

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

RE: Funding and Asset Protection Protocol for the [Name of Trust]

Dear [Client Name],

This letter provides formal instructions regarding the funding of your recently executed Irrevocable Trust. To ensure the trust achieves its intended asset protection and tax objectives, assets must be formally retitled into the name of the Trust.

1. Trust Title for Assets

All assets transferred to the Trust should be titled as follows:

[Name of Trustee], Trustee of the [Name of Trust], dated [Date of Trust Agreement].

2. Funding Procedures by Asset Type

- **Bank and Brokerage Accounts:** You must contact your financial institution to open a new account in the name of the Trust or retitle existing accounts using the Trust's Taxpayer Identification Number (TIN).
- **Real Estate:** Real property must be transferred via a recorded Deed. Our office will assist in preparing the necessary conveyance documents for the properties we have identified.
- **Business Interests:** Ownership in LLCs, Corporations, or Partnerships must be transferred through formal assignments of interest and updated operating agreements.
- **Life Insurance:** To exclude proceeds from your taxable estate, the Trust should be named as both the owner and the beneficiary of the policy.

3. Asset Protection and Control

Because this is an Irrevocable Trust, you must observe the following strictly to maintain asset protection integrity:

- **Relinquishment of Control:** You cannot treat trust assets as personal property. All distributions must be made at the discretion of the Trustee as outlined in the Trust document.
- **No Commingling:** Personal funds must never be mixed with Trust funds. The Trust should maintain its own separate bank account for all income and expenses.
- **Solvency:** Transfers should not render you insolvent. Asset protection may be voided if a transfer is deemed a "fraudulent conveyance" to avoid existing creditors.

4. Tax Reporting

As an Irrevocable Trust, this entity is a separate taxpayer. Please provide your CPA with a copy of the Trust Agreement and the TIN to ensure proper filing of IRS Form 1041 annually.

Please contact our office once you have initiated these transfers so we may update your records.

Sincerely,

[Attorney Name]

[Law Firm Name]