



Community Trust Questions and Answers

Question: Are pooled trusts legal?

Answer: Pooled trusts are allowable under Federal Law. The Omnibus Budget Reconciliation ACT of 1993 (OBRA 1993) is the Federal Law that allows the establishment of a pooled trust. New York State Pooled Trusts are allowed under the New York State Estates, Powers and Trust Law, Section 366.

Question: What is the benefit/purpose of the pooled trust?

Answer: Pooled trusts can provide financial security to an individual with a disability. Funds in the trust can be used to enhance the beneficiary's life without jeopardizing their public benefits.

Question: Can a beneficiary receive cash from the trust?

Answer: No, funds from the trust must be issued to third party individuals/vendors for services or items provided to the beneficiary.

Question: Can funds from a trust account be used for a vacation?

Answer: Yes, the trust can pay for the beneficiary and if needed, a traveling companion to travel with the beneficiary.

Question: Can funds from the trust be used for funeral arrangements?

Answer: Yes, the trust can pay for pre-need funeral and burial arrangements. These must be paid for during the beneficiary's lifetime. Per Federal Statute, no disbursement for expenses incurred after death can be made from the trust account.

Question: Can a beneficiary change his/her mind once a trust account is established?

Answer: No, once a trust account is established it is irrevocable. The trust account will close once the funds are depleted through expenses.



Helping People to Help Themselves



Helping People to Help Themselves

Community Trust Program



West Babylon, NY 11704
631-669-5355
www.fedoforg.org



Helping People to Help Themselves

Community Trust Program

Federation of Organizations, a non-profit organization has established a community pooled trust for individuals with disabilities. Federation's **Community Trust Program** will provide for the future needs of people with a physical, mental, or developmental disability without jeopardizing public benefits.

So many individuals are concerned that inheritance or sudden windfall of monies may cause difficulties for individuals with disabilities receiving government benefits. Certain assets can affect an individual's eligibility for SSI and Medicaid.

The **Community Trust** allows an individual with a disability, their parents or grandparents to fund a trust account on behalf of the disabled individual to avoid the disqualification of benefits.

How can monies from a trust be used?

Trust monies can be used to purchase goods or services, which will enhance the quality of life for the beneficiary. Payment is always made to "third party" providers of services. Trust monies can be used for:

- Medical or dental expenses not covered by Medicaid
- Medical co-payments
- Televisions
- Computers
- Vacations
- Educational expenses
- Cable bills
- Magazine subscriptions
- Cell phone and cell phone bills
- Clothes (SSI individuals only)
- Transportation costs
- Eyeglasses (not covered by Medicaid)
- Medicaid overage
- Prepaid funeral costs (once a beneficiary becomes deceased funeral costs cannot be paid for)
- Special services or other items/services to enhance self-esteem

What cannot be paid for?

- Cigarettes/tobacco products
- Alcohol
- Rent
- Electric or heating fuel
- Cash gifts to others (Non-cash gift requests will be evaluated on a case by case basis and the total cost of the gift should not exceed \$75.00)
- Fines/tickets
- Food (Occasional meals at restaurants may be approved for a special occasion or as part of community integration)
- Legal fees associated with a crime
- Charitable contributions

Advantages of using Federation Community Trust

- Integrity of Federation of Organizations as a provider of services to the community since 1972
- Investment and management advantages
- Trust agreement prepared by the agency's attorney eliminating additional legal fees



Main Office
One Farmingdale Road
West Babylon, NY 11704
631-669-5355

For further information
regarding this program
please contact the trust
program at 631-321-9556