

What Does A Trustee Do?

Part Two of a Series

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As we discussed in part one of this series, your choice of trustee is one of the most important decisions you will make in the planning of your estate. Part one also detailed “Eight Characteristics of a Good Trustee.”

In helping you in your quest to “choose wisely,” the following checklist focuses on what a trustee actually does and a timeline to help keep them on track. Of course, this list is not exhaustive and is different for every family. However, it will help your trustee get his or her “ducks in a row.”

First 5 days

- Notify relatives and close friends
- Arrange for pet care
- Check for prepaid funeral plans
- Locate important papers. They will be very useful to you
- Read the Will and Letters of Instruction
- Inform family members of your new role
- Contact decedent’s employer to check on expected death benefits (life insurance, pension, 401(k), accidental death insurance, etc.). Obtain policy numbers.
- Contact business associates regarding continued operation of business, if applicable
- Notify landlord, if any
- File Mail Forwarding Notice with Postmaster
- Stop newspaper and magazine delivery
- Arrange for lawn care and other home maintenance items
- Make an appointment to meet with attorney
- Locate military papers (VA provides certain benefits, including an American flag)
- Keep good records of all expenses for funeral and last illness

First 2 Weeks

- Locate and review estate planning documents
- Prepare and sign Successor Trustee Affidavit

- Lodge the Will with the Court within 10 days of date of death
- Remove valuables from the residence and place of business and store safely
- Change locks on real estate if not occupied by the spouse or a primary beneficiary
- Determine immediate cash needs. Identify accounts where cash is immediately available
- Check safe deposit box for important papers. Inventory the property in the box in the presence of a bank officer. Remove the contents and close the box.
- Obtain Federal Tax ID number for Trust
- Register Trust with the Court
- Open checking account in name of Trust with new ID number
- Contact bank for check writing authority on open accounts
- Notify insurance companies and agents and confirm coverage. Request claim forms
- Check credit cards and clubs in which deceased was a member for additional insurance
- Notify company personnel department and confirm assets and beneficiary designations
- Notify Social Security Administration and VA (if applicable) and collect benefits
- Notify all advisors (legal, financial & tax)
- Order Death Certificates
- Collect and cancel credit cards, newspapers, magazine subscriptions, etc. Ask for refunds of prepaid items
- Meet with attorney to discuss rights, duties and obligations

Within 30 days

- Identify, notify, and make claims to parties that may pay burial or death benefits
- File claim forms for life insurance payable to the trust
- Locate, identify all assets and prepare inventory
- Review how assets are titled

- Create spreadsheet with all debts, liabilities and due dates
- Check to make sure insurance liability coverage on residence, automobiles, personal property in storage, etc. is adequate
- Review business agreements and business operations
- Review Memorandum for Distribution of Personal Property. Get receipts for all property distributed

Within 60 days

- Provide written notice to heirs and beneficiaries of your new role
- Meet with advisors regarding distribution of property and tax returns
- Obtain tax identification number for new trusts
- Meet with accountant regarding retirement plans and tax return deadlines

Within 9 months

- Review the allocation and distribution of remaining assets
- Determine if there are assets or life insurance to be disclaimed
- Prepare and file disclaimers if applicable
- File Federal Estate Tax Form 706 and Colorado Estate Tax Return
- Distribute Assets either into trusts or directly to beneficiaries
- Obtain W-9 and IRS Determination Letter for all charitable gifts

Within 12 months

- Review your own estate plan with your attorney

Depending on the trustmaker’s intent, a trust can be settled fairly quickly, and without a probate court becoming involved. The actual time to finish will depend on many variables. Although being named a trustee is an honor, you can see that it is not a quick, fast and easy job. Choose your trustee wisely. It will significantly enhance the probability that your objectives will be accomplished with the least cost and conflict. Call Goldberg Law Center at 719-444-0300, if we can help in your decision making process.