



Midwest Special Needs Trust

FY 18 Annual Business Plan

Reviewing

July 1, 2016 - June 30, 2017

Planning

July 1, 2017 – June 30, 2018

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Executive Summary

FY 2017 was another year of growth for the Missouri Family Trust doing business as Midwest Special Needs Trust (MSNT). This report is intended to offer a periodic review of our organization's achievements, future opportunities and goals for sustainability and growth. Each year, MSNT reviews the past and establishes a plan for the coming year. The FY 2018 Annual Business Plan is a tool for continuity of operations, resource management and staff performance metrics. Highlighted by some record achievements, this past year included the following:

- Continued steady growth with 1248 individual trust accounts (ITAs) administered by MSNT with trust assets of more than \$38.8 million. This growth has been consistent for almost 20 years.
- Dedication to serve low to middle income individuals and families who might otherwise be unable to establish a trust by accepting small trusts, keeping fees affordable and utilizing a sliding fee scale for enrollment fees
 - MSNT discounted enrollment fees for 50% of new trusts opened
 - The average size of the 104 new trust accounts in FY 17 was \$23,330
 - The average of active trust accounts as of 6/30/17 was \$31,101.
- MSNT processed 4,404 permissible distributions in the amount of nearly \$2.8 million for the benefit of trust beneficiaries while protecting eligibility for important public benefits.
- The significant increase in distributions was due in part to the recruitment, hire & orientation of a third full time ITA Trust Specialist
- A Social Security Administration review that recognized MSNT as a pooled trust meeting the requirements for the SSA exception for purposes of Medicaid and SSI eligibility was successfully completed.
- Organizational stability with revenues and reserves to support current agency operations, continued growth and future expansion.
- The Charitable Trust supported 223 charitable grant awards to indigent Missourians with disabilities – 37 Urgent requests totaling \$37,867 and 186 General requests totaling \$138,958.



MSNT Mission and Purpose

The Missouri Family Trust (MFT), doing business as Midwest Special Needs Trust (MSNT) is a nonprofit 501(c)(3) corporation authorized by Missouri statute to administer special needs trusts for persons with disabilities. While many banks and investment firms accept trusts of \$500,000 or more, MSNT accepts smaller trusts assuring availability of an affordable pooled trust administration resource for low and middle-income individuals with disabilities. Additionally, enrollment fees are based on a sliding scale and MSNT offers the necessary expertise and viability to administer long term. People with disabilities and their families are often on fixed incomes and typically would not otherwise have access to special needs trusts to protect their public benefits.

MSNT also operates the Charitable Trust of the Missouri Family Trust, making grants to low income Missourians with disabilities for many needs and services not covered by other resources.

MSNT is not a part of state government and receives no state or federal appropriations.



Special Needs Trusts - Making a Difference for People with Disabilities

MSNT staff work diligently each day to open trusts and process trust distributions for important supplemental needs that are not covered by other public benefits. During FY 17, MSNT processed 4,404 permissible distributions for nearly \$2.8 million for the benefit of MSNT trust beneficiaries. MSNT recognizes the importance of trust assets in the lives of beneficiaries and we share the following brief stories as examples demonstrating how a special needs trust can enhance the quality of life for a beneficiary with a disability¹.

- ✿ **Jordan** is a 54-year-old with a mental illness. Her trust was funded with a personal injury settlement and annuity. Every six weeks, MSNT authorizes two distributions - one for fuel and one for allowable expenses. Often it is difficult for Life Beneficiaries to find a gas station willing to accept checks written from trust accounts. Jordan, with the assistance of her case manager, found a local gas station that allows her to pre-pay her fuel with a check issued from her trust. She can use her "credit" at the gas station each time she needs to fill up. Jordan is free from worry about the fuel for her regular doctor's appointments.

¹ *The names and other details were changed to protect the confidentiality of beneficiaries.*

- Helen** is a 69-year-old with a physical disability. She lived in her own apartment for many years. However, in early March, she had a terrible fall and was unable to get herself up. Helen managed to push her medical alert system button. The medical alert system staff contacted the local ambulance which transported Helen to the hospital. Helen spent many weeks in the hospital recovering from a broken hip. She has recently been discharged to a skilled facility and wants to continue to improve so that she can return home. Without her medical alert system, Helen would have had no way to get help. The Co-Trustee thanked MSNT for making monthly payments to keep the medical alert system current. Having the alert system saved Helen's life.
- Cooper** is a 34-year-old with a mental illness. His trust was funded with an unplanned inheritance. Several years ago, MSNT authorized a disbursement for a computer for Cooper, so that he would be able to run his own website. Currently, MSNT authorizes a monthly disbursement to an internet provider for Cooper's internet access. With this small payment each month, he is able to maintain his website. Cooper has expressed his gratitude to MSNT for supporting him in his interests and hobbies.



MSNT Milestones

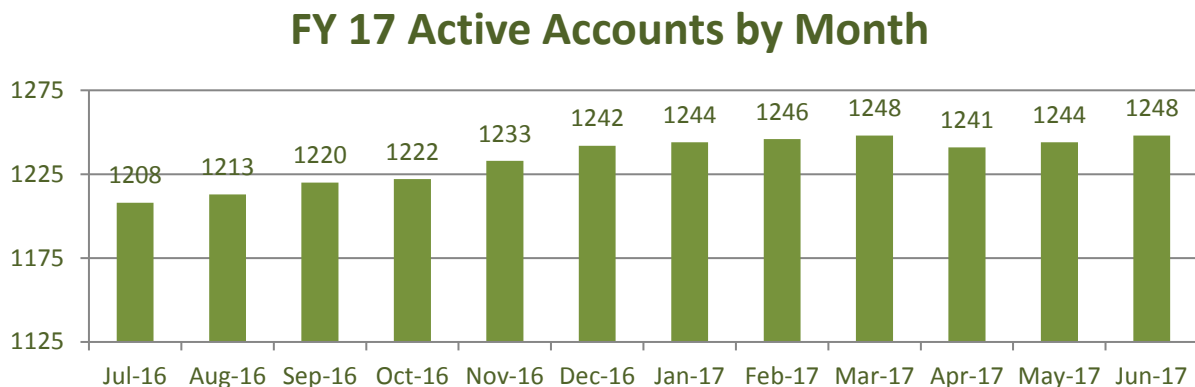
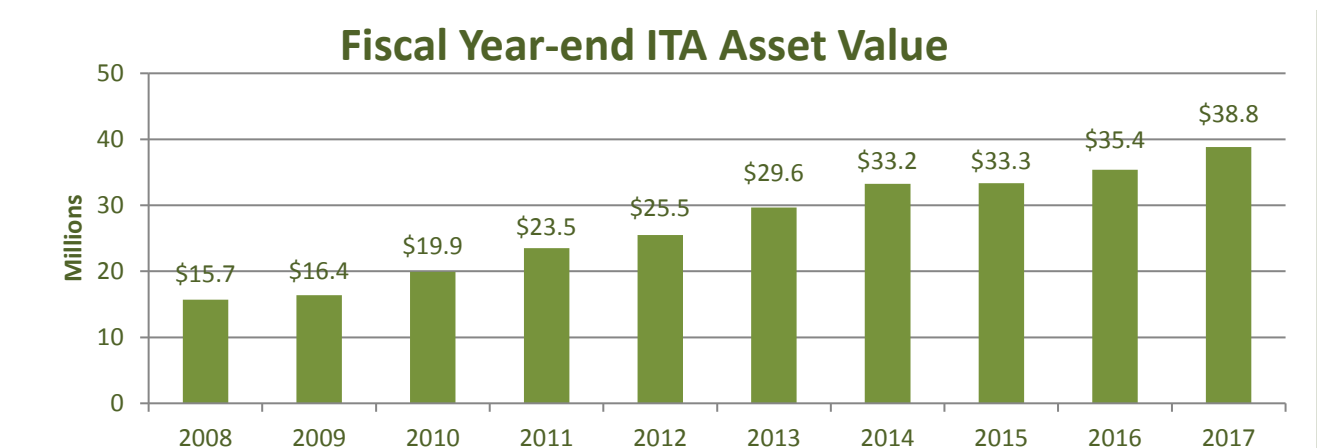
- In 1989, Missouri Family Trust was created by state statute as a public instrumentality of the State of Missouri.
- In 1990, MFT was incorporated as a not-for-profit corporation.
- In 1991, MFT opened the first trust account.
- In 1993, federal statute was passed that defined and exempted first party special needs trusts as assets, protecting eligibility for public benefits.
- In 2006, MFT began doing business as Midwest Special Needs Trust, expanding its service area to include administering trusts for the benefit of residents of the adjacent states to Missouri.
- In 2011, MSNT state statutes were substantially updated.
- In 2012, MSNT moved to independent leased space, improving security, efficiency and effectiveness in daily operations.
- In 2013, MSNT trust accounts surpassed 1000 active trusts.
- In 2015, MSNT expanded its offices to accommodate staff growth.
- In 2015, a dedicated employee was hired to devote full time attention to the Charitable Trust program.
- In 2016, MSNT rebranded with a new logo, marketing materials and website.
- In 2017, MSNT successfully completed a Social Security Administration review and hired an additional Trust Specialist



Overview of MSNT Historical Performance

Midwest Special Needs Trust continues to market and serve the special needs trust administration service needs of people with disabilities and their families living in Missouri and the surrounding states of Arkansas, Illinois, Iowa, Kansas, Kentucky, Nebraska, Oklahoma and Tennessee.

In the last decade, both the number of trusts administered by MSNT and the value of trust assets have grown steadily. MSNT administers 1248 active trusts, adding 104 new trusts in 2017. Growth trends are depicted in the following charts for both asset value and active accounts.



Although MSNT goals will include growth in the number of trusts administered with continued emphasis on quality improvement, FY 18 goals also reflect the importance of continuity of operations and the modernization of some processes.



FY 2017 in Review

As of 6/30/17, the number of Individual Trust Accounts (ITA) administered by MSNT increased to 1248. During the same period, the value of ITA assets increased 10% to \$38.8 million. The increase reflects both growth in deposits as well as investment earnings that fluctuate depending on market performance and economic conditions. In administering more than 1240 trusts, MSNT can report a number of other accomplishments that expanded organizational capacity and infrastructure, improved the quality of services and increased accountability which resulted in efficiencies to keep MSNT services affordable.



FY 2017 MSNT Accomplishments

- ☑ **Enhanced trust administration infrastructure and communication tools for co-trustees, beneficiaries and staff that will support proper trust administration to protect important public benefits for trust beneficiaries**
 - ✱ Migrated to Office 365 for improved calendar functionality, remote email access and communication tracking
 - ✱ Hired a third Individual Trust Account Trust Specialist

- ☑ **ITA procedural development and service improvements**
 - ✱ Revised and updated the Co-Trustee and Beneficiaries Reference Guide
 - ✱ Revised and updated the Public Administrator's Reference Guide
 - ✱ Improved our trust termination timeline
 - ✱ Initiated daily investment rebalancing
 - ✱ Provided top ten tax facts about special needs trust on the website during tax season

- ☑ **Distribution Committee Activities and Projects**
 - ✱ Held 22 meetings to review 36 large distribution requests for a total of \$522,302

- ☑ **Charitable Trust**
 - ✱ Added the Charitable Trust to the Amazon Smiles program
 - ✱ Receiving quarterly Kroger and Amazon Smiles donations
 - ✱ Received our first CoMoGives campaign contributions in 2017
 - ✱ Enhanced our Charitable grant application tracking process



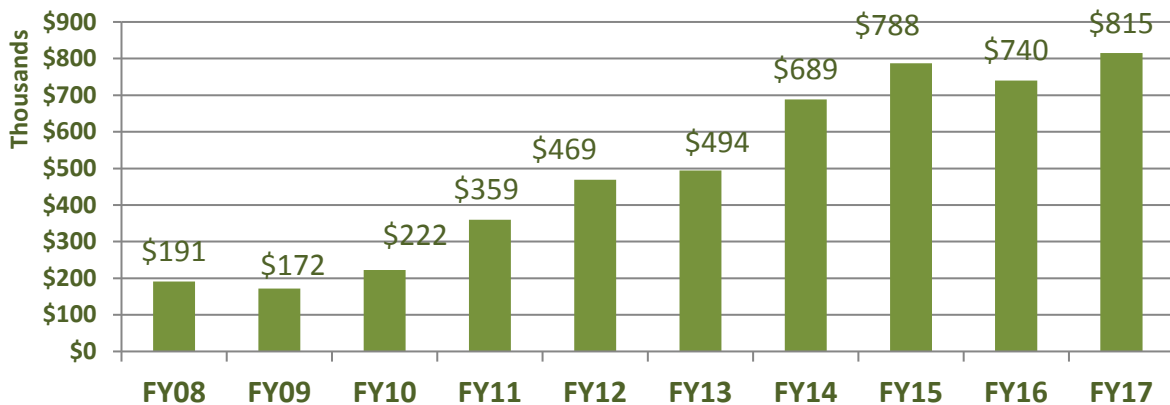
MSNT Operational Budget & Reserves

Each year the MSNT Executive Director is responsible for developing a budget for Board review and approval at its annual meeting. The projected budget estimates income and expenditures for the coming fiscal year based on previous budgets, actual expenditures for the previous year, and data analysis related to growth projections. At each quarterly meeting, the Executive Director prepares for the MFT Board financial reports that present quarterly income and expenses in summary form, compared to the previous year and projected budget.

MSNT operated well within budget in FY17. MSNT remains solvent.

The MFT Board established a reserve account in 2008 to serve as an organizational safety net and promote sustainability for MSNT. The account has grown over the years through the careful stewardship of the Board. Reserves provide an essential safety net to provide cash flow if the economy shrinks or there is a market correction that adversely impacts investment accounts.

Fiscal Year-end Reserve Asset Value





Charitable Trust – The Year in Review

The Charitable Trust provides grants to Missourians with disabilities who are unable to afford medical and dental care, rehabilitative services or equipment, educational assistance, specialized transportation and other needs not covered by public benefits or available through other community programs. In FY 17, MSNT awarded 223 grants for \$176,825 to indigent Missourians with disabilities.

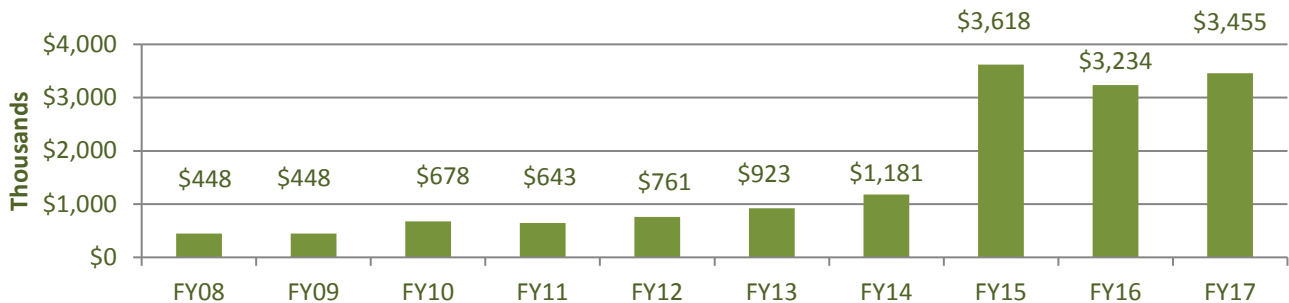
The Charitable Trust has two primary sources of funding.

- The Charitable Trust of the Missouri Family Trust receives a portion of ITA remainder funds at the death of the beneficiary as permitted by state and federal statute.
- As a 501(c)(3) MSNT is eligible to accept contributions that are tax deductible by the donor.

The Board of Trustees continue to develop strategies to promote sustainability of the program by promoting growth of the Charitable Trust fund through investments and solicitation of donations to the Charitable Trust. In addition, the Board has elected to donate nearly \$350,000 from its reserve account to the Charitable Trust in recent years.

At the Board’s request, additional efforts were taken by MSNT to increase awareness of the Charitable Trust as a resource and to promote quality applications. The Board has routinely contributed to the Charitable Trust from reserves to increase the funds available for the grant program.

Fiscal Year-end Charitable Trust Asset Value



Year	Available for Distribution	# of Grants Awarded	Amount Awarded ⁱ
FY 2017	\$129,564	223	\$176,825
FY 2016	\$316,143	340	\$275,349
FY 2015	\$220,947	196	\$139,108
FY 2014	\$137,859	163	\$117,432
FY 2013	\$81,423	86	\$58,693
FY 2012	\$80,496	124	\$74,303
FY 2011	\$109,605	199	\$114,180
FY 2010	\$94,870	160	\$98,012

ⁱ*The number of grants and amount awarded reflect all current FY urgent care awards and general awards from last quarter of previous FY plus the first three quarters of the current fiscal year.*

Charitable staff work conscientiously to award grants throughout the state to help “fill the gap” for needy people with disabilities. Here are a few brief examples² of how the Charitable Trust has made a difference this past year:

- ✿ **Martha** is 54 years old and has a progressive eye disease in both eyes causing blindness. A grant in the amount of \$965 was awarded to Martha to purchase a handheld magnifier and a talking watch. Martha can now read labels on boxes and cans of food, the numbers on her microwave and the labels on her medicine bottles to ensure she is taking the correct prescription. The talking watch reminds Martha when it’s time to take her prescriptions.
- ✿ 7-year-old **Kylie** received a grant for \$596. Kylie has craniosynostosis and wanted to attend a craniofacial symposium in another city. The symposium gave Kylie a chance to interact with other children with a similar condition and attend classes. The symposium also provided educational classes for Kylie’s mother.
- ✿ **Bradley** is 69 years old and lives in an ISL (Individualized Supported Living). His dentures were old and worn and no longer fit his mouth correctly, prohibiting his ability to communicate and his ability to eat. A grant of \$555, along with his dentist office discount and some saved funds, replaced his old dentures, and provided Bradley with properly fitting dentures allowing him to eat a healthy diet and communicate effectively with his friends and caregivers.
- ✿ 17-year-old **Brian** has cerebral palsy and cannot ride a regular bicycle due to muscle spasticity and his legs tire when walking. Using a \$700 grant from the Charitable Trust, Brian was able to purchase an adult tricycle. The tricycle provides him with strength and stretching exercises to build stamina, and allows him to be involved in neighborhood activities

² *The names and other details were changed to protect the confidentiality of beneficiaries.*



FY 18 Goals

Through the thoughtful and strategic efforts of a prudent Board, MSNT is poised for continued growth. Toward that end, the following goals have been established for the coming year:

- ✿ We currently support only one method for processing a distribution from an Individual Trust Account (ITA) – a paper check. This year, MSNT hopes to offer a menu of options for ITA distributions, including a loadable debit card in certain instances.
- ✿ Enhance MSNT infrastructure and utilize quality technology to improve the customer service experience, continue to protect and secure important data, increase accuracy, and build on the efficiency and productivity of staff
- ✿ Utilize Quality Improvement Team in the review of each Trust process
- ✿ Increase Charitable donations by 10%



Acknowledgements and Appreciation

MSNT's success is the direct result of the vision and persistence of dedicated families who saw a better future for their loved ones with disabilities through the use of Special Needs Trusts. Their legislative influence, dedicated volunteer service as MFT board members, community education and outreach, and continued referrals have built a solid foundation for MSNT, assuring sustainability for many years. MSNT will continue to honor that legacy by striving for excellence in customer service and assuring the dignity of choice and access to public benefits for trust beneficiaries.

MSNT is also indebted to the many legal and human service professionals who recognize the value of MSNT services and refer their clients to MSNT. We appreciate their confidence.

Finally, MSNT continues to grow because beneficiaries and their families choose MSNT as Trustee to administer trust assets to provide for their supplemental needs while protecting their public benefits. MSNT will continue to work diligently to earn and honor their trust.