



# Business

By Patti Martin Bartsche

## Partnering for a Purpose

Last year, the Oregon Funeral Directors Association announced it was expanding and strengthening its trust program, National Funeral Trust Service, by selecting Funeral Services Inc. as its trust administration partner. Through the trust recordkeeping and administration services provided by FSI, OFDA members would be able to enjoy enhanced reporting, as well as more efficient and secure processing of preneed contracts.

For OFDA, partnering with FSI offered an opportunity for the association to digitize its trust operations and also provide additional online sales and administrative tools for members. It would also help member funeral directors and cemeterians better serve their families, grow their firms and ensure sustainability into the future.

We recently talked with Marc Lund, president, board of directors for OFDA National Funeral Trust Service; Wally Ordeman, OFDA executive director; Bill Williams, president, CEO and vice chairman of Funeral Services Inc.; and Wendy Russell Wiener, managing partner at WRW Legal; about the decision to partner, how it will benefit OFDA members short and long term and the power of technology.

## Why did Oregon Funeral Directors Association choose Funeral Services, Inc., as its trust administration partner?

**Lund and Ordeman:** The Oregon Funeral Directors Association is the state's largest funeral service organization, serving more than 72 funeral homes. Our trust program, National Funeral Trust Service, has been serving funeral homes and cemeteries for generations. Being an essential membership service, our board felt that it was crucial that our trust continue to be a superior product and evolve with the times.

Prior to engaging FSI, the majority of our trust recordkeeping and administration was done through pen, paper, legacy systems and snail mail. What we had been doing had worked well for a long time, but we knew times had changed – and we needed to do better. When learning more about FSI and its capabilities, we saw

board – and one that would greatly benefit our members.

Additionally, FSI is led by licensed funeral directors who once ran funeral homes and sat on that side of the desk. Bill Williams and the rest of the leadership team and staff understand funeral directors' daily responsibilities and challenges, as well as how to solve them. This fact made us feel more comfortable and confident in our decision to make the switch.

## Why was the timing right to establish the partnership?

**Lund and Ordeman:** As we all know, the global pandemic affected our personal and professional lives in nearly every way imaginable. Our industry was forced to quickly adapt to change – serving families from a distance as COVID-19 tragically touched the lives of so many in nearly every community across the country.

Our board saw this growing trend and it was a large factor in partnering with FSI. Not only will this collaboration help take our trust to the next level by maintaining and enhancing efficiency, convenience and compliance, but it will also assist Oregon funeral homes and cemeteries in continuing to make the digital transition to serving the next generation of consumers.

## Is this FSI's first association partnership? What attracted FSI to OFDA?

**Williams:** This is our first association partnership, and we're honored for the opportunity OFDA afforded us. Over the years, we have worked with several large, multi-location death-care firms that own and operate tens-to-hundreds of funeral homes, cemeteries and crematories, so our experience in this area prepared us for collaborating with OFDA and its members.



**Marc Lund**



**Wally Ordeman**



**Wendy Russell Wiener**



**Bill Williams**

a tremendous opportunity to improve our organization and administration of trust records, but also help our funeral directors and cemeterians better serve their families, grow their firms and ensure sustainability into the future. It was clear, FSI was the best choice to our board.

FSI provided the ability to generate and sign mathematically error-free, compliant preneed contracts digitally, manage an entire trust program and its contracts on an online platform, and allow for direct payment by customers via credit card into their trusts. For these reasons and more, it was clear that partnering with FSI was the best choice to our

The operational challenges we saw funeral homes and cemeteries face were vast, as the traditional, highly personal practices of meeting families in person to comfort and guide them in a time of need were tested. Before the pandemic, most funeral homes and cemeteries had not entertained the prospects of incorporating technology into its sales, customer service and trust and contract management processes, yet they quickly were forced to begin making the transition.

COVID-19 certainly accelerated technology adoption in death care, and all signs point to its footprint only increasing in the future, especially as families begin to expect it.

The OFDA partnership was attractive to FSI because it provided us the opportunity to demonstrate how we can effectively scale our tools, services and resources to serve a large membership base across an entire state. We see association partnerships as a key part for our future growth, so this relationship prepares us well to support other associations.

Finally, Marc and Wally have been wonderful partners, as their leadership style and forward-thinking approach aligns with FSI's service model. Both of our organizations are passionate about the profession and serving firms in ways that meet the evolving needs of death-care professionals, so it was a

natural fit. Oregon funeral directors and cemeterians working with OFDA are in good hands.

### **This partnership was announced in November. How are things going?**

**Lund and Ordeman:** FSI has been a great addition to our team and the transition and onboarding process was very smooth. Within weeks, its team fully integrated our trust records into its digital recordkeeping and administration platform. Because of FSI's technology, we've also eliminated the need for our members to provide 1099 forms each year – a change that has been well received by funeral directors and cemeterians across the state.

One of our top priorities is to make life easy for our members when it comes to trust administration. The tools and services FSI delivers have helped us enhance our trust offerings, which has allowed funeral directors and cemeterians to focus on what they do best – serving their families.

**Williams:** Beyond integrating the association's trust records into our digital platform, we've also held several training sessions with members to educate them on our capabilities and tools. For example, one of those tools is our eContract software, which allows for the seamless creation and completion of digital, compliant pre-need contracts in less than 15 minutes.

In the coming weeks and months, we will continue to work with OFDA and meet more members so we can talk to them about how they can leverage the complimentary tools and services to which they now have access.

### **What is FSI able to offer OFDA members, and how does it help them run their businesses better?**

**Williams:** Oregon firms will see greater speed, convenience, compliance and security through leading-edge, industry-specific technology for their trust records and sales programs. These records are central to

firm operations and service, as mistakes can lead to inefficiencies, losses or legal issues.

We keep member trust records accurate, secure and in compliance so funeral directors and cemeterians can focus on running their business and serving their communities. Additionally, once a preneed sale is made to a family, our team takes care of the rest – depositing money into trust as required by state and federal law. We also provide complete, 24/7 access to these records and the ability to withdraw trust funds within days, much faster than most.

**Russell Wiener:** OFDA members can also operate with greater confidence knowing their preneed trust and sales programs will maintain regulatory compliance. As we appear to be beyond the peak times of the pandemic, we are seeing an increased number of audits in the industry, and these inspections are becoming more thorough than in the past. This makes the proper review and reconciliation of trust records that FSI and

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WRW Legal are providing to OFDA members even more important.

Facing fewer regulatory compliance threats, participating funeral homes and cemeteries across Oregon can better run their businesses knowing their reputation and trust among families will remain strong.

### **FSI offers enhanced data security to the trust program and is SSAE-18 Type II compliant. What does that mean in easy-to-understand terms?**

**Williams:** Cybercrime is on the rise and, as evidenced by the recent Colonial Pipeline breach, it can have a significant effect on the economy and organizations' abilities to serve customers. The death-care industry is especially vulnerable due to heavy reliance on aging legacy systems and the lack of security measures implemented. Additionally, sensitive information changes hands daily when arranging preneed services – credit card information, social security numbers and more.

In response, FSI transitioned all of its systems to the cloud, meaning trust records benefit from the highest levels of encryption and protection. Storing data on the cloud also ensures backup of files, enabling firms to minimize disruption and damage in the event of a natural disaster or a hacking attack.

Finally, FSI has recently created additional ways our clients and their consumers can review and sign pre-need contracts digitally. Instead of sending contracts directly via email on an unsecure server, FSI enables Oregon funeral directors and cemeterians to send consumers a link to FSI's secure website to execute a contract or upload additional files.

**Russell Wiener:** SSAE-18 Type II compliance, created by the American Institute of Certified Public Accountants, is a set of guidelines that oversees and verifies organizations' various compliance controls. These guidelines have been instituted as a direct result of the federal Sarbanes-Oxley Act of 2002 in response to accounting irregularities by publicly traded companies such as Enron and Worldcom.

In the simplest terms, an external team of accounting professionals audit FSI's processes, procedures, computer code, records, reporting and security controls (both within the computer systems and FSI's physical location) annually. This audit tests and confirms that the information FSI provides can be relied upon because it is secure, available and created with the necessary integrity required by the guidelines.

The result is that clients can engage with FSI knowing it operates with the highest levels of compliance, accuracy and security. At this time, FSI

is the only known company of its type that undergoes an audit of this nature and regularly maintains SSAE-18 Type II compliance.

### **Members participating in the OFDA's National Trust Program now receive detailed monthly statements that itemize all earnings and expenses of the trust. Why is this important?**

**Williams:** There's a saying that you can't manage what you can't measure. Our monthly reports provide OFDA members with a complete and transparent picture of their trust and sales programs, with the information packaged and visualized in a manner that is easily digestible.

Additionally, these firms now enjoy 24/7 online access to this data, which includes the trust account's market value, contract status (down to the line item), transaction history, payments in error, and more.

This level of access brings greater convenience and visibility to a funeral home or cemetery's operations, allowing them to serve families more effectively and in a timely fashion.

### **Funeral home owners often struggle with running their businesses and serving their families. What tools does this partnership offer members that will allow them to spend more**

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## time serving families?

**Williams:** I could take this question in several directions, but the two most important benefits we provide regarding serving families are the efficiency and regulatory compliance that our digital tools and our team's expertise deliver.

As families continue to increase their technology adoption, even for end-of-life planning, it is critical that funeral homes and cemeteries remain ahead of the curve in meeting those expectations. Oregon death-care professionals and consumers can now create and sign electronic preneed contracts securely, so whether a family is impacted by COVID-19 or would simply prefer to plan from home, firms can provide the flexibility and comfort consumers expect. Executed contracts are uploaded directly to FSI's website, stored in the cloud and are available immediately for reference.

Additionally, these contracts are mathematically error-free and state and federal-compliant, which provides firms with greater peace of mind. It also saves a tremendous amount of time preparing for a regulatory audit and minimizes or eliminates financial penalties due to contractual errors or poor reconciliation.

## Members are able to access their records 24/7. How is this beneficial?

**Williams:** Death-care professionals

are always on the clock. A family may call a funeral director after-hours when a loved one passes away with questions about their preneed contract. Or they may receive a similar call while out of the office and visiting another family. If records are stored in a filing cabinet at the funeral home, that inconveniences both the family and funeral director.

Through FSI, OFDA members can now serve families with greater efficiency having 24/7 access to trust and contract records. Our platform allows for desktop, tablet, smartphone, or other mobile access from the majority of browsers – all you need is internet access. So, the next time a family calls and expects information quickly, that data is just a few clicks away.

## Do state associations face added regulatory compliance challenges due to a large membership base? If so, what type of compliance challenges are most prominent among associations and how can partnerships like this help associations maintain a high standing?

**Russell Wiener:** Associations mostly avoid regulatory and compliance pressure as obligations typically fall on the licensees themselves. However, when an association operates certain programs, such as the OFDA master trust, the National Funeral Trust Service, it

must comply with certain regulations. This is in part due to the preneed contracts, trust agreements and ancillary documents that are affiliated to the trust program. In this case, it is OFDA's responsibility to ensure this documentation remains compliant with federal and state laws. If laws change, the association must ensure forms and contracts are modified to remain in regulatory compliance. This can often become a problem area for state associations because they simply don't know what they don't know.

Another area in which associations have historically faced issues is in regard to the operation of master trusts themselves. Many associations are not aware of the regulatory limitations to investments, disbursements and use of funds within trust. By unknowingly violating these restrictions, they often find themselves breaching their fiduciary obligation to members.

These are some of the many reasons why FSI and WRW Legal have teamed with OFDA. We ensure trust contracts and forms are reviewed thoroughly both by our teams and the state regulator. Outside third parties also regularly review procedures to ensure OFDA maintains its fiduciary obligation. Through these processes, OFDA can confidently do business knowing it is in high standing and its reputation among membership is upheld. •



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