



School of Trust & Financial Services
Session Objectives

OVERVIEW OF THE TRUST INDUSTRY – SESSION OBJECTIVES

- Define the fiduciary relationship
- Describe the types of services trust departments can deliver
- Learn how trust services benefit the client
- Understand the principal sources of liability as a fiduciary
- Distinguish between specific trust vehicles, their features, and reasons for client use of them
- Understand the trend toward blending of trust services and products

TRUST ADMINISTRATION – SESSION OBJECTIVES

- Describe the duties of the trust administrator
- Know the procedures conducted in preparing an account for administration
- Distinguish between personal trust and estate administration
- List the key factors to be considered in making discretionary distributions to beneficiaries
- Understand the trust administrator's role in coordinating with outside professionals and internal staff
- Define the administrator's role in protecting the bank from liability

INVESTMENTS – SESSION OBJECTIVES

- Overview and define different types of investment vehicles (mutual funds, stocks, bonds, CD's, ETF's, etc.)
- Understand the concept of asset allocation.
- Identify the basic characteristics of major asset classes.
- Understand the advantages and disadvantages of different investment vehicles.

- Review advantages and disadvantages of mutual funds.
- Learn how to determine investment suitability and risk tolerance of customers.
- Understand the basic concepts of modern portfolio theory and diversification.
- Understand the key elements of the following legal and regulatory investment issues:
 - Prudent Man Rule
 - Prudent Investor Act
 - Principal and Income Act
 - Uniform Principal & Income Act
 - OCC 12CFT Reg. 9 – Fiduciary Powers of National Banks
 - ERISA
- Review relationship of Uniform Prudent Investor Act and the Uniform Principal and Income Act.

OVERVIEW OF FIDUCIARY INCOME TAXES – SESSION OBJECTIVES

- The basic concepts of income taxation of estates and trusts and how income taxation affects trust administration.
- The different types of tax returns required for trusts.
- The key concept of distributable net income and its effect on trust distributions.

KEY TAX TOPICS COVERED ~ WHY YOU, AS A TRUST DEPARTMENT PROFESSIONAL, NEED TO KNOW:

- Taxable entities
- Types of Trusts & Estates
- Taxation of Estates and Trusts:
 - Filing Requirements
 - Gross Income
 - Income in Respect of a Decedent
 - Capital Gains and Losses
 - Basis of Assets
 - Deductions
 - Trust Rate
 - Prohibiting Double Deductions for some expenses
 - Tax Year-End
 - Estimate requirements
 - Computing Taxable Income
 - Distributable Net Income (DNI)
- Tax Elections
 - 65 day election
 - Section 645 Election
 - U.S. Savings Bonds

DEVELOPING CUSTOMER RELATIONSHIPS – SESSION OBJECTIVES

- Understand the importance of customer relationship management in competitive, changing industry
- Identify various techniques one can use to keep existing clients and develop new clients from prospects
- Identify methods to influence referrals from internal and external sources
- Gain an understanding of how to create realistic expectations in new and existing clients
- List the advantages that both large and small trust departments have when working with clients and prospects
- Understand the importance of retaining business and gain ideas on how to achieve higher rates of customer retention
- Understand the benefits of attracting nontraditional (younger) clients
- Understand fiduciary liability issues related to sales of trust services

RETIREMENT PLANNING – SESSION OBJECTIVES

- Understand the tax benefits of retirement plans
- Understand the basic types of qualified retirement plans for businesses
- Understand the basic types of retirement plans for individuals
- Understand the rules governing distributions from retirement plans

COMPLIANCE – SESSION OBJECTIVES

- Understand compliance issues which can arise within the trust agreement with specific focus on:
 - Investment provisions
 - Distribution provisions
 - Account review
 - Principal and income
- Understand the fiduciary liability issues in the compliance area

- Describe a minimum of three areas of conflict of interest and possible resolutions to these conflicts
- Describe five purposes trust policies serve
- Using provided reference materials, identify what policies are required and suggested by the regulators
- Using provided reference materials, identify resources available to help in writing trust policies
- Provide examples of policies at work in daily account management

PROBATE & CONSERVATORSHIPS – SESSION OBJECTIVES

- Understand the probate process and the estate termination process to include the duties of the executor.
- The important factors and decisions the executor faces during estate administration.
- The general guidelines provided by law for the executor to follow.
- How the entire administrative process works in practice.
- The definition of conservatorships and why this proceeding can be necessary.
- The objective accomplished by the conservator on behalf of a client and how a conservatorship should be administered.

TRUST ACCOUNTING & SECURITIES PROCESSING – SESSION OBJECTIVES

- Understand the basic components of principal and income accounting
- Understand the different functions of the accounting department including securities processing, income collection, funds distribution and customer accounting
- Understand key operational functions associated with trust activities
- Apply the basic components of Trust Accounting to the Johnson Family Case Study

ESTATE PLANNING – SESSION OBJECTIVES

- To develop an understanding of the benefits a trust department or a trust company can enjoy by offering the service of estate planning.
- To develop an awareness of the potential liability associated with offering estate planning services.
- The basic filing requirements of trusts and estates as well as the responsibility of a fiduciary to file any tax returns under the estate and gift tax laws.
- To develop knowledge about the fundamentals of estate planning and the associated terminology.
- To develop an understanding of the unified credit, marital deduction, and gift tax annual exclusion.
- To develop knowledge about common estate planning objectives and techniques.
- To develop an understanding of the basic documents used in estate planning.