

Checklist: Settling an Estate

Being appointed executor of a will can be a daunting responsibility as you carry out the wishes of one who passed. Fortunately the process can be streamlined through Trustworthy's Family Operating System®, which helps you protect and organize key documents along the way. This checklist will help you carry out all your legally obligated duties as the process unfolds.

Step 1

Collect the will and death certificate.

If the deceased was already a client of the Family Operating System, you'll find the will there. Otherwise, ask their family where it might be located either in hard copy form or digitally. Then contact the funeral home for the death certificate, which will be necessary for many of the steps below.

Tip: Save time by requesting multiple copies of the death certificate upfront, as it will be requested frequently to gain access and settle accounts.

Step 2

Determine whether legal assistance is warranted.

While a simple settlement may not require an attorney's services, you could benefit from their legal know-how and experience if an estate is more complex, either because of financial or family issues.

Tip: Ask friends and family for a recommendation as you'll want someone well-versed in this function.

Step 3

File the will with probate court.

If the deceased has a relatively straightforward estate or has already done a lot of planning, you may be able to avoid probate court. Otherwise you need to do this to be officially appointed as executor and to validate the will.

Tip: Double-check you are filing in the appropriate location, depending on where the property is located.

Step 4

Notify relevant agencies and businesses.

You'll need to contact all the places where the deceased had business dealings, like financial institutions, utilities, and recurring memberships and subscriptions. Find out how to settle and close these accounts, which will also safeguard against identify theft and fraud.

Tip: Use Trustworthy as a safe place to store all copies of communication.

Step 5

Communicate with beneficiaries.

Alert each beneficiary, including charities, if applicable, that you are beginning the process.

Tip: Keep them posted on your progress so they know you take your role seriously.

Step 6

Create an inventory of all assets.

Document all the assets on a spreadsheet, enlisting the help of a professional appraiser as needed. Include as much detail as possible and don't overlook intangibles, like contracts or patents. This inventory will be used to determine whether estate taxes need to be paid and will be filed with the probate court.

Tip: Look to Trustworthy as a safe repository as you work through this step.

Step 7

Open a bank account.

To keep all the financial dealings straight, set up a new bank account where you'll put the financial assets of the deceased and subsequently handle all financial matters.

Tip: Find out from the bank what you need to open it, such as a Tax ID or Employer Identification Number (EIN).

Step 8

Collect money owed and pay off debts.

The bank account will be used to pool insurance benefits, wages, and other outstanding sums. You'll then use this to pay the remaining bills, handle expenses associated with the burial, and satisfy debts.

Tip: If you discover there are more bills than funds, you may need to liquidate some assets to cover debts.

Step 9

Pay taxes.

The IRS needs separate tax returns from a deceased person and their estate, so you'll have to file the appropriate forms for each. You may also need to file a tax return when assets are transferred to beneficiaries.

Tip: If the affairs are complex, consider enlisting the services of an attorney or accountant to guide you through the process.

Step 10

Distribute assets.

There's a reason this step is last—you want to make sure you've paid all outstanding debts and any tax liability before you disperse the inheritance. Otherwise, you could find yourself liable for any leftover estate expenses.

Tip: Request the beneficiary sign and date a receipt for each item of their inheritance to avoid any confusion later on.

Step 11

Close the estate.

You're almost done...in this last step, you'll file a final accounting with the probate court (and make sure each beneficiary has a copy, as well). It's also wise to request each beneficiary sign an official document acknowledging they've accepted the assets, a small formality that can protect you from later disagreements.

Tip: Going through this process as an executor may be just the impetus you need to create your own account with Trustworthy's Family Operating System®, providing the peace of mind that all your crucial papers are centrally located and easy to access to remove a logistical burden from loved ones.