



The \$1 Coin

The attempt at a widely used \$1 coin is nothing new. In 2007, a program that was initiated by Congress instructed the government to begin minting a massive number of new dollar coins. The idea was to feature every single American president and persuade the American public to collect the new coins and possibly even switch from the paper dollars. As you might already know, it was an epic failure. Within four years, more than \$1 billion worth of the coins sat unused in giant vaults under the Federal Reserve Building.

The rarest small-bill currency is the \$2 bill which represents about one percent of our money. It was first authorized in 1776 to help fund the Revolution – back when two dollars was a more significant amount of money. The reality is the \$2 bill is usually not spent and many people hoard them. Famously used as birthday presents, it is rare to get one back in change today. ❖



Q&A with the GPTC Trust Administrators

How is the trust department organized and what are each of your roles?

Tiffany Wingo and Kendra Eason are both attorneys and work in estate planning and estate and trust administration. Jenny Pope is in the Operations Department and handles the trust accounting.

Tiffany is a Trust Officer who manages accounts and relationships with beneficiaries. She works with beneficiaries on distribution requests and ensures that all distributions are permitted by the terms of the trust documents. She also reviews all tax filings and coordinates any additional filings that may be required such as registration of charitable foundations. Tiffany also handles trust administration after death and reviews estate planning documents for clients.

Kendra is an attorney and spends much of her time reviewing and interpreting documents. One of her roles is to review estate plans for GPTC clients and families, including their Trusts, Wills, Powers of Attorney and related documents, along with their GPTC account

beneficiary designations and other GPTC records. In doing so, she checks for things like missing or incomplete documents and inconsistencies between the GPTC documents and the rest of the Plan. She then suggests things the client may want to discuss with legal counsel, including potential updates, for example. Another part of Kendra's role is to review the documents necessary to correctly administer GPTC's trust accounts, including new accounts. She also works closely with GPTC's Operations Department to assist with TOD (Transfer on Death) forms, beneficiary designations and other legal forms to ensure that they comply with applicable statutes and GPTC's internal policies.

Jenny's responsibilities include the accounting of the trust records. This includes asset receipt and distributions. She also works with accounting firms on preparation of trust tax returns and coordinates the filing of tax returns and tax payments. Jenny assists as needed on the trusts and has other Operation Department duties and accounts.

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Pandemic Creates Surge in Savings

According to A. Lee Smith, a research and policy advisor in the Economic Research Department of the Federal Reserve Bank of Kansas City, the pandemic turbo charged American's savings rates. Smith documented a sharp increase in savings as a percentage of disposable personal income from 7.2% in December 2019 to a record high of 33.7% in April 2020. "That means that for every \$100 of disposable income, consumers saved \$7 in December," Smith said, "and by April consumers were saving almost \$34 of every \$100 of disposable income."

The various stimulus checks as a result of the CARES Act as well as a second relief package in December allowed households that lost jobs or income to meet basic necessities. For households fortunate enough to remain employed, the transfer may have facilitated a desire to build a savings buffer.

As for precautionary savings, Smith said they broadly refer to an increased desire to save today to guard against a future risk or uncertainty. ❖

Source: TEN Federal Reserve Bank of Kansas City, Spring 2021

Q&A Continued...

What additional trust services do you provide for clients?

GPTC is available to review estate planning documents for clients for no additional fee. Although GPTC cannot prepare such documents, we can review them along with your GPTC documents and make suggestions. GPTC can also recommend an estate planning attorney to assist with preparing or revising your documents.

How do I name GPTC to serve as successor trustee of my trust?

You would simply have the attorney preparing your documents name GPTC as successor trustee. If this is something you are considering, GPTC would appreciate the opportunity to review the relevant trust documents before execution so that we can make appropriate suggestions on the trust provisions to ensure the smoothest possible trust administration. If you would like a family member such as one of your children to participate in the trust administration, you can also name them as co-Trustee, and GPTC will work with the co-Trustee.

What happens when GPTC becomes the trustee after death?

GPTC will handle the collection, retention, and distribution of trust assets after death. We will apply for a Tax Identification Number as needed. GPTC will work with other financial institutions to ensure all assets are collected into the trust.

We will keep a trust accounting and file tax returns as needed. Our goal is to ease the burden as much as possible for beneficiaries after losing a loved one (or for any grantor giving GPTC the opportunity to administrate their trust.)

What audit procedures and safeguards does GPTC have in place to protect trust assets and ensure proper trust administration?

GPTC performs annual account reviews to ensure compliance with the trust documents and any banking regulations. Investment reviews are also performed to ensure that the trust assets are properly invested to accomplish the purpose of the trust. Our Trust Committee meets quarterly to review trust distributions, the opening and closing of trust accounts and any special circumstances. GPTC is also governed by the Office of the State Bank Commissioner, and regular exams are performed by state bank examiners every 12-18 months. An external independent audit is also performed on GPTC procedures on an annual basis. GPTC also maintains a fidelity bond to cover certain acts as well as insurance coverage, including cyber insurance. ❖

Family Foundations

Family foundations make up over one-half of all private foundations and range in asset size from a few hundred thousand dollars to more than \$1 billion. Although often associated with America's ultra-wealthy and famous, establishing a family foundation may be more accessible than you think. Many family foundations – three out of five - hold assets of less than \$1 million.¹

If charitable giving is important to your family, establishing a foundation may offer important benefits. First, giving through a foundation inspires a more deliberate and organized approach to giving. Rather than writing checks here, there and everywhere, foundations inspire families to focus on causes which matter most to them. Second,

foundations can help make the most of your gifts by offering tax advantages and other financial benefits.

Last but certainly not least, establishing a family foundation can instill family values and traditions, now and for generations to come. It can strengthen family ties through collaboration, meetings, and opportunities to discuss meaningful issues together as a family. Finally, it may give your loved-ones a chance to discover or rediscover the meaning and fulfillment that comes from helping others.

The first step to beginning a family foundation will probably involve a call to an attorney that can guide you through the initial paperwork, including Articles of

Incorporation, a mission statement and other documents. You will also need to obtain a Tax ID Number from the IRS. Once established, the foundation can be funded with cash, publicly traded securities, private stock, real estate or other family-controlled assets. Thereafter, the family will generally select a board of directors, often family members, to run the foundation and decide how its assets will be used.

Whether beginning a family foundation is an option for you now or something you aspire to as part of your future financial goals, GPTC can help. For more information, please give us a call.❖

¹ 2021 Council on Foundations, <https://www.cof.org/foundation-type/family-foundations>.

Jenny Pope has been with GPTC since 2004 and previously worked at Kornitzer Capital Management for 8 years in the Operations Department. She is a graduate of Kansas State University with a degree in Accounting and Operations Management. She works closely with traditional trust accounts.

Tiffany Wingo joined GPTC in 2019, serving as a Trust Attorney. Tiffany brings a wealth of experience with an MBA from the University of Kansas as well as her Law Degree from KU in 1995. Prior to joining GPTC, she

worked in KC specializing in Elder Law as well as estate planning and probate work. Tiffany brings significant experience in these areas and will continue to strengthen our legal team for the years ahead.

Kendra Eason joined GPTC in 2018. Prior to joining GPTC, she practiced at a large law firm in Cleveland, Ohio. She is a graduate of Iowa State University and the University of Iowa College of Law. In addition to her work at Great Plains, Kendra has served as a Court-

Appointed Child Advocate with CASA of Jackson County and is currently active in several local organizations including the Boys and Girls Club of Greater Kansas City and The Mo-Kan U.S. Naval Academy Parents Club.



Jenny Pope, Tiffany Wingo, Kendra Eason

The Unfunded Trust

The most common mistake people make in preparing an estate plan is failing to fund their revocable trust. They hire an estate planning attorney, discuss exactly how they want their estate to pass, sign all the documents and then file the documents and forget about them. Unfortunately, unless the trust is funded, their assets will not pass without a probate proceeding and may not even pass according to their wishes. The successor trustee can only distribute assets that are titled in the name of the trust. Often there is a “pourover will” which will serve to transfer all of the assets to the trust for distribution. However, a probate case will first need to be opened in probate court which can be costly and will result in a significant delay before the beneficiaries are able to receive assets. In addition, creditors

may file a claim in the probate court which may result in the assets being decreased before they can be distributed to the beneficiary. Finally, asset titles or “pay on death” designations do not match the terms of the trust, and the trust grantor’s intentions may not be carried out.

A competent estate planning attorney will explain trust funding to the client and may even assist with re-titling assets. The general rule is any bank account or investment account should be re-titled in the name of the trust once the trust document has been signed. Each financial institution has its own forms for re-titling. An IRA or a 401(k) cannot be re-titled in the name of the trust, so you will have to add your trust as a beneficiary of the account. If you are married, your spouse will need to be named

as the primary beneficiary and the trust will be the contingent beneficiary. Real estate and motor vehicles must either be re-titled in the name of the trust, or documents need to be executed which transfer the asset to the trust after death. There are state specific rules on how to accomplish these designations so be sure to check with your attorney. For other assets not discussed here such as limited partnership interests, savings bonds, royalty rights, and promissory notes, consult with your attorney to find out how to make sure these assets pass per the terms of your trust.

Establishing a trust prior to your death will ensure that probate is not needed and your assets will pass per your wishes, but only if you fund the trust!!! ❖

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