



A Guide to Trusts for Financial Advisors

What is a trust?

A trust is a legal arrangement where one party, known as the grantor or settlor, transfers assets to another party, the trustee, to manage those assets for the benefit of a third party, the beneficiary.

Trusts are used for a variety of purposes, such as estate planning, asset protection, and the efficient management and distribution of assets.

As a financial advisor, your role in advising clients on trusts often involves understanding their financial goals, collaborating with legal professionals, and helping to ensure the trust aligns with their broader financial plan.

How can a trust help my client?

A trust can provide a variety of benefits, including

- **Asset protection:** Assets are shielded from creditors or lawsuits.
- **Estate planning:** Probate is avoided, estate taxes may be reduced, and wealth is transferred smoothly.
- **Control:** The grantor specifies how and when beneficiaries receive assets.
- **Privacy:** Trusts are private documents, unlike wills, which can become public record.
- **Customization:** Grantors can provide for special purposes, such as caring for minor children or disabled individuals, or charitable giving.

When should I recommend a corporate fiduciary?

You might suggest a corporate fiduciary when:

- The trust or estate assets are substantial or complex
- Family dynamics are challenging, or there are multiple beneficiaries;
- The client lacks a trustworthy or knowledgeable individual to serve as trustee; and/or
- The trust has long-term goals that require professional administration.

By recommending a corporate fiduciary when appropriate, you help your client ensure their wealth is managed prudently and their wishes are honored over time.

How can a corporate fiduciary help my client?

A client might benefit from a corporate fiduciary, such as a trust company or bank, when managing a trust or estate. As a financial advisor, you can guide your clients by highlighting the following benefits:

- **Professional and efficient administration:** Corporate fiduciaries are professional entities that specialize in administering trusts and estates. They have extensive knowledge of trust law, tax regulation, and both marketable and non-marketable assets to help ensure the trust is managed in compliance with legal and fiduciary standards. Corporate fiduciaries also have the systems and staff needed to handle recordkeeping and tax filing responsibilities efficiently and accurately, relieving clients and family members of this significant administrative burden.
- **Impartiality and experience with complex family situations:** Unlike an individual trustee, a corporate fiduciary has no personal interests or emotional involvement in family dynamics. This neutrality helps ensure fair and unbiased decision-making, reducing the potential for conflicts among beneficiaries and family members. In cases of challenging family dynamics, high-value estates, or complex business interests, a corporate fiduciary is better equipped to navigate potential conflicts and ensure that the trust's objectives are met.
- **Continuity and longevity:** Individuals serving as trustees may become unavailable due to death, incapacity, or resignation. A corporate fiduciary, as an institution, provides consistent and uninterrupted service over the life of the trust, which is particularly important for long-term or multi-generational trusts.
- **Protection against liability:** Serving as a trustee comes with fiduciary liability. Mistakes in administering a trust—whether due to lack of knowledge, errors, or failure to act—can lead to lawsuits. A corporate fiduciary assumes this liability, reducing risks for your client.
- **Support for successor generations:** For clients who want their wealth to benefit multiple generations, a corporate fiduciary provides stability, guidance, and oversight to ensure the trust operates as intended over time.

Why advisors work with Nottingham Trust

- Offer trust and estate services with confidence, backed by a firm with more than 100 years of fiduciary and asset management experience
- Continue to hold and manage the investments, within fiduciary guardrails monitored by the trustee
- Maintain client relationships across multiple generations
- Support client philanthropic goals through charitable trusts and foundations
- Help high net-worth clients minimize estate tax
- Assist families in administering lifelong financial support to individuals with special needs

How might I benefit from securing a relationship with Nottingham Trust as a corporate fiduciary, and what would my involvement be?

Type of Trust	Client Benefit	Advisor Benefit
Revocable Living Trust	Allows your clients to continue to control and own their assets and property during their lifetimes and preserves their legacies after incapacitation or death, all while avoiding probate. After incapacitation or death, your client's assets are transferred or managed in accordance with the terms outlined in the trust document.	Naming Nottingham Trust as the trustee or successor trustee supports your ability to establish and maintain multigenerational relationships with the beneficiaries of your clients.
Irrevocable Trust	Allows your clients to protect their assets from creditors, a divorcing spouse, business partners, or any unscrupulous legal intent while acquiring state tax benefits and reducing taxes on the estate.	Despite being irrevocable, Nottingham Trust can often take over trusteeship from other institutions (e.g., a bank or other trust company), expanding the breadth of service you provide to your clients and potentially increasing your assets under management.
Charitable Trust	Allows your clients with philanthropic goals to increase their income, save taxes, and benefit the charities important to them via Charitable Remainder trusts (CRTs) or Charitable Lead trusts (CLTs).	Support your clients in fulfilling their legacy plans and enable them to make an impact on their community either before or after incapacitation or death.
Supplemental Needs Trust (SNT)	Allows your clients to support a disabled child, relative, or friend by allocating funds in a trust for the disabled person for use to pay for supplemental or other living expenses not paid by other sources.	Provide your clients with the peace of mind that the financial needs of their disabled family member or friend are covered, ensuring the maximum protection and benefits.
Foundations	Allows your clients to fund philanthropic ambitions across generations, while the donor receives income and capital gains tax benefits for assets given to the foundation.	Provide your clients with the structure, tailoring, and administration they need to support their charitable endeavors.

Let's talk.

✉ NottinghamTrustInfo@cbna.com 📄 [NottinghamTrust.com](https://www.NottinghamTrust.com)

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