

Estate Settlement Checklist

The task of settling a loved one's estate can be overwhelming and time consuming even with the most organized estate plan. As a Trustee, it is best to leverage financial professionals who are familiar with the decedent's estate and can provide expertise to ensure you receive complete information and have a thorough understanding of all necessary steps, tax implications, and decisions made on behalf of the beneficiaries.

Phase One: Organizing the Estate (1-2 Months)

1. Notify financial team via email or phone: Financial Advisor, Attorney and CPA.
2. Locate legal documents including Trust documents, Business Operating Agreement, Will, and Power of Attorney.
3. Compile a list of beneficiaries and all respective contact information.
4. Contact the offices currently providing benefits to the decedent. This may include Social Security, Veteran Affairs, or other benefit programs. Note survivorship eligibility.
5. Assess immediate liquidity needs: outstanding bills, automatic payments, and cash needed to fulfill accrued obligations of the decedent. Pay off and close out credit cards as applicable.
6. Discontinue phone services and other utilities. Set-up mail forwarding through the post office.
7. Obtain copies of death certificate. Provide an electronic copy to your financial team.
8. Maintain records of all expenses associated with funeral and burial services.
9. Initial conference call with financial team to discuss Estate strategy.
10. Obtain a FEIN or tax ID for the Estate as applicable. Your attorney may help with this step.

Phase Two: Summarizing the Estate (2 Months)

11. Locate log in information and/or provide notification to institutions with the required documentation to obtain access to the accounts in the decedent's name. Check in with financial team before initiating contact with institutions.
12. Compile an inventory of all assets, insurance policies, and income sources; gather statements for liquid assets as of DOD and provide to your financial team as access is granted. Cost basis in non-retirement accounts should be updated as applicable.
13. File claim for life insurance as applicable.
14. Obtain appraisals as of DOD for non-liquid or unmarketable assets, which may include real estate, artwork, jewelry, cars, limited partnership interests.
15. Retitle financial accounts or assets as needed. This will typically follow the tax ID for the Estate.
16. Determine if an estate tax filing is required and if any estate tax is due, along with strategies to maintain control and manage future tax implications.

Phase Three: Distributing the Estate (2 Months)

17. Create a distribution schedule per the decedent's estate plan and with appropriate residual balance for outstanding taxes and professionals' fees.

18. Open appropriate brokerage and bank accounts with updated title, successor trustee, and FEIN for tax reporting purposes in the period prior to distributions.
19. Begin partial distributions of estate assets to beneficiaries as dictated by the estate planning documents; take into consideration any special instructions, gifts, or distribution method requirements.

Phase Four - Filing the Estate (2 Months)

20. Ensure the CPA/Attorney have all date of death values for the estate tax filing. This typically completed within 9 months.
21. Re-title illiquid assets or complete liquidation and distribution of proceeds as dictated by the estate planning documents and needs of the beneficiaries.
22. Pay any federal or state taxes that may be due.
23. Pay CPA and attorney fees due.
24. Distribute the remaining residual assets to beneficiaries.

WAM Glossary

Successor Trustee/Executor – the individual or entity that is responsible for settling an Estate.

DOD – Date of Death. This is the date that the decedent passed away and will be a reference point for asset valuations.

Form 706 – United States Estate Tax Return. Tax form used to calculate tax owed on an Estate, though each Estate will file this return to close out an Estate or to elect portability. Taxes are applied on the value of an Estate over the Estate Exemption amount. Due 9 months after DOD, but can be extended by 6 months.

Form 709 – United States Gift Tax Return. Tax form used if the decedent gave gifts outside of spouse that exceeded the annual gift exclusion.

Step-up in Basis – when an asset passes to a beneficiary or spouse, the higher of the market value at DOD or previous cost basis will be applied to the new, “stepped-up” cost basis of the asset transferred.

FEIN – unique, nine-digit number assigned to an entity or business by the Internal Revenue Service to identify income for tax filings.

