



## **Request for Proposal**

### **1. Life's Plan, Inc. Profile**

Life's Plan, Inc. is a 501(c) (3) corporation that provides trustee services to individuals with disabilities and their families. Life's Plan, Inc. was founded by the Ray Graham Association in 1986. The Ray Graham Association is a service provider in DuPage County, IL that has been serving the needs of individuals with developmental disabilities through community based services since 1950.

A pooled trust enables families or other caregivers and in some cases individuals with disabilities the ability to establish relatively inexpensive and effective special needs trust accounts that provide supplemental funds for a beneficiary while preserving their access to government programs.

Families set up a subaccount with Life's Plan, Inc. The program then "Pools" these funds to manage and invest as "One" account using one asset allocation strategy established by a board approved investment advisory firm. Beneficiaries of a pooled trust have their own separate subaccount maintained with their prorated share of the pooled fund. Each subaccount is accounted for daily through the use of an accounting system the custodial agent will provide.

The pooling of assets reduces administrative fees and increases the principal for investment purposes. Pooling often allows for better access to quality investments that pay a higher rate of return than what may be available for a small individual trust. The beneficiaries of a pooled trust usually receive earnings based on their share of the principal. The Life's Plan, Inc. pooled trust currently serves close to 272 clients with approximately \$15 million under management. Life's Plan, Inc. has seen significant growth over the course of the last three years. The company has high expectations that it will continue on this high growth trend for the foreseeable future.

The pooled trust is a Medicaid qualified trust which is considered under law to be a “non-countable” asset for government benefit programs such as Supplemental Security Income (SSI) and Medicaid. Life’s Plan, Inc. attempts to insure that the public benefits of a beneficiary are never lost nor disrupted through the organization’s knowledge of Social Security law and expertise in establishing and administering a special needs trust. This allows each beneficiary the greatest amount of financial support possible. Beneficiaries have access to their trust assets as well as access to the public benefit programs which provide for most of their primary care costs.

Life’s Plan also provides individual trust management services utilizing individual accounts as well. Currently there are 15 individual trusts totaling approximately \$3 million in assets.

## **2. Purpose of the RFP**

The purpose of the RFP is to find the most qualified Custodial Agent to provide Life’s Plan, Inc. with the best custodial and trust administrative support services for its clients at a fair cost.

Life’s Plan Inc. would like to find a custodial agent to perform the following:

### **Custodial Services-**

- Safekeeping of pooled trust and individual trust assets for daily trust administration
- Support for the holding of publicly traded mutual funds, exchange traded funds, individual stocks and individual bonds.
- Transaction settlement of Pooled Trust assets through “one” fund while maintaining and accounting for nearly 250 clients in separate subaccounts through use of an accounting system provided by the custodian. The system must be scalable to account for future growth
- Preparation of daily income and gain/loss reporting from pooled fund
- Timely and accurate pricing of assets
- Proxy management (stock split-offs, spin-offs, name changes, etc.)
- Collection of income and principal (dividends, interest, matured bonds, settled sales)
- Online account access for Life’s Plan Inc. staff, investment advisor, and all pooled trust beneficiaries and delivery of quarterly statements to beneficiaries upon request when online access is not practical
- Online balance inquiry and trade confirmations for Life’s Plan, Inc.’s staff and investment advisor
- Consolidated accounting and reporting

- Income Tax statement preparation including 1099 reporting for clients and Trust Tax Return with K-1s to IRS
- Provide clear and understandable quarterly statements on the Pooled Trust's holdings for the investment advisor and board to review. Provide a presentation to the Life's Plan board on annual basis or upon request
- Onsite client meetings as requested.
- Provide a custody agreement with Life's Plan, Inc.
- Daily Distribution requests as directed by Life's Plan staff via email, fax or mail
- Custody services will include the capacity to issue approximately 250 checks per month for client requests which includes mail delivery, transfer or ACH wire
- Handling approximately 20 ACH direct deposit wire transfers per month.
- Calculating and delivering automated fee payments from clients' Pooled Trust sub-accounts for custodian, and investment advisor services
- Calculating and delivering automated fee payments to Life's Plan, Inc. for administrative services based on monthly invoices.
- Standard Depository Trust Company (DTC) or Fed buys/sells/principal pay downs
- Initiate trades as directed by investment advisor or Life's Plan, Inc.'s Executive Director
- Execute incremental trades as needed to provide cash for a beneficiary's distribution request.
- Prepare monthly/annual audit reports on accounts opened, closed, in cash, fee charges, account holdings, and transactional history.

#### Service and fee assumptions-

- Custody fees are billed or charged monthly or quarterly
- Fees should be assessed based on 250 clients and approximately \$18 million dollars
- Fees will cover the Pooled Trusts, Individual Trusts, and two additional accounts (Life's Plan, Inc. administrative account and a charitable remainder fund) which combined are approximately \$18 million.
- The Pooled Trust currently mails approximately 150 checks per month and handles approximately 20 ACH direct deposit transfers for clients. The custodial agent should include these costs in their proposed annual fee.
- The fee proposed needs to also recognize that Errors and Omissions insurance coverage will be required by Life's Plan, Inc. to cover a minimum of 70% of the Pooled Trust value to be calculated and updated annually
- The Board of Trustees would like each proposal to include two fee schedules:
  - 1) A bundled fee schedule that is all inclusive of all costs for the custodial services listed in this RFP

2) A second fee schedule that covers the primary fee for basic custodial services and a list of other charges related to the delivery of services requested in this RFP.

### **3. Requirements for proposal preparation**

Proposals should be submitted with one hard copy and an electronic copy of all materials. Please indicate your interest in the Custodial Agent position, your credentials, and your company's experience in providing custodial support services to Pooled Fund Trust Accounts. Any other experiences related to this RFP that would reflect the importance to your organization of working with special needs trusts and the client base that is served by Life's Plan, Inc. would be welcomed.

Please list and explain any law suits or arbitration settlements involving your firm within the last three years.

Your proposal can include charts, graphs and reports supporting your custodial support services, management style and systems offered.

Your proposal should clearly explain your annual fee for custodial support services, check writing, and delivery of services to Life's Plan, Inc. Any recommendations regarding best practices in administering a pooled trust like Life's Plan, Inc. are welcomed.

### **4. Outcomes and Performance**

We expect questions and requests for information to be handled professionally and timely. All deliverables must be submitted electronically and by mail. Life's Plan, Inc.'s Board of Trustees will review the performance of the Custodial Agent annually for retention purposes.

### **5. Timeline**

**Deadline for Proposals: April 30, 2018 by 5 p.m.**

All proposals will be reviewed by Life's Plan, Inc. Finalists will be chosen to present their proposal in front of Life's Plan, Inc.'s on Thursday May 31, 2018 at 10 a.m.

The proposals should be addressed to:

**Scott Nixon, Executive Director, Life's Plan, Inc., 901 Warrenville Road  
Ste. 500 Lisle, IL 60532**

Please contact us with any questions at 630-628-7189 or email: [snixon@lifesplaninc.org](mailto:snixon@lifesplaninc.org).