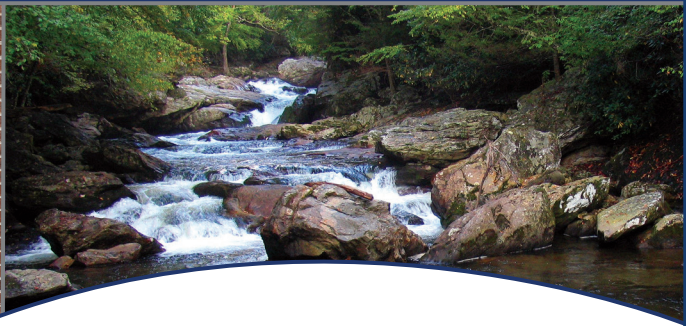


Spring 2024



## *A Fulfilled Life*

*By Will Divers,  
CTFA®, Financial Advisor*

### WHAT'S YOUR WHY?

If I had to guess, I get asked why I am a Financial Advisor at least once a week. When I first started in the business, the usual answer was, "I think it is interesting, I like numbers, etc." While those both are true answers, something I do outside of work made me realize why I love being a financial advisor.

For the last 4 years, I have coached high-school baseball. While yes, I do love baseball, what I love even more is the coaching aspect. Coaching baseball is not all that different from being a financial advisor. In both instances, I am dealing with emotions, dreams, aspirations, fears, and it is the most fulfilling thing to me. It clicked with me that coaching is the reason I love being an advisor. Nothing fires me up more than sitting with a client and speaking about their future, their goals, their fears, and their families. To me this is Game 7 of the World Series. Seeing a baseball player develop

over the years and seeing clients achieve their goals are why I do what I do. There are going to be times when good things happen and when bad things happen. What I love most is being a guide through it all.

So, I ask you this, have you thought about why you love doing what you do? What is it about your life that makes it fulfilling?

For me, it is my love of coaching.



## Overcome Obstacles

By Founding Partner Chris Caldwell,  
CFP®, AIF®, AEP®, CRC®, MBA, ChSNP

### ABLE ACCOUNT OR SPECIAL NEEDS TRUST

Many years ago, Highland Trust Partners began a planning program designed to help families who have members with disabilities and special needs. As has been explained in many of our previous newsletters, financial planning for families is not just about finances but strategies to overcome many obstacles throughout their lives for them to reach the level of success they are striving to achieve. For families with disabilities and special needs, there is a high probability they experience more obstacles and challenges than other families. Being able to provide consultation to them is one of the joys as a planner at HTP.

In every family plan, we will at some point discuss ABLE accounts and special needs trusts as to how they might or might not serve the family. Short answer to which is best, it is a case by case. In many family situations, both an ABLE account and a special needs trust work well together. That is especially the case if the child will be moving into more independence with work and/or income. While the trust cannot pay housing with risk of disqualifying from benefits, the ABLE can fill that

gap. Another question I am often asked is whether an existing college savings fund (529 Fund) for the child could be converted to an ABLE account, and the answer is yes, but with some caveats that we need to discuss.



Please feel free to reach out to me directly with any questions or comments and be sure that if you know a family with a need, pass along this article or my contact information. These families face unique challenges and the more good information they receive the less stressed they will be.

	ABLE	SNT
<b>Qualification to Open</b>	Disability occurred before 26 & certified	No age or certification
<b>Tax Advantages</b>	Tax-free growth on qualified expenses	Growth is taxed
<b>Use of Funds</b>	Expenses must be qualified	No limitation on expenditures
<b>Federal Benefits</b>	Can protect eligibility to receive	Can protect eligibility to receive
<b>Maximize Balance</b>	\$100,000	Unlimited
<b>Maximize Contribution</b>	\$18,000 for 2024	Unlimited
<b>Medicaid Payback</b>	Subject to payback at death	1st party SNT's subject to payback at death
<b>Housing &amp; ISM Expenses</b>	Can use funds	Could impact federal benefits

## Operations

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We are delighted to welcome our newest team member, April Porter! April is joining us in the role of Mark's Executive Assistant. Her focus will be helping coordinate Mark's annual client account review meetings, maintaining his calendar and assisting with his clients' service needs. April joins us from a local estate planning law firm where she specialized in day-to-day planning and organization. She also brings with her many years' experience working in family business.

At the beginning of the year, we introduced a new phone system to better service our clients. When you call our office listen for the first prompt: "If you are a client, please press ZERO now". This extension is dedicated to clients only and you will be immediately connected to Tomekia, Miranda or April.

Reminder: When requesting account related financial transactions, a VERBAL verification is required; you must call our office for assistance. For security and compliance purposes, we will not accept financial requests via any means other than verbal communication.

## Technology Corner

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**Way of Life:** Way of Life: Way of Life is an app that is all about habit tracking. Way of Life allows users to work toward ending bad habits, while also focusing on starting new ones. The goal is to build chains by successfully accomplishing your goal each day then challenging yourself to not break those chains over time. The app will collect your information and create charts and graphs so users can visualize their trends over time. Users can also select to have the app send them reminders each day. Way of Life is free to download but users are limited on the number of habits they can track on the free plan. The premium plan allows users to track unlimited items for a monthly fee.



**Seven:** Seven is an app that makes working out everyday simple and quick. Using workouts that are scientifically proven to provide the maximum benefit in a short time period, seven creates a 7-minute personalized workout every day for each user. Users set their goals and level of fitness and Seven takes it from there. Users can workout anywhere, anytime. Users can complete the workout challenge every day and compete with friends who are also using the app. The app is free with a "7 Club Membership" subscription options available for a monthly fee.

### Check Fraud is on the Rise: Protect Yourself

I recently attended an event hosted by Pinnacle Bank where representatives from the City of Monroe Police Department talked about the rise of check fraud. It is one of the most common types of identity theft and it has grown significantly in the past few years. The type of check fraud that has attracted the most attention during this surge has been check washing, where crooks steal checks left in mailboxes, deposited in U.S. Postal Service collection boxes, or through other means. By using cheap chemicals such as acetone (found in nail polish remover) or bleach, the crooks erase the payee's name and the amount, keeping the signature intact. When the checks are dry and clear of the payee's name and the amount, the crooks rewrite them with a higher amount and a fraudulent name – or they sell them to other criminals for their own fraudulent uses.

Here are ways to avoid or thwart check-washing schemes:

- Use a pen with blue or black non-erasable gel ink to write your checks. Gel ink soaks into paper and is harder to remove than ink from ballpoint pens.
- Pay your bills online using a private, secure Wi-Fi connection, instead of writing and mailing a check.
- Mail your check payments from the post office during business hours, putting it into an outgoing mail slot inside the building or handing it directly to a clerk.
- Regularly monitor your bank account online to review account balances and look at images of the checks drawn against them.
- Remove delivered mail from your mailbox as quickly as possible.

- Report any suspicious activity to your bank immediately, and also contact the U.S. Postal Inspection Service and credit reporting agencies. If a scam is reported within 30 days of the date of your bank statement, banks are typically required to replace any funds stolen through fraudulent checks. The Office of the Comptroller of the Currency says that banks are generally required to reimburse customers for forged checks. However, depending on individual circumstances, the bank can investigate to determine if the customer is entitled to a reimbursement.
- Report the crime to your local law enforcement.
- Notify any creditors immediately if you need a payment extension.

It was eye opening to hear directly from the Police Department about how easy it is for crooks to commit check fraud and how much of their time is being spent trying to stop it. I will never forget that one of the Deputies started every sentence with "Don't use checks but if you do..." He said he doesn't own any checks and won't let any family members use checks. He is on a mission to educate the rest of us.



### The Ugly Truth About Closely Held Businesses

Every business owner has a big dream for their business and wants to make it happen. The problem is many business owners think they can stop working without transitioning ownership. This belief says that these owners believe that their businesses are an asset that can produce returns without their involvement. To most people however, the value of the business is the value minus the business owner. If you're a solopreneur, you may be in for a rude awakening about your value.

*“The owner should also have systems and procedures in place to ensure that the business can continue to operate smoothly in their absence.”*

A well-run business should be able to operate without the owner's direct involvement. The owner should have a team of capable employees who can manage the day-to-day operations of the business. The owner should also have systems and procedures in place to ensure that the business can continue to operate smoothly in their absence. This is the ugly truth about closely held businesses. Many business owners see their businesses as their legacy, and they may have difficulty letting go. They may also believe that they are the only ones who can keep their business running smoothly. Little time has been given to an ownership and management transition plan and it may not be in writing.

I have a couple clients going through business exit planning. They are working through ownership and management succession issues. They do have a plan and it is in writing. However, the transition

plan needs to contemplate management transition to get the right people in the right seats. The ownership plan needs to contemplate who has the ability and desire to buy the company stock. There is an increase in owners talking to advisors about planning. However, creating written documents continues to stay around 20%.

For the other 80% of business owners that don't have a written plan, here are some things to consider. A written succession plan should include the following:

- The owner's goals for the business transition.
- A timeline for the transition.
- A list of potential successors.
- A plan for training and developing the successor(s).
- A plan for communicating the transition to employees, customers, and other stakeholders.

There are a few things that business owners can do to make their businesses more transferable and to reduce their own reliance on the business. These include:

- Building a strong team of capable employees.
- Delegating tasks and responsibilities.
- Developing systems and procedures.
- Documenting all key business processes.
- Creating a succession plan.

By taking these steps, business owners can increase the value of their business and make them more attractive to potential buyers. They can also reduce their own stress levels and give themselves more peace of mind.

# Market Index Returns\*

## Fixed Income

## Current Yield 4/25/2024

90-Day T-Bill	5.41%
5-Year T-Note	4.72%
10-Year T-Note	4.71%
30-Year T-Bond	4.82%

Source: Bloomberg

## Index

2024  
(1/1/2024–4/24/2024)

2023  
(One Year)

Dow Jones Ind.	2.64%	13.70%
S&P 500	6.33%	24.23%
NASDAQ	4.67%	43.42%
MSCI EAFE Growth ETF	2.89%	17.24%

Source: YCharts

\*The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors. Bond yields are subject to change. Certain call or special redemption features may exist which could impact yield. The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI EAFE Index consists of the following developed country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

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