

Once these original organizational documents and procedures are completed, the trust is empowered to begin operations. From that point on the trustees conduct all business for the trust and channel benefits to the beneficiaries.

This is the general picture of the organization of the trust. You should next have a detailed understanding of the various elements we have just reviewed.

(1) The Trust Agreement - The trust agreement is the initial contract and the most important document involved in trust procedures. The trust agreement is actually "the trust". The trust agreement generally sets out all the general rules and principles by which the trust is governed. The agreement, however, usually does not attempt to supply detailed management rules for every situation. The trust agreement is analogous to the Articles of Incorporation and the state statutes which govern your corporation foundation.

In the modern ownership or equity trust, the trustees are empowered with ultimate control over all the activities of the trust. They have been given the right to act with all the powers of any citizen of the United States. The trust is given an initial lifetime of between 20 and 30 years and is given the power to renew this life