ATG TRUST COMPANY

Duties of a Trustee

The following are basic responsibilities of a trustee and can become more complicated as the trust becomes more specific to the person for whom it was created. Always consult with your advisor and trust administrator about your specific trust.

Taxes

- Make Elections if the Trust holds certain closely held businesses
  - ESBT, QSST
- File tax returns for businesses owned by the Trust
  - May have to file in multiple states or countries depending on Trust, Trustee and beneficiary status
- Get Tax ID Number for the Trust
- File annual State and Federal 1041 Fiduciary tax returns
  - Coordinate with other owners if Trust only owns partial interest
- Time distributions to pass income tax liability to beneficiary
  - Trusts pay tax at high marginal rates

Asset & Investment Management

- Choose and monitor appropriate investments for beneficiaries
  - If appropriate, get investment approval from co-trustee, outside individuals or advisors
  - Consider needs of other current or future beneficiaries
- Render periodic accounting (Illinois Principal & Income Act)
- Gather, Inventory, Appraise and Retitle Trust Assets
  - Bank accounts, real estate, personal property, life insurance, retirement & employee benefits
- Manage Trust owned real estate
  - Make sure all maintenance and utility bills are paid
  - Ensure that all property is adequately insured
  - Value the property
  - Sell if appropriate
- Closely held businesses
  - Collect copies of articles of incorporation on by-laws buy/sell agreements etc.
  - Ensure that business is managed properly (insured & profitable)

Distributions to Beneficiaries

- Get supporting documents for the distribution request
  - Invoice and/or estimates
  - Beneficiary tax return and financial information (if the trust calls for considering other resources)
- Read & interpret Trust to determine if distribution is appropriate
- Research if expense is appropriate
- Monitor for age based distributions
- Disabled or Minor Individuals
  - Coordinate bill paying
  - Work with case managers, guardians and care providers to determine needs

Trust Termination

- Divide the Trust pursuant to the document
  - Contact remainder beneficiaries
  - If Trust splits, set up new trusts
  - File final tax returns