

# 40 ESTATE ADMINISTRATION TASKS

Most people do not have an appreciation for the complexity and extent of the activities involved in acting as an executor or personal representative. To give the advisor an appreciation for the tasks involved, the following excerpt is offered from an article printed in *Trusts & Estates Magazine* by Stanley B. Doyle, Jr.\*

- Locate, read, and interpret the will and any codicils thereto.
- Make funeral, burial, and perpetual care arrangements as directed or as circumstances require.
- Determine domicile before offering will for probate.
- Take immediate steps for temporary protection of estate property pending probate will.
- Review any immediate problems with family and counsel.
- Collect and study decedent's records to determine natures and location of assets and liabilities.
- Inventory and appraise all real estate, household, and personal property for estate tax purposes.
- Consider adequacy of existing insurance coverage on real estate and personal property and adjust as needed.
- Obtain tax waivers and comply with other formalities to take possession of all property.
- Open safe deposit boxes in presence of appropriate authorities or tax representatives.
- Set up and maintain books and records to reflect all securities & cash transactions.
- Take possession of all personal effects and deliver to legatees.
- Liquidate brokerage accounts, debit balances, and collateral loans.
- Collect all money owing to the estate.
- Provide vault protection subject to independent audit, and prompt collection of income, maturities, and called securities for securities.
- Collect life insurance payable to estate and advise beneficiaries of the settlement options available.
- Investigate all claims to determine their validity, and pay the valid ones.
- Take steps to protect the estate's interest in an ongoing business.
- Arrange orderly liquidation to meet cash requirements for debts, taxes, and other expenses.
- Terminate or adjust any contracts or leases.
- Consider alternatives and select fiscal year for estate's income tax returns.

- Where decedent was a fiduciary, settle accountings to relieve estate's liability and collect commissions.
- Value all securities for tax purposes, including known ones with hard to find quotations.
- Analyze and evaluate business interests or stock of closely held corporations.
- Revalue estate 6 months from date of death and determine if optional tax return value is to be used.
- Determine whether administration expenses are deducted from estate or income tax returns.
- Compile information for preparation of all tax returns, including state and foreign if necessary.
- File returns and pay federal and state estate taxes promptly to avoid penalties and interest.
- Be sure to take estate and income tax deduction for items "doubly" deductible.
- Prepare and file decedent's income tax returns, including the final return and any delinquent ones.
- Arrange for final audit of all tax returns, income, gift, and estate.
- Defend contested estate, inheritance, and income tax returns in conference or court if necessary.
- Consider requesting prompt determination of estate tax liability and consequences to estate.
- Prepare & file fiduciary income tax returns and any reports as to salaries and wages paid.
- File refund claims when obtainable on account of new rulings or change of law.
- Consider whether apportionment of death taxes is required and collect if necessary.
- Pay legacies and obtain proper releases; establish and fund trusts under the will.
- Plan for tax and cash benefits and perform distributions of income and principal to beneficiaries.
- Hold reserve for contingencies until accounting approved, then make final distribution of estate.



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