

Trust Funding Instructions

How to properly fund your trust to ensure your assets are actually protected.

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What Is Trust Funding?

Trust funding is the process of retitling your assets from your individual name into the name of your trust. Until assets are funded into the trust, they are not protected by the trust. An unfunded trust is simply a set of instructions with nothing to instruct about.

An estimated 60-70% of revocable living trusts are never properly funded. This is the single most common estate planning failure, and it means those trusts provide zero benefit at death. The assets pass through probate exactly as if the trust did not exist.

Why Funding Is the Most Critical Step

Creating a trust document is only half the work. The other half — the half most people skip — is transferring ownership of every relevant asset into the trust. Without funding:

- Assets pass through probate, defeating the primary purpose of the trust
- Your family faces court proceedings, delays, and legal fees

- Privacy is lost — probate records are public
- Incapacity protection does not apply to assets outside the trust
- Multi-state probate may be required for out-of-state real estate

Step-by-Step Funding Instructions

Real Estate: Execute a new deed (warranty deed, grant deed, or quitclaim deed depending on your state) transferring each property from your name to the trust. The deed should read: *'John Smith, Trustee of the Smith Family Living Trust, dated January 1, 2025.'* Record the deed with your county recorder's office. Contact your title insurance company and mortgage lender to ensure coverage continues.

Bank Accounts: Visit each bank with your Certificate of Trust. Request the account be retitled to the trust. Some banks allow you to simply add the trust as the account owner; others require opening a new account. The trust's tax ID is typically your Social Security Number for a revocable trust.

Investment Accounts: Contact your brokerage firm and request a trust account transfer form. Provide a copy of the trust's first page, signature page, and trustee certification. Most brokerages complete the transfer within 5-10 business days.

Business Interests: For LLCs, assign your membership interest to the trust via an Assignment of Membership Interest document and update the operating agreement. For corporations, endorse stock certificates to the trust and update corporate records. Ensure the operating agreement or bylaws permit trust ownership.

Personal Property: Execute an Assignment of Personal Property document that transfers ownership of tangible personal property (furniture, art, jewelry, vehicles) to the trust in a single document.

Life Insurance: Do NOT transfer life insurance to a revocable living trust unless specifically advised. Life insurance is often better held in an Irrevocable Life Insurance Trust (ILIT) for estate tax purposes. However, you should name the trust as a contingent beneficiary if no ILIT exists.

Post-Funding Maintenance

Trust funding is not a one-time event. Every time you acquire a new asset, you must ensure it is properly titled in the trust's name. Set a calendar reminder to review trust funding annually. New bank accounts, refinanced mortgages, newly purchased properties, and inherited assets all need to be

funded into the trust.

At Tauro Advisory Group, every trust package includes a comprehensive Trust Funding Guide with detailed, step-by-step instructions for every asset category. We do not leave you to figure this out alone.

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- Review your current estate structure and identify gaps
- Discuss your family, business, and wealth protection goals
 - Outline a custom strategy tailored to your situation
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Entrepreneurs, business owners, medical professionals, real estate investors, high-net-worth families, and anyone serious about protecting what they've built and ensuring a lasting legacy.

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