



# The Arc of Indiana Master Trust Welcome Guide

[thearctrust.org](http://thearctrust.org)

317.977.2375

[thearctrust@arcind.org](mailto:thearctrust@arcind.org)

## The Arc of Indiana Master Trust

Welcome to The Arc of Indiana Master Trust. This booklet provides information and instructions that will help you fully utilize your trust. Please keep this booklet in a handy place where you can easily refer to it.

If you have any questions at any time, please do not hesitate to contact us via email or by calling **317-977-2375**. In addition, you can find information about The Arc Master Trust by visiting [thearcctrust.org](http://thearcctrust.org). Information about our parent organization, The Arc of Indiana, can be found by visiting [arcind.org](http://arcind.org).

We look forward to working with you.

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## Understanding Your Account Number

Your account number indicates what kind of trust you have and if it is invested. Your account number is printed on the front of this booklet or in the welcome email you received.

- Trust I accounts start with the letter B and the number 1.
- Trust II accounts start with the letter T and the number 2.
- The third character in the account number determines if the account is invested, in the money market, or not invested.
  - Accounts that are in our standard investment include the letter V.
  - Accounts in the money market include the letter K.
  - Accounts that are not invested include the letter N.

**B1V** – Trust I, standard investment

**B1K** – Trust I, money market

**B1N** – Trust I, not invested

**T2V** – Trust II, standard investment

**T2K** – Trust II, money market

**T2N** – Trust II, not invested

This booklet provides information for all trust accounts. The booklet will specify if a certain section applies to certain trust accounts.

## Your Trust Account Manager

Every trust account at The Arc Master Trust has a dedicated account manager assigned to the account. The account manager is your point of contact in our office when you have questions about your trust or need to make a request for disbursement. Information about who your account manager is as well as their contact information is available either on the front of this booklet or in your welcome email.

## Accessing Your Trust Account Statement Online

If you chose to have online access to account statements and provided an email when you enrolled in The Arc Master Trust, you will have access to your trust account through our online trust management portal, **INtrust**. By choosing online access, email will be the method we will use to send you all communications from The Arc of Indiana Master Trust.

If you did not provide an email and would like to have online access, please contact your trust account manager.

To log in to your account, go to [thearctrust.org](http://thearctrust.org). Click on the INtrust Log In button at the upper right-hand corner of the page. You will be directed to the log in page for INtrust.

You will receive an email from INtrust with a link to set up your password. The link in this email is valid for 48 hours. After this, you can click on “Forgot Password” on the log in page and follow the prompts.

**If you have any questions or concerns, please contact your trust account manager.**

## Annual Spending Target – B1V Only

B1V accounts are subject to an annual spending target. The purpose of the spending target is to ensure the beneficiary has funds for the duration of their lifetime and to ensure their eligibility for The Arc’s Remainder Fund if their trust funds have been exhausted.

The spending target is calculated each year based on the balance on December 31st of the previous year and the beneficiary’s age. You will receive notification from the trust office in the first quarter of the year notifying you of the current spending target. We do our best to stick to that spending target each year. Sticking to the spending target ensures the longevity of the trust for the beneficiary.

## What Can I Purchase with My Trust?

Federal and state regulations that govern how a special needs trust can be used are complex. While it is impossible to draft an all-inclusive list of what goods and services can and cannot be purchased with a special needs trust, the following are items that are routinely covered.

Goods	Services
Appliances	Athletic or Other Recreational Fees
Cell Phone	Attendant Care
Clothing	Attorney / Accountant / Financial Planning Fees
Computers / Tablets	Auto Repair / Maintenance
Electronics	Cable TV
Eyeglasses / Contacts	Camp Fees
Furniture	Cell Phone Services
Games	Entertainment Expenses
Gasoline	Eye and Dental Care
Groceries / Dining Out	Field / Day Trips
Hobby Supplies	Hair Care
Household Products	Home Modifications / Maintenance
Mattresses	Improvements
Musical Instruments	Insurance Payments
Outdoor Grills	Internet Services
Personal Care Items	Maid Services
Pets / Pet Supplies	Music Lessons
Prepaid Funeral Expenses*	Pet Grooming / Veterinarian Bills
Property Taxes	Rehabilitation
Rent / Mortgage Payments	Therapeutic Massages
School Tuition	Tickets to Concerts / Movies / Sporting Events
Tools	Transportation
Toys	Travel Expenses
Vacations	Tuition or Fees for Classes
Vehicles	Vehicle Modifications

**Disbursements must be made for the primary benefit of the beneficiary.** If the beneficiary lives with family or has roommates, living expenses will be divided among all the individuals living in the home.

**If the beneficiary is a minor, the trust can only pay for items directly related to the individual's disability.** Once the beneficiary turns 18, they may access any of the goods or services listed.

**Recurring Expenses** - If you would like the trust to pay a monthly bill, such as cable TV or cell phone services, please contact your trust account manager. If approved, they will discuss the procedure for setting up this process.

## Information Regarding Purchasing With SSI

Supplemental Security Income (SSI) is a benefit paid by the Social Security Administration (SSA) to individuals that have not paid (or have not paid enough) into the Social Security System by paying FICA taxes to be able to draw Social Security Disability Income (SSDI). SSA says that the SSI benefit is to pay for shelter costs. Their definition of shelter is:

- Rent
- Mortgage
- Utility payments (home heating oil or gas, water, electricity, sewage, trash removal)
- Property Taxes
- Homeowner's Insurance, if required by the mortgage company

If the trust is used to pay these expenses for an SSI recipient, then the SSI check could be reduced up to SSI's Presumed Maximum Value (PMV), which is currently 1/3 of the SSI check plus \$20. Therefore, The Arc Master Trust is hesitant to pay these expenses for our beneficiaries receiving SSI and will instead try to find other monthly expenses that are not on the list (telephone and cable for instance). There may be circumstances when the trust can be used to pay these expenses even if the beneficiary receives SSI. This will always need to be approved, and an agreement must be signed that says the beneficiary, guardian and/or key person understands there could be a reduction in the SSI check.

## Purchasing Gifts

Because federal legislation making these trusts possible states the money is to be used for the primary / sole benefit of the beneficiary; the trust is not able to be used to pay for gifts for others.

However, the beneficiary's trust can be used to purchase their own gifts at holidays and birthdays. We will work with beneficiaries to see if there are expenses the trust can cover to allow the beneficiary to use their own financial resources to buy gifts for others. Trust funds from accounts for SSI beneficiaries should not be used to purchase any kind of gift cards since doing so may cause a reduction or loss of SSI.

## **The following items are generally NOT approved for disbursement from The Arc Master Trust:**

- Checks written to the beneficiary or placed into the beneficiary's bank account
- Distributions for loans to friends, family members or others without appropriate documentation
- Alcohol
- Illegal substances
- Any form of gambling, betting, or lotteries
- Firearms and other weapons

***Please note we generally will only reimburse appropriate expenses within a year, and since the creation of the trust.***

## **Disbursement Request Process**

Disbursements from special needs trusts are to pay for goods and services not covered by the beneficiary's government benefits.

Funds for expenses may be requested in advance, as a reimbursement for expenses, or as a direct payment to vendors.

*All receipts and/or bills must be submitted for disbursements from The Arc Master Trust. If the disbursement request is for a reimbursement of expenses, information for all of the expenses must be provided at the time the request is made. If the disbursement request is to pay for goods and services in advance, this must be provided within 30 days once the funds are issued. The entire bill or a copy of the bill must be provided.*

Disbursement requests may be submitted at any time but are only reviewed for approval on Tuesday and Thursday. Once approved, disbursement checks are mailed within 24 hours.

**A disbursement request form should be used to make a disbursement request.**

An online disbursement request form is available by logging in to **INtrust**. You can also find a disbursement request form on our website, [thearctrust.org](http://thearctrust.org), in the Documents & Resources section. If you do not have access to the internet, please contact your trust account manager to request disbursement forms. A form that can be copied for future use can be found at the back of this guide.

## Ways to Make a Disbursement Request

**INtrust Portal Request:** Go to [thearctrust.org](http://thearctrust.org), click on “INtrust Login” and log in to **INtrust** to submit the disbursement request.

**Email:** Email your trust account manager with the disbursement request form attached. In the subject line please type: DISBURSEMENT REQUEST

**Fax:** Fax the disbursement request form to 317-977-2385, with the following information:

Attention: Name of your trust account manager  
DISBURSEMENT REQUEST

**Postal Mail:** Mail the disbursement request form to:

The Arc Master Trust  
ATTN: Name of your trust account manager  
PO Box 1547  
Indianapolis, IN 46206

**Telephone:** 317-977-2375 or 800-382-9100

**Please remember that all disbursement requests are subject to approval and should be accompanied with a disbursement request form.**

## Information about Purchasing High-Cost Items

Please contact your trust account manager when high-cost items, such as furniture, appliances, vehicles, or vacations are needed or wanted.

### Purchasing Furniture and Appliances

Due to the laws governing special needs trust, funds in the trust can only be used for the primary/sole benefit of the trust beneficiary. If the beneficiary has a roommate(s) or is married,

the trust will only be able to pay for the beneficiary's portion of the item(s). In some circumstances the trust will be able to pay 100% of the item(s). When this is done, we will ask that an agreement be signed to ensure that should the trust beneficiary move out of the home or apartment, the items that the trust paid for in full move with the beneficiary. The Furniture / Appliance agreement can be found on our website under Documents and Resources. Purchasing from an individual, Facebook Marketplace, Craigslist, etc., is generally not approved.

When the request has been preliminarily approved by your trust account manager, the beneficiary may go to the store of their choice and pick out the needed items.

The furniture or appliance store must complete an invoice that should be emailed or faxed to your trust account manager at The Arc Master Trust office.

The trust will make the final determination if the disbursement for the furniture and/or appliances is approved, and the check will be mailed either to the store or to the beneficiary or key person.

## Requests for Vacations

Please contact your trust account manager to inform them that you would like to use the trust for vacation expenses. The trust can be used to pay for the beneficiary and one person to accompany the beneficiary.

Your trust account manager will require an itinerary of the vacation, including:

- Destination of the vacation
- Length of time for the vacation
- Estimate of all expenses including airfare, gas, rental car, hotel, food, clothing or souvenirs

Some up-front funds can be provided; however, appropriate receipts must be submitted within 30 days after the beneficiary has returned from the vacation. Payments from the trust can be made to the key person for reservations or charges with appropriate receipts received. The trust can also pay for travel expenses directly.

## Requests for Vehicles

Please contact your trust account manager to inform them that you would like to use the trust to purchase a vehicle.

The beneficiary, or in some instances the key person, must have a valid driver's license and a copy must be sent to The Arc Master Trust office.

In most circumstances the beneficiary will be the owner of the vehicle. There may be limited circumstances when the key person may be the owner of the vehicle.

The beneficiary or key person should find the vehicle they would like to purchase and negotiate the best price from the dealer (purchasing from an individual, Facebook Marketplace, Craigslist, etc., is generally not approved).

The dealer can then fax or email the invoice with the vehicle asking price, taxes and fees, less any trade-in. The invoice should include the make, model, year and mileage of the vehicle to be purchased.

Your trust account manager will review the invoice from the dealer and submit to the Chief Trust Officer to approve or deny the disbursement.

The check to purchase the vehicle will be mailed either to the dealership or the beneficiary or key person to give to the dealership.

***The Arc Master Trust will hold the first lien on all vehicles purchased out of the trust and retain the title until the vehicle is traded in or sold. In most cases no one will need to pay the beneficiary's trust anything, and the title will be released when the vehicle is sold.***

## Receipts Policy

In order to assure that beneficiaries remain eligible for government programs, such as SSI and Medicaid, it is important that we maintain a strict policy regarding receipts for items purchased with funds disbursed from trust accounts.

1. Disbursement requests for reimbursement of items that have been purchased must include appropriate receipts.
2. Disbursements made as an advance to make a purchase will include a letter stating that receipts must be returned to The Arc Master Trust within 30 days.
3. If appropriate receipts are not received, future disbursements will require receipts before a check is issued.

## How to Make Deposits - B1V, B1K, B1N

Deposits to a trust account can be made at any time. ***Please note that the beneficiary's money cannot be added to this trust. A different trust will need to be established for the beneficiary's money to be deposited in.*** Please contact The Arc Master Trust if you need a trust to deposit the beneficiary's own funds.

Checks should be made payable to: "The Arc of Indiana FBO (Name of Beneficiary)"

*Note: FBO stands for "For the Benefit of"*

Mail Checks to: The Arc Master Trust, P.O Box 1547 Indianapolis, IN 46206

Online deposits to a trust account can be made via INtrust using a credit or debit card, or e-check.

## How to Make Deposits - T2V, T2K, T2N

Deposits to a trust account can be made at any time. ***Please note that only the beneficiary's money can be added to this trust.*** If family or loved ones wish to contribute to a trust, please contact The Arc Master Trust regarding depositing funds into a trust for a beneficiary.

Checks should be made payable to: "The Arc of Indiana FBO (Name of Beneficiary)"

*Note: FBO stands for "For the Benefit of"*

Mail Checks to: The Arc Master Trust P.O, Box 1547 Indianapolis, IN 46206

Online deposits to a trust account can be made via INtrust using a credit or debit card, or e-check.

## Government Benefits Recertification Process

When a beneficiary goes through the process of being recertified for their government benefits, such as SSI or Medicaid, please contact us. We have documentation to supply to these agencies. ***You must declare the trust when going through a recertification.*** It is important to remember that while a special needs trust will NOT be counted as an asset to the beneficiary, you must declare the trust when going through recertification for benefits. Please give us at least a 24-hour notice when documents will be needed.

***Please note: The Arc Master Trust only reports information about your trust(s) with The Arc Master Trust. If you have any other trusts or accounts, they must be reported by the beneficiary.***

## Important Information on Prepaying a Funeral

**Due to state and federal laws, a trust cannot be used to pay for funeral expenses after a trust beneficiary's death.** The beneficiary's trust account **can be** used to pre-pay any and all funeral expenses during their lifetime. We strongly urge all trust beneficiaries to pre-pay the expenses associated with their funeral, burial plot, headstone and other related expenses before their death. This can be done by using trust funds to purchase an irrevocable funeral trust.

To establish an irrevocable funeral trust, contact a funeral home of your choice. They will guide you through the process of pre-planning a funeral, determining the cost, and establishing the funeral trust. Once the irrevocable funeral trust is established, the contract can be mailed, faxed or emailed to your trust account manager. We will process the disbursement and mail the check to the funeral home. You will have the peace of mind knowing that you need not worry about this expense in the future.

## Important Information on Taxes – B1V, B1K, T2V, T2K

Trust accounts can be eligible for investment or earnings depending on the account balance. Trusts that have an account balance over \$20,000 are eligible for our standard investment. Trusts that have an account balance over \$10,000 are eligible for our money market. Trusts that are in the standard investment or money market are subject to taxation for all interest, dividends, and their share of market gains and losses (if applicable) incurred during a year.

The Arc Master Trust, with the assistance of our tax preparer, prepares and files Federal Form 1041 and Indiana Form IT-41 for all invested and money market trust accounts. The fee for preparing these forms and any amount owed to the United States Treasury and Indiana Department of Revenue is deducted from the trust. The key person(s) may need to prepare and file a Federal Form 1040 and Indiana Form IT-40 on behalf of the beneficiary.

For B1V and B1K accounts, the Form K-1 is prepared and The Arc Master Trust mails it to the key person prior to April 15. The fee for preparing this form is included in the tax preparation fee. If no disbursements have been made from a B1V or B1K account during the year a Form K-1 will not be issued.

For T2V and T2K accounts, a Grantor Tax Letter is prepared and The Arc Master Trust mails it to the key person prior to April 15. The fee for preparing this form is included in the tax preparation fee. A Grantor Tax Letter will be issued even if no disbursements have been made from a T2V or T2K account.

# The Arc Master Trust Disbursement Request Form

Please note this form must be submitted with each disbursement request and must be completely filled out. If you have questions about the form, please contact anyone at The Arc Master Trust office. This form can be emailed to your trust account manager, faxed to 317-977-2385, or mailed to The Arc Master Trust, PO Box 1547, Indianapolis, IN 46206. If you do not know who your trust account manager is please call us at 317-977-2375 or 800-382-9100. Disbursement requests can also be made online at <https://intrust.thearctrust.org>.

## **ACCOUNT INFORMATION:**

Name of Trust Beneficiary: \_\_\_\_\_ Trust Account Number: \_\_\_\_\_

Name of Person Submitting Request: \_\_\_\_\_

Phone Number or Email Address of Person Submitting Request: \_\_\_\_\_

Is This a Reimbursement? Yes  No

## **REASON FOR REQUEST (please include receipts and/or copies of bills if available):**

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**Amount of Request:** \_\_\_\_\_

**Make Check Payable To:** \_\_\_\_\_

**\*PLEASE NOTE WE CANNOT MAKE CHECKS PAYABLE TO BENEFICIARIES**

**Mail Check To:**

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**By Signing This I Attest That the Disbursement Requested is for the Sole Benefit of the Beneficiary.**

Signature: \_\_\_\_\_

## **FOR OFFICE USE ONLY**

**Date Received:** \_\_\_\_\_ **Received By (Initials):** \_\_\_\_\_



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