return home, LCG Should be notified immediately via a written statement. Upon receipt of the written statement, the full balance, less unpaid fees, will be available for use. There will be no change to the disbursement procedures. Nursing Home bills for spend-down/surplus/NAMI cannot be paid. The monthly administrative fee will be charged until the account is fully expended.

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

If the beneficiary no longer has a Spend-down/excess income, the trust shall be notified immediately in writing. A copy of the Medicaid determination indicating there is no spend-down/excess income may be required.

Upon receipt of the written statement and/or Medicaid determination letter, the full balance, less any unpaid fees, will be made available for use. There will be no change to the disbursement procedures.

Termination of sub-trust account upon beneficiary death:

Under federal law, once a beneficiary dies, all funds remaining in the sub-trust account must be left with the Trust to further the Trust's goals. The Trust must be notified immediately of the decedent's death and a certified death certificate must be produced. Once that is done, the Trust will pay the final disbursements incurred anytime within 90 days of death. By law, the Trust cannot pay expenses incurred after death and if such is done, the amounts paid must be returned. Per federal and state statute, the Trust cannot pay any funeral or related expenses.

