



ESTATE & LEGACY PLANNING

LETTER OF INSTRUCTION TO GUARDIANS AND TRUSTEES

In order to assist the Guardian(s) of my/our minor child(ren) and the Trustee(s) of any trust share(s) created for my/our child(ren) under my living trust, I/we leave these specific instructions to provide guidance in understanding our desires. While not legally binding, it is my/our intention that our Guardian(s) and Trustee(s) use this guidance during the course of their Guardianship and/or Trusteeship.

Notification

☐ Upon my and my spouse's death, my Trustee(s) shall deliver a copy of this Letter of Instruction to:

_____ My child(ren) at age: _____

_____ My child(ren)'s Guardian

_____ My child(ren)'s paternal and maternal grandparents

_____ Other: _____

Education: Pre-college

☐ **Preferred Type of Secondary Schooling:** If economically feasible, I prefer my children attend the following type of secondary schooling (check off as options or rank in order of preference):

_____ Public schools

_____ Private schools

_____ Private schools of my religious belief: _____

_____ Schools where my Guardian's children attend

_____ Other: _____

Education: Pre-college (continued)

☐ **Home Schooling:** In my Trustee(s)' sole and absolute discretion, if chosen by the custodial parent:

_____ I authorize the Trustee(s) to expend not more than \$_____ of the income of the trust to provide for the reasonable costs (determined in the total discretion of the Trustee(s)) to provide for the home schooling of any descendant.

_____ The Trustee(s) determined in their absolute discretion that the beneficiary or his parents are unable to afford such costs.

_____ The home-schooled student(s) shall be tested at least once per year using such testing as the Trustee(s) shall deem appropriate (paid by the Trust) and such student shall have obtained such passing grades as the Trustee(s) shall deem appropriate.

_____ Other conditions: _____

☐ **Academic Gifting Plan:** Each time my children receive a report card from the first grade of elementary education through the last year of high school, my Trustee(s) shall distribute the following amounts to that child:

\$_____ for every "A" received \$_____ for every "B" received

☐ **Extracurricular Activities:** It is important to me that my children be able to participate in extracurricular activities. It is my desire that my Trustee(s) provide economic assistance to enable my children to participate in extracurricular activities such as band, orchestra, sports, field trips, clubs, etc.

_____ I specifically want my Trustee(s) and my Guardian to encourage my children to participate in the following activities:

_____ I wish to leave the following additional instructions regarding extracurricular activities:

☐ **Specialized Academic Programs:** I authorize and encourage my Trustee(s) to pay for any accelerated or remedial programs that my children may qualify for or need.

_____ Accelerated programs that my child(ren) may qualify for or need

_____ Study abroad programs that my child(ren) may qualify for or need

_____ Other:

Post-Secondary Education: College

☐ **Savings Requirement:** During any period when my Trustee(s) makes a distribution of net income or principal for the educational needs of my children, any distribution shall be limited to an amount that is equal to the following:

_____ An amount equal to the amount the child has saved for education.

_____ An amount equal to twice the amount the child has saved for education.

_____ Other: _____

_____ My Trustee(s) shall inspect account statements or other financial records to determine the amount the child has saved for education.

☐ **Scholarships:** I direct the Trustee(s) to match _____% of the amount on any scholarship or non-repayable grant awarded to any beneficiary attending any post-high school program, not to annually exceed \$_____ (Increased by the Consumer Price Index).

☐ **In-State Tuition Equivalent:** Any distribution for "education" shall be an amount equal to the then average costs of tuition, room, board, lab fees, and required course materials at a state-supported college or university, as determined by my Trustee(s) in its sole and absolute discretion. If my child elects to attend a private college or university, my Trustee(s) shall distribute to such child:

_____ Only that amount equivalent to the average costs at a state supported college or university, and the child may secure alternate means for financing any excess costs.

_____ Other: _____

☐ **Qualifying Grade Requirement:** If my children receive a "D" or an "F" (or an equivalent grade on an alternative grading system) in a college, university, or vocational course, my Trustee(s) shall subtract an amount equal to the cost of the credit hours for this course from the amount that child is eligible to receive for education needs in the next semester.

_____ My Trustee(s) may, in its sole and absolute discretion, make exceptions to this condition when my child has been injured, ill, or suffered other disruptive circumstances.

☐ **Study Abroad Programs:** If financially feasible, all or any part of my children's college education may be taken in a university located in a foreign country.

_____ I would especially encourage a university in the following countries:

☐ **Four-Year Incentive:** I direct my Trustee(s) to make a special distribution of \$_____ to a child that completes his/her undergraduate degree from an accredited college or university within FOUR (4) years or less.

Post-Secondary Education: College (continued)

☐ **Living Arrangements:** I wish to leave the following comments regarding my preferences for my child(ren)'s living arrangements during his/her college years:

☐ **Graduation:** I direct my Trustee(s) to distribute from the income of this trust to such beneficiary, the following amounts (increased by the Consumer Price Index) upon graduation as noted below, provided that such beneficiary must have maintained not less than a _____ or equivalent grade point average:

\$_____ for a high school or GED degree;

\$_____ for a vocational degree;

\$_____ for an undergraduate degree;

\$_____ for a post-graduate degree;

\$_____ for a professional degree.

☐ **Special Talent:** I believe my child(ren) has been gifted in the following area(s) and direct my Guardian and Trustee(s) to take whatever action necessary to support my child(ren) in developing this gift:

Visitation

☐ **Family:** To the extent that distance will allow, it is very important to me that my children shall have equal contact with members of my family. The term "family" includes children's grandparent, aunts, uncles and cousins.

_____ It is important to communicate with grandparents by phone or letter at least: (circle one) weekly / monthly / annually / other: _____

_____ It is important to physically get together with grandparents at least: (circle one) weekly / monthly / annually / other: _____

_____ It is important to communicate with family by phone or letters at least: (circle one) weekly / monthly / annually / other: _____

_____ It is important to physically get together with family at least: (circle one) weekly / monthly / annually / other: _____

☐ **Supervision:** Under no circumstances shall the Guardian allow any of my children to visit with _____ unless the Guardian is also present during the entire visit.

Visitation (continued)

☐ **Travel:** Before my minor children can travel alone, the Trustee(s) is directed to pay for either the Guardian or another family member to meet the traveling child and accompany the child to the travel destination.

☐ **Holidays:** Holidays are important to our family and for that reason, my children are to spend some time with our families on holidays (Thanksgiving, religious holidays and birthdays). It is my desire that an acceptable arrangement be worked out between all families concerned.

_____ However, if not, the children will alternate the holidays between both families.

_____ Other: _____

Guardian

☐ **Payment:** As compensation, on each anniversary of the date my children began living with their Guardian, my Trustee(s), upon the written request of such Guardian, shall pay to such Guardian as compensation for caring for my children an amount not to exceed \$ _____.

_____ This annual compensation shall continue until my youngest child reaches the age of _____ or completes his or her high school education, whichever occurs first.

_____ Such compensation shall be paid from the net income of the trust and under no circumstances shall my Trustee(s) invade the trust principal to pay such Guardian's compensation. In the event the trust net income for any year shall not equal the amount of compensation requested by the Guardian, the Guardian's compensation for that year shall be the amount of trust net income in that anniversary year.

☐ **Vacation:** As compensation for caring for my children, my Trustee(s) may make an annual distribution for any expenses incurred by the Guardian for a vacation enjoyed by both the Guardian's family and my children.

Faith and Charitable Work

☐ **Religious Preference:** It is my preference that my children be raised within the _____ religion.

_____ However, this preference is intended to be flexible to accommodate the regular religious involvement of the children's Guardian, and it is my overriding intention that my children and the Guardian attend religious services as a "family."

☐ **Attendance at Religious Services:** In relation to attendance at religious services, I believe:

_____ It is important that my children attend religious services on a weekly basis

_____ It is important that my children attend religious services on major religious holidays

_____ It is not important how often my children attend religious services. Rather, it is important that a person leads their life in accordance with religious values and morals.

Faith and Charitable Work (continued)

☐ **Youth Groups:** I strongly encourage and desire the Guardian to allow my child(ren) the opportunity to participate in faith-based youth programs:

☐ **Mission Trips:** I strongly encourage and desire the Guardian and Trustee(s) to allow, and provide the necessary funding for, my child(ren) to participate in mission trips with faith-based organizations as defined below:

☐ **Charitable Giving:** I direct the Trustee(s) to match up to _____% of the annual amount a child of mine gives from the child's own personal funds to a faith-based tax-exempt charity as defined below:

☐ **Family Nobel Prize:** Every _____ years, the Trustee(s) shall determine which, if any, of the beneficiaries have had the greatest impact on _____ [my faith, American culture, charity, society at large, my profession, etc.], and the Trustee(s) upon such designation shall deliver the sum of \$_____ (increased by the Consumer Price Index) to such beneficiary, with a note from me: "For being all I hoped you could be."

☐ **Religious Travel:** I authorize the Trustee(s) in their absolute discretion to expend no more than \$_____ (increased by the Consumer Price Index) to enable any descendant of mine who is over the age of 13 to travel for religious purposes provided that each descendant shall only be entitled to the funding of one trip for his or her benefit.

☐ **Faith-Based Work:** The Trustee(s) shall annually provide \$_____ (increased by the Consumer Price Index) to each beneficiary who is then a full-time employee in a faith-based organization defined as follows:

_____ Alternative: The Trustee(s) shall match _____ % of any beneficiaries' earned income from working in a faith-based organization.

☐ **Missionary Work:** In my Trustee(s)' sole and absolute discretion, I authorize them to provide the financial support necessary for any of my children to work as a full-time missionary with a faith-based organization defined as follows:

Safety Concerns

- ☐ **Automobiles:** If the Guardian or my Trustee(s) decide to give any of my children an automobile or assist any of my children in the purchase of an automobile, such automobile must be considered "reliable and safe" according to automobile analyst sources, such as "Consumer Reports" magazine or other such publication.
- ☐ **Driving Safety:** The Trustee(s) shall annually provide \$_____ (increased by the Consumer Price Index) to each descendant who is then under age _____, has a permanent driver's license for at least 12 months and has received no driving violations in the prior calendar year.
- ☐ **Firearms:** My children are not to be permitted to own or use firearms of any kind.
- ☐ **Other:** : _____

Home Purchase

- ☐ The Trustee(s) shall provide the following economic assistance to my child in the purchase of his/her first home:
- _____ Any amount necessary and advisable.
- _____ An amount equal to _____ % of the amount my child personally invests in the home purchase.
- _____ The lesser of _____ % of the purchase price or \$_____, such amount to be adjusted for inflation pursuant to the Consumer Price Index.
- _____ Other: _____

Business Start-Up

- ☐ **Start-Up Funding:** The Trustee(s) is encouraged to provide the following financial assistance to assist a child of mine to start-up or purchase a business or professional practice:
- _____ Any amount necessary and advisable.
- _____ An amount equal to _____ % of the amount my child personally invests in the business purchase/start-up.
- _____ The lesser of _____ % of the purchase price/start-up cost or \$_____, such amount to be adjusted for inflation pursuant to the Consumer Price Index.
- _____ Any distribution to my child from his/her trust share for the purpose of assisting with a business start-up or purchase shall be structured as a loan to the child with the following payment terms:

_____ Such loan shall be forgiven in the following percentages on the following anniversary dates:

- % on _____ year of continued operation,
% on _____ year of continued operation,
% on _____ year of continued operation,
% on _____ year of continued operation.

Business Start-Up (continued)

☐ **Business Plan Approval Requirement:** Prior to my Trustee(s) distributing any Trust funds to assist my child(ren) to start or purchase a business or professional practice, my child(ren) shall first submit a business plan to the following individuals ("Business Advisors") and obtain their approval of said plan:

Any determination made by these Business Advisors shall be final, binding and controlling if made with a majority/unanimous (strike one) agreement and evidenced by a written statement stating such opinion delivered to the Trustee(s) of the child's separate Trust share.

If any of the forenamed Business Advisors is unable or unwilling to make such a determination, the Business Advisors shall make such determination so long as there is a minimum of three (3) individuals involved. If any of the Business Advisors is unable or unwilling to make such a determination, such Business Advisor may appoint a successor individual to serve in his place; the remaining Business Advisors shall unanimously appoint a successor individual to serve with them as Business Advisor.

The individuals appointed to serve as Business Advisors shall in no way be responsible or liable for actual performance of profitability of my child(ren)'s proposed business venture.

Counseling

☐ **Grief Counseling:** Due to the impressionable age of my children, I caution my Trustee(s) and Guardian to be vigilant in observing signs of distress or difficulty in coping with the situation after my death.

_____ I specifically authorize my Trustee(s) to provide for grief and/or psychological counseling for any of my children that my Trustee(s) and Guardian determine are in need of such counseling.

☐ **Self-Esteem Counseling:** While in early adolescence, my children are to take assertiveness training classes in order to build strong self-esteem.

Financial Counseling

☐ **Allowances:** I leave the following instruction to the Guardian and Trustee(s) regarding an allowance for my child(ren):

☐ **Budgeting Instruction:** I believe that budgeting is an important step to responsible financial management.

_____ When my children reach age _____, they are to each take budgeting lessons or a personal finance course.

_____ Prior to establishing a separate trust share for any of my children, my Trustee(s) shall recommend a budget counselor for each child to consult and shall encourage each child to receive budget counseling.

Financial Counseling (continued)

_____ Despite any conflicting provisions in my revocable living trust, I direct that prior to receiving any income or principal from the separate trust share created for them under my Trust, each of my children shall consult with a budget counselor approved by my Trustee(s).

_____ If my child creates and lives within the bounds of his/her budget for _____ consecutive days, then my Trustee(s) may distribute any income and principal to the child from his/her trust share in accordance with the terms and conditions of my revocable living trust.

_____ My Trustee(s) may rely on the written statement of the budget counselor that after creation of the budget, my child lived within its bounds for _____ consecutive days.

_____ My Trustee(s), in its sole discretion, is authorized, but not directed, to pay any costs associated with the budget counseling process.

☐ **Matching Earned Income:** Once my child reaches age _____, the Trustee(s) shall distribute to the child an amount equal to _____% of the earned W-2 income of such child as reported on the child's federal income tax return.

☐ **Financial Investment Instruction:** It is my strong belief that financial education is critical to my child(ren)'s ability to make optimal use of inherited funds. To this end, in all matters concerning the investment of funds distributed to my child(ren), it is my desire that:

_____ When my child(ren) reach the age _____, they each are to take financial planning courses.

_____ My child(ren) should consult regularly with a financial advisor regarding investment matters.

_____ I have worked with the following financial professional and request my child(ren) to initially consult with this individual:

☐ **Debt Avoidance:** It is my strong desire that my children avoid the dangers of consumer debt. As such, each year my child provides the Trustee(s) with a credit report indicating such child has no debt, I direct the Trustee(s) to make the following distributions as an expression of my appreciation for their careful financial stewardship:

_____ An amount reasonable and necessary to pay for such child's family to enjoy a family vacation, not to exceed \$ _____, as adjusted for inflation based upon the Consumer Price Index.

_____ \$ _____ (as adjusted for inflation based upon the Consumer Price Index) including a note from me with the following message:

_____ Other: _____

Leaving a Legacy

☐ I desire that my Guardian make available to my child(ren) the following books, musical selections, poems, etc. and explain to my child(ren) that these selections were important to me and that I desired to share them with my child(ren):

☐ In addition to the Letter of Instruction, I have drafted a private letter to my child(ren) and enclosed this letter with my estate planning documents. I request that my Guardian give this letter to my child(ren) on his/her _____ birthday.

Marriage

☐ **Pre-Marriage Counseling:** I strongly encourage any child of mine to participate in pre-engagement and/or pre-marriage counseling prior to getting married and direct the Trustee(s) to pay for any expenses related to such training.

_____ I recommend the following marriage & family counselors, programs, and/or books:

☐ **Marriage Enrichment:** I strongly encourage any child of mine to participate in marriage enrichment retreats, courses, counseling, and other similar marriage enrichment programs, and if my child requests, I direct the Trustee(s) to pay for any expenses related to such marriage enrichment opportunities.

_____ I recommend the following marriage enrichment retreats, counselors, programs, and/or books:

Parenting

☐ **Adoption:** I authorize my Trustee(s) in their sole and absolute discretion to provide such sums as they may deem advisable, to enable any descendant of mine to adopt a child.

____ Additional Restriction: The payment shall not exceed the sum of \$ _____ (increased by the Consumer Price Index).

_____ Additional Restriction: Such a child is unable to conceive a child.

_____ Additional Restriction: The adopted child is below the age of _____.

_____ Other conditions: _____

☐ **Stay-at-Home Motherhood:** In my Trustee(s)' sole and absolute discretion, the Trustee(s) may distribute to my child, from my child's separate trust share, an amount necessary and advisable to allow my child, or my child's spouse to stay at home to raise my child's minor children.

_____ Restrict the annual distribution to any family to no more than \$_____ (increased by the Consumer Price Index).

_____ The annual distribution shall be equal to the earned W-4 income that the at-home parent was earning prior to leaving the workforce to stay home with the children.

Other: _____

Additional Instructions

☐ In addition to the instructions above, I also leave the following in terms of additional instructions to assist my Guardians and Trustee(s):

[illegible]