



**NOTTAWASEPPI HURON
BAND OF THE POTAWATOMI**

A FEDERALLY RECOGNIZED TRIBAL GOVERNMENT

NHBP IGRA MINORS OR LEGALLY INCOMPETENT TRUST



PROVIDENCE FIRST
TRUST COMPANY



NHBP IGRA MINORS OR LEGALLY INCOMPETENT TRUST

INTRODUCTION

The Nottawaseppi Huron Band of the Potawatomi (the “NHBP” or “Tribe”) currently receives revenue from its IGRA-regulated gaming operations. The NHBP Tribal Council adopted a Revenue Allocation Plan which has approved paying to all eligible members a portion of this gaming revenue, called “per capita payments.” The Indian Gaming Regulatory Act (“IGRA”) states that the purpose of per capita payments is to advance the personal health, education and welfare of community members. However, per capita payments are not paid directly to minors or legally incompetent individuals. Instead, such per capita payments are paid into an IGRA Per Capita Trust account which is held for the benefit of the minor or legally incompetent individual. IGRA requires the Tribe, in its Revenue Allocation Plan, to include terms which protect the interest of minors and legally incompetent individuals. This brochure provides an overview of the administration of the IGRA Trusts that were created in the NHBP Revenue Allocation Plan.

This pamphlet will explain the new NHBP IGRA Minors or Legally Incompetent Trust, which individuals’ per capita is paid into the trust, when a child can receive distributions from the trust, tax issues, and how this trust should be used in conjunction with the NHBP assistance programs. According to law, distributions from the trust cannot be made for the general support and care of your child, which is the legal responsibility of the parent(s) or guardian(s). Also, funds from insurance, federal and state governments and NHBP assistance programs should be used before trust funds are requested.

PER CAPITA PAYMENTS INTO TRUST

Per capita payments are paid into the NHBP IGRA Trusts for three different groups of people:

- 1) Per capita payments are paid into an IGRA trust for eligible members who are legally incompetent.
- 2) Per capita payments are paid into an IGRA trust for eligible members who are under the age of eighteen (18) as of April 1 of each year in which per capita payments are made.
- 3) Per capita payments are paid into an IGRA trust for eligible members who are between eighteen (18) and twenty-one (21) until such member submits to the Enrollment Office or Tribal Council, one of the following:
 - (a) A copy of his/her high school diploma,
 - (b) A copy of his/her degree or certificate equivalent to a high school diploma,
 - (c) Documentary proof of satisfactory completion of high school degree-equivalent home schooling requirements for the member’s state of residence¹, or
 - (d) A certification from an accredited school or schools that the member has learning or other disabilities and has attended a full twelve years of school.

¹ Youth must ensure that the program/organization from which they intend to obtain a degree or certificate equivalent to a high school diploma is approved and recognized by their state’s education agency. Most online programs offering GED/ equivalency examinations DO NOT satisfy this requirement. Parents/youth are encouraged to contact their state education officials or NHBP Membership Services Department for more information.

TRUST BASICS

There are four parties to this trust:

- 1) The grantor or trustor is the party who creates the trust and places the assets or money into the trust. The Nottawaseppi Huron Band of the Potawatomi is the grantor.
- 2) The trustee holds, protects, distributes and administers the assets for the benefit of the beneficiaries under the terms of the trust agreement. Providence First Trust Company is the trustee.
- 3) The investment manager invests the trust assets according to the trust agreement and investment policy so that the assets grow. Fifth Third Private Bank is the investment manager.
- 4) The beneficiary is the person for whom the assets are held until they reach certain criteria established by the trust. When these criteria are met, the trustee distributes that beneficiary's trust share. You are the beneficiary (eligible minors and legally incompetent members of NHBP).

WHEN A BENEFICIARY'S TRUST IS DISTRIBUTED

According to the Revenue Allocation Plan and the Trust Agreement, a beneficiary's trust funds are distributed in equal installments over four years beginning at the age of 21.

- 1) At age 21, up to 25% of the balance at that time.
- 2) At age 22, up to 33% of the balance at that time.
- 3) At age 23, up to 50% of the balance at that time.
- 4) At age 24, up to the entire balance at that time.

We do not automatically send out these trust distributions for security purposes. At these ages, you will need to fill out a "Termination Distribution Request Form" with your current contact information, how you want the distribution made (i.e. check, direct deposit, etc.), and any specific tax instructions.

SPECIAL DISTRIBUTIONS PERMITTED EARLY

Money in your child's trust is not intended to be used to cover household expenses that are the legal responsibility of a child's parent(s) or guardian(s). Money deposited in your child's trust should only be used for extraordinary expenses that promote the health, education or welfare of your child. Requests for early distribution of money in your child's trust are only available after you have exhausted all other resources. This includes any money available from insurance policies or the federal, state or local government. Also, this includes the many assistance programs offered by NHBP. Before you request money from your child's trust, you must contact the applicable tribal department to seek other resources.

An overview of programs and benefits available from NHBP Assistance Programs providing for health, education or general welfare needs of Tribal members can be found at www.nhbpi.com/Percapita.html.

If you have any further questions regarding these programs, you may contact them directly:

Department of Health – Phone: 1 (888) 729-4422 Contract Health Specialist

Department of Education – Phone: 1 (866) 499-5151 Education Adminis

trative Assistant

Department of Housing – Phone: 1 (866) 499-5151 Housing Department
Administrative Assistant

Under IGRA, your Tribe's Revenue Allocation Plan and your Tribe's Master Trust Agreement, Special Distributions are made when there is both (1) a need for the trust funds after other resources have been exhausted and (2) a qualified use of the trust funds. The qualified uses for Special Distributions are for three categories: health, education and welfare.

- a. **Health Distributions** (no dollar limit after health insurance, IHS, and NHBP Health Department)
 - i. Braces, dental
 - ii. Vision, glasses
 - iii. Counseling, psychologist
 - iv. Other medical expense not covered by other sources (insurance, IHS or NHBP's Contracted Health Services program)
 - v. Does NOT include purely cosmetic procedures

- b. **Education Distributions** (limited dollar amounts after utilizing government resources and NHBP Educational Assistance Programs)
 - i. Private tuition: pre-school through 12 (up to \$3,000 per year)
 - ii. College tuition (no dollar limit)
 - iii. Trade school or vocational school tuition (no dollar limit)
 - iv. Tutoring (up to \$1,000 per year) available for Kindergarten through college after utilizing the resources of government/school tutoring and NHBP Education Assistance Program tutoring assistance (currently \$1,000)
 - v. College preparation – classes, exam fees, application fees (up to \$1,000 per year)
 - vi. Educational supplies, books, fees, etc. required by the school (up to \$200 per year K-12 and \$500 per year for college)
 - vii. Lessons/programs for music, sports, heritage appreciation (up to \$1,000 per year)
 - viii. Other school-related camps/trips (up to \$1,000 per year)
 - ix. Computers (after utilizing NHBP Education Assistance laptop program):
 - 1. Computer – incl. warranty, printer, ink, repairs, educational software (up to \$1,500 every 4 years per child age 10 or older)
 - 2. Tablet (up to \$500 every 4 years beginning in preschool and is included in Computer budget)
 - x. Does NOT include:
 - 1. equipment (sporting or musical instruments),
 - 2. day care,
 - 3. trips/vacations,
 - 4. computer parts/software relating to games/entertainment

- c. **Welfare Distributions** (limited dollar amounts after utilizing government resources and NHBP Assistance Programs)
 - i. Clothing (up to \$300 per year)
 - ii. Vehicle – one-time distribution of the lesser of ½ of the trust value or \$15,000 – after High School Diploma (or equivalent) AND at least part-time student (6 credit hours) or part-time employment (20 hours/week)
 - iii. House down payment – trust can make a one-time distribution of up to ½ of the trust value towards a home purchase – after High School Diploma.

iv. Student Housing – trust can cover up to \$300 per month towards student housing for full-time (12 credit hours) college students, paid directly to the landlord

v. Emergency Rent – trust can cover up to \$500 for one month of rent or mortgage per year where the beneficiary is over 18 years of age and is a responsible party on the lease/mortgage

vi. Does not include:

1. car insurance,
2. car registration renewal,
3. utilities,
4. living expenses where the parent is the responsible party,
5. other living expenses

DISTRIBUTIONS FOR LEGALLY INCOMPETENT MEMBERS

Distributions are handled differently for legally incompetent individuals. Their per capita payments will continue to be paid into the trust for as long as they are legally incompetent. Their guardians can request trust funds for the beneficiary's health, education or welfare taking into consideration their unique circumstances and needs. Guardians of legally incompetent persons may request regular monthly distributions to cover monthly living expenses necessary to the health or welfare of the incompetent individual.

HOW TO REQUEST TRUST DISTRIBUTIONS

For security purposes, we require that all requests for distributions be in writing and signed by the guardian or the beneficiary when they are over the age of eighteen (18).

For Termination Distributions, you will need to fill out the "Termination Distribution Request Form" where you provide updated contact information, how you desire your payment to be made, and any specific tax withholdings.

For Special Early Distributions, you will need to fill out the "Special Early Distribution Request Form" which has two parts for you to fill in:

i. Certification of Use:

You must show which of the three categories (listed above) your request is for and how much you are requesting. It must be a real need, not a want or luxury. You are then required to submit an invoice or receipts to show that the money was actually used for what you requested. You will not be entitled to another distribution until you submit receipts. Instructions regarding receipts and a return envelope will be sent with your check.

ii. Certification of Necessity:

You must show that you do not have other money to cover the need you are requesting. In this section you will be asked to show your income and document your attempts to seek other resources, such as insurance, government and tribal resources. The trust funds are to be used only after all these other resources have already been used and are not available for the requested need.

Ensure that your address and other enrollment data match the information from the NHBP Enrollment Department. As a safeguard to protect your trust funds, we only send distribution checks to the guardians and addresses that

match the addresses and guardians we receive from the Enrollment Department. We reserve the right to require you to submit receipts or other documentation verifying that the money distributed was used for the specific purpose(s) requested.

HOW DISTRIBUTIONS ARE MADE AND RECEIPTS REQUIREMENT

Special Early Distributions will be made directly to the service providers (i.e. orthodontist, school) whenever possible. Otherwise, distributions will be made with a check sent to the address on record with the Enrollment Department. For this reason, if you move, you need to change your address with the Enrollment Department. We receive updates from them and use this as a safeguard to prevent fraud concerning your child's trust fund. Direct deposit is more secure and we would like to make distributions through direct deposit to your bank account, but we will need you to fill out the "Direct Deposit Request Form" so that we have your bank account information.

Whenever distributions are made directly to the guardians, invoices or receipts are required to show proper use of trust funds before any further trust funds are distributed.

DEATH OR INCARCERATION

If a child dies while he or she still has a Minors Trust account, the account will be distributed in the following order: children, spouse, eligible member parents, siblings, and if none, to the Per Capita Payment System. If your child is incarcerated, he or she will normally not be allowed to have any Special Distributions, but any Termination Distributions may be made to related parties as directed by the beneficiary.

TAXES AND TAX WITHHOLDINGS

Your child's trust account does not have to pay income taxes, and your child does not have to pay income taxes for money added to or earned by the trust. However, distributions from the trust are subject to federal taxes and are considered taxable income. How much tax is due, if any, depends on how much you receive from the trust, and the other income and deductions you and your child may have. The Trustee is required to send a Form 1099 to you/your child and to file it with the IRS when trust distributions are \$600 or more in one calendar year. Also, as Trustee we are required to make tax withholdings when the trust distributions reach a certain amount in any given year. We pay the tax withholdings to the IRS and report the withholding on the Form 1099. This Form 1099 reports how much money you received during the year and how much taxes were withheld and paid to the IRS (US Treasury). You will need this Form 1099 when you prepare your personal income taxes.

CONFIDENTIALITY

We consider each account confidential and have numerous safeguards to ensure all personal information is kept secure. We do not release this information to anyone but you, as the guardian, and the tribal and other government entities as needed. When your child reaches the age of 18, he or she is considered an adult, and we will only be able to interact with them directly unless they

authorize us to interact with you, as their parent. To ensure confidentiality and security through telephone conversations, we will ask a few security questions when you call us to discuss your child's trust account. We will ask you to verify information such as your child's tribal enrollment ID number, date of birth and/or address. All of your child's confidential and personal information that we receive is kept in a secure location – both electronically and physically.

BACKGROUND ON THE TRUSTEE AND INVESTMENT MANAGER

Providence First Trust Company is an independent trust company centered in Arizona. We formed a special division called Tribal Trusts in 2001 that exclusively works with trusts for Native American communities, especially minors per capita trusts. This distinguishes us from other financial institutions because our staff exclusively interacts with Native American children and parents all day, every day. Also, our management team has extensive experience with the legal and tax issues concerning these Native American trusts.

Fifth Third Bank is the investment manager of the Minors Trust investment portfolio. The investment objective of the portfolio is to preserve capital and provide growth over the long term. The Fifth Third Bank Western Michigan office is your contact location.

HOW DO I OBTAIN MORE INFORMATION?

You may contact us at any time with any questions related to your Minor's or Legally Incompetent's Trust accounts. Copies of this pamphlet and its forms are available at the Tribal Offices and from Providence First Trust Company. You may also request them to be mailed to you by calling Providence First.

To contact Providence First Trust Company:

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| By mail: | 7501 E. McCormick Parkway, Suite 101 Scottsdale, AZ 85258 |
| By phone: | 1-800-350-0208 (toll free) Or (602) 952-2300 |
| By email: | nhbp@providencefirst.com |
| By fax: | (602) 952-0018 |

If you have any questions regarding the investments, you may contact Fifth Third Private Bank directly at:

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| By mail: | 136 East Michigan Avenue Kalamazoo, MI 49007 |
| By phone: | 269-567-7866 |
| By email: | john.canning@53.com |
| By fax: | 269-567-7850 |

