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FOR ADVISORS AND CLIENTS

Trust Funding Guide

Moving assets into a revocable living trust. The mechanics, the common categories, the items that need attention along the way.

ABOUT THIS GUIDE

This guide covers the most common asset types and general procedures for transferring them into a trust. It is not an exhaustive treatment of every situation, and specific assets or jurisdictions may involve requirements not addressed here. Trust structures, tax rules, and personal circumstances all change over time. This guide is intended as an informational reference and should be used in coordination with your attorney and financial advisor. If a specific transfer raises questions, professional guidance should be sought before proceeding.

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What Funding Means and Why It Matters

A trust is a legal structure. On its own, it holds nothing. The trust only gains authority over your property once that property has been formally transferred into it. This transfer process is known as funding, and it is among the most important steps in the estate planning process. An unfunded trust offers no more protection than a trust that was never created.

This guide walks through the major categories of assets and explains what is involved in moving each one into the trust. Your financial advisor can help coordinate the process and ensure that nothing is overlooked.

Understanding Trust Ownership

When an asset is funded into a trust, ownership is transferred to the trustee, who holds and manages the asset according to the terms of the trust document. The asset is typically re-titled to reflect this arrangement:

> *John A. Smith, as Trustee of the Smith Family Revocable Trust dated January 15, 2026*

If the trust has co-trustees, both names appear:

> *John A. Smith and Jane B. Smith, as Trustees of the Smith Family Revocable Trust dated January 15, 2026*

The specific wording should match what appears in the trust document. This naming convention applies to nearly every type of asset discussed in this guide.

Tax identification during the grantor's lifetime

While the grantor is living, a revocable trust does not require its own tax identification number. The trust is treated as an extension of the grantor for federal income tax purposes, and the grantor's Social Security number is used on all accounts and filings associated with the trust. For a joint trust, either spouse's number may be used, but the same number should be used consistently going forward.

Financial Accounts

Checking accounts, savings accounts, money market funds, brokerage accounts, and certificates of deposit can generally be re-titled in the name of the trust. The process is administrative rather than complex, though each institution has its own requirements.

In most cases, the institution will ask for one of two things: a Certificate of Trust, which summarizes the key provisions of the trust without disclosing the full document, or a complete copy of the trust itself. Your advisor can help prepare the Certificate of Trust if one is needed.

Once the institution has reviewed the documentation, the account title is updated to reflect the trustee and trust name. Account numbers typically remain the same, though some institutions may issue new ones. Online access, debit cards, and automatic payments are generally unaffected.

> **A note on joint accounts.** Joint accounts present a specific consideration. When both account holders are also co-trustees, the transfer is straightforward. When one account holder is not a trustee, the institution may require additional documentation or the account may need to be restructured. Discuss joint account situations with your advisor before initiating the transfer.

Real Estate

Real property is transferred into a trust by recording a new deed with the county in which the property is located. The new deed names the trustee as the owner of the property, replacing the individual's name on title.

Bancroft includes deed recording as part of the trust funding process. Once your trust has been established, your advisor can initiate the deed transfer directly through the platform. Bancroft generates the deed from the attorney-reviewed template for the property's state, coordinates the filing with the appropriate county recorder's office, and confirms that the recording has been completed. There is no need to visit the recorder's office or arrange for separate legal filings.

If you own property in more than one county or more than one state, a separate deed must be recorded in each jurisdiction. Your advisor can identify all properties that should be included and coordinate the transfers through the platform.

> **Existing mortgages.** If the property has an outstanding mortgage, it is advisable to notify the lender before the transfer and request written confirmation that the transfer will not trigger any default provisions. Federal law provides protections for transfers of a primary residence into a revocable trust, but lender practices vary. If you refinance in the future, some lenders may ask that the property be temporarily transferred out of the trust and then returned to it once the new loan is in place.

> **Homeowner's insurance.** Contact your insurance provider after recording the deed to confirm that your coverage remains in effect. Most policies continue without interruption, but the insurer may request an updated named insured or a policy endorsement reflecting the trust as the property owner.

> **Property tax exemptions.** Homestead exemptions, senior exemptions, and similar property tax benefits are generally preserved when a residence is transferred to a revocable trust. However, some jurisdictions require a supplemental filing to confirm eligibility. Your advisor or attorney can verify that any applicable exemptions remain intact after the transfer.

Business Ownership

Transferring a business interest into a trust depends on the type of entity and the terms of its governing documents. Before initiating any transfer, the operating agreement, partnership agreement, bylaws, or shareholder agreement should be reviewed for restrictions, consent requirements, or right-of-first-refusal provisions that may apply.

LLCs and partnerships

Membership interests in an LLC or partnership interests are typically transferred through a written assignment. The other members or partners should be notified, and the entity's records should be updated to reflect the trust as the new holder of the interest. Some agreements require the consent of other owners before a transfer can take effect, so the governing documents should be reviewed first.

Closely held corporations

Shares in a closely held corporation are transferred by having the corporate secretary cancel the existing stock certificates and reissue them in the name of the trustee. The corporate records should be reviewed for any transfer restrictions or legends on the certificates themselves. Some corporations maintain stock transfer ledgers that will also need to be updated.

Sole proprietorships

A sole proprietorship has no separate legal identity from its owner, so there is no entity interest to transfer. Instead, the individual assets used in the business, such as equipment, vehicles, or bank accounts, should each be evaluated and transferred on their own terms using the methods described elsewhere in this guide.

Household and Personal Property

Most personal belongings do not have formal titles. Furniture, clothing, electronics, jewelry, artwork, collections, and similar items fall into this category. These assets are transferred to the trust through a written assignment, sometimes called a general assignment of property, in which the grantor declares that the listed items are now held by the trustee.

The assignment should be reasonably specific. Broad descriptions are acceptable for everyday categories, but items of significant value, items with sentimental importance, or items specifically referenced in the trust document should be identified individually. A sample form is included in the appendix. Once signed, the assignment should be stored alongside the trust document.

Beneficiary Designations

Certain assets pass outside of the trust entirely, regardless of what the trust document says. These are assets governed by beneficiary designations, and they include life insurance policies, retirement accounts such as IRAs and 401(k) plans, annuities, and some payable-on-death or transfer-on-death accounts. For these assets, the beneficiary designation controls who receives the proceeds, not the trust and not a will.

This makes beneficiary designations one of the most important parts of the funding process. A trust can be perfectly drafted and fully funded, and still fail to govern a significant portion of the estate if the beneficiary designations are not aligned with the overall plan.

Life insurance

Ownership of a life insurance policy does not typically need to change. The relevant question is where the death benefit is directed. Naming the trust as a beneficiary ensures that the proceeds are distributed according to the trust's terms rather than paid outright to an individual. This can be particularly valuable when beneficiaries are minors or when the grantor prefers structured distributions over time.

Many clients choose to name a spouse as the primary beneficiary and the trust as the contingent. Each carrier has its own designation forms, which your advisor can help you obtain and complete.

Retirement accounts

Retirement accounts should not be re-titled in the name of the trust. Transferring ownership of an IRA or 401(k) to a trust is treated as a distribution for tax purposes and may result in immediate income tax liability and potential penalties.

Instead, the trust can be named as a beneficiary of the retirement account. This decision should be made carefully, because the tax treatment of retirement distributions to a trust differs from distributions made directly to an individual. The rules governing required minimum distributions, the ten-year payout window, and eligible designated beneficiaries all factor into this analysis. Your tax advisor should be consulted before naming a trust as the beneficiary of any retirement account.

Annuities and payable-on-death accounts

Annuity contracts and bank accounts with payable-on-death or transfer-on-death designations also pass by beneficiary designation. These should be reviewed as part of the funding process to ensure the named beneficiaries are consistent with the estate plan. Your advisor can help identify any accounts that may have outdated or conflicting designations.

Keeping the Trust Current

Funding a trust is not something that happens once and is finished. Over time, new assets are acquired, accounts are opened and closed, property is bought and sold, and family circumstances change. Each of these events can create a gap between what the trust is designed to do and what it actually controls.

The most effective approach is to think of the trust at the point of acquisition. When purchasing a new home, the deed can often be taken directly in the name of the trust. When opening a new bank or brokerage account, it can be titled in the trust from the start. Building this habit avoids the need for a separate transfer later.

Beyond individual transactions, a periodic review of the trust's funding status is advisable. This is particularly important after significant life events:

- Marriage, divorce, or the death of a spouse
- Birth or adoption of a child or grandchild
- Purchase or sale of real estate
- Significant changes in income or net worth
- Starting, selling, or dissolving a business
- Moving to a different state

Even in the absence of a triggering event, a review every two to three years helps ensure that the trust continues to reflect your current circumstances and intentions. Your financial advisor can facilitate these reviews and coordinate with your attorney if any updates to the trust document or its funding are needed.

General Assignment of Property

The following form may be used to transfer personal property and other untitled assets to the trust. It should be reviewed by your attorney to confirm that it is appropriate for your circumstances.

For good and valuable consideration, the undersigned, ______________________________ ("Grantor"), hereby assigns, transfers, and conveys to ______________________________, acting as Trustee of the ____ ("Trust"), all of the Grantor's right, title, and interest in the following categories of property:

- All tangible personal property owned by the Grantor, including but not limited to household furnishings, appliances, electronics, artwork, photographs, books, jewelry, watches, collections, sporting and recreational equipment, musical instruments, tools, and clothing.
- All intangible personal property not otherwise titled or registered, including but not limited to digital media, loyalty program balances, membership interests of a personal nature, and insurance policies covering the tangible property described above.

This assignment does not apply to: (a) any interest in a qualified retirement plan, individual retirement account, or tax-deferred annuity; (b) any life insurance policy or the proceeds thereof; (c) any motor vehicle, watercraft, or aircraft requiring separate certificate of title; or (d) any asset held or located outside the United States.

This assignment shall be effective as of the date signed below and shall be governed by the laws of the state in which the Trust is administered.

______________________________ ______________

GRANTOR SIGNATURE DATE

____

GRANTOR NAME (PRINTED)

____

TRUSTEE NAME

____

FULL TRUST NAME AND DATE