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ICCFA Magazine spotlight



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► Williams is president and CEO of Funeral Services Inc. and serves on the FSI Board of Directors as vice chairman. He joined FSI in 2001 as vice president. He was named president in 2003.

Under his leadership, FSI has expanded to offer services in 19 states across the country.

► Williams has experience in every aspect of the funeral service profession, including ownership and management of funeral homes and cemeteries. He began his career in the death-care profession when he became a licensed funeral director in 1980. He is a graduate of Gupton-Jones College of Mortuary Science in Atlanta, Georgia.

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► Funeral Services Inc., Tallahassee, Florida, is a trust administrator and record-keeping company with more than 40 years of experience in the death-care profession, serving funeral homes, cemeteries, associations and financial institutions.

More from this author



► Williams will be at the FSI booth in the Expo Hall during the **ICCFA 2018 Convention & Expo**, April 18-21, in Las Vegas, Nevada.

MANAGEMENT: FINANCES

Unitrust distribution is being adopted by more and more states. Learn what it is and how it is affecting cemeteries now allowed to use this method for drawing on endowment care funds.

How unitrust distribution is providing more money for cemetery maintenance

In the first quarter of 2017, the state of Florida officially adopted the unitrust distribution method for the death-care profession. Fast forward to today, where just over one year later, we have literally seen the financial capabilities and performances of many cemeteries, not just in Florida, increase significantly, all because of unitrust—a very promising sign for our profession and the clients we serve.

For those who have not heard of unitrust, this bold statement likely caught your attention, and you are probably wondering how you can secure that level of growth for your organization.

To start, allow me to provide you with some background information on unitrust, the income-distribution approach that is taking the death-care profession by storm.

In short, unitrust—also known as a total return trust—does not limit distributions to the income generated by the trust and provides financial stability to your business. Under unitrust, you can determine an annual distribution between three and five percent, based on the market value of your endowment care trust.

So, rather than focusing on just the production of income, a unitrust transitions the investment goal to focus on increasing the total value of the trust and creating a higher total annual return. The end result can develop a greater annual distribution for the maintenance and care of the cemetery while simultaneously growing the total trust at a steady rate.

At FSI, one of our primary focuses, among others, is to ensure that your trust deposits and withdrawals are made in a timely manner and correctly. These duties have enabled us to see the incredible financial benefit unitrust has delivered for organizations across the country.

One of our many loyal clients, John

Williams, president of Farley Funeral Homes & Crematory and Venice Memorial Gardens, Venice, Florida, was kind enough to share his personal experience with unitrust and how it has impacted his business.

How has unitrust impacted your business from an operations standpoint?



John Williams

As many know, your care and maintenance trust is critical to the ongoing perpetual care of your cemetery. Without adequate funds coming from that trust, the grounds of your cemetery will suffer.

We have been in business for more than 40 years, and during that time I have gained a lot of knowledge about how

to achieve success, but maybe one of the most important points I have learned is that “maintenance is marketing.” In other words, the success of your cemetery is dependent on the maintenance of your cemetery—there is truly a direct correlation between the two.

Unitrust has enabled us to hire more employees and therefore log more hours into maintaining our grounds. Specifically, just in the past year, we have seen a 25 percent increase in full-time-equivalent employees and have put in more time improving our grounds than we probably have in the last 20 years.

Our team has used this increased capacity to take on new projects and address current ones, such as removing old trees and installing new landscaping, more quickly than ever. When maintenance is marketing, you need a dedicated team to keep your grounds at the highest level, and unitrust has played a major role in allowing that to happen for our business.

How much has unitrust increased your revenue for your care and maintenance fund?

In just one year, my distributable funds for cemetery maintenance have increased by 2.3 times thanks to unitrust. The impact that unitrust has had on the company is truly remarkable and I am not sure how we were successful without it!

I would be wrong to not thank Bill Williams and his team at FSI for being such strong advocates of unitrust, helping Florida officially adopt it, and making the transition absolutely seamless. We look forward to how we can further serve our clients in 2018 and beyond thanks to the increased resources that unitrust made possible.

How has unitrust benefitted your clients?

Clients come to us with a variety of needs on a daily basis. Whether it be for flowers, burials, a visitation or other services, our business is now prepared to meet any and all of those needs quickly thanks to the increased funds unitrust has provided.

We have additional inventory, so clients always have a healthy choice of options, and also more staff to help clients with any requests, such as choosing flowers, assisting with directions or being led to a grave. This exceptional customer service was not always available before unitrust was introduced to us.

Why do you think it's important to use unitrust for your organization and in the death-care profession?

Having funds available to maintain your grounds is one of the most important aspects of your business. When your cemetery is "sold out," it is critical that your care and maintenance fund holds sufficient income to preserve the cemetery into perpetuity.

If the income falls short of those financial needs and the grounds are not managed properly, the cemetery's upkeep becomes a community liability that taxpayers must fund.

Unitrust helps eliminate that possibility because it allows your trustee and investment advisor to invest for both your short-term income and the long-term growth of your trust. Before unitrust, cemetery owners were typically forced to pick between receiving sufficient short-term income or growing the trust over time.

With unitrust, you can set your sights on both, efficiently funding your day-to-day operations while still investing for the long-term growth and preservation of your trust.

Is there anything else you'd like to share?

Unitrust is available in many states across the U.S., so I recommend that everyone looks to see if their organization is eligible to deploy unitrust. If unitrust is not available in your

state right now, there are steps you can take to legalize it and begin enjoying all of its financial and operational benefits for your cemetery.

Conclusion

As John mentioned, there are opportunities for you to proactively advocate for unitrust if it is not currently available in your state.

Some background: Most states' cemetery laws restrict distributing income from investments to the cemetery for its use in caring for and maintaining the grounds. Therefore, a change in law is typically required in order for your trustee to distribute a portion of the total return of the trust to the cemetery.

In some states, a minor change in a rule or regulation will allow you to make use of unitrust, but often it requires more work upfront.

But not to worry—there are a number of stakeholders you can educate and engage to help you adopt unitrust in your state, including local colleagues and industry associations. Once you have organized an

advocacy group of death-care professionals, you can approach industry regulators and the legislature—whatever is necessary in your state—to encourage the use of unitrust.

More information on the adoption process can be found in an earlier article, "How to enable your cemetery to use the unitrust method," by Bill Williams and Wendy Wiener, ICCFA Magazine, August-September 2017. Feel free to email me for a copy.

The popularity of unitrust continues to grow as the number of states that have adopted it increases year by year. It is hard to argue against the positive impact it has had on cemeteries across the nation, providing owners with a reliable and fruitful distribution to accomplish their short-term goals while preserving the long-term sustainability of their trusts.

Just one year after its official adoption in Florida, we have seen unitrust completely change the landscape of how cemetery owners run their businesses—all for the better. One fact is certain: Unitrust is the present *and* future of income distribution in the death-care industry. 