**Sample Trust Administration Worksheet**

**Jane M. Doe Trust dated October 1, 2007**

While a living trust avoids probate and greatly simplifies dealing with an estate, there remain a number of legal requirements that need attention. These requirements have significant tax and other consequences. This is a summary of the steps involved in the administration of Jane’s Trust. Please bear in mind that this discussion is general and that each estate has its own idiosyncrasies.

**A. Review the Trust Document(s).** You should obtain a copy of all of Jane’s estate planning documents which Jane signed. Carefully review the trust and any amendments to it in order to ascertain the identity of the successor trustee(s) and the beneficiaries of the trust. The successor trustee is responsible for handling the trust administration. The successor trustee can hire advisors, such as attorneys and CPAs, to assist in the trust administration.

**B. Notice of Trust Administration.** A Notice of Trust Administration should be sent to all beneficiaries of the trust and to the Jane’s heirs at law.

**C.** **Trustee.** Upon the death of the decedent, the successor trustee becomes the Trustee of the Trust. The Trust should be reviewed to determine what powers the Trust grants to the successor trustee.

If the trust contained real property, an Affidavit – Death of Trustee should be recorded for each parcel of real property to transfer the property into the name of the successor trustee for purposes of trust administration. The Affidavit should be signed in front of a notary public and recorded with the County Recorder in each county in which the decedent owned real property. There may also be associated forms necessary to exempt the property from property tax reassessment.

Several other items will need to be taken care of. First, any trust accounts at banks or other financial institutions will need to be transferred into the name of the successor trustee for purposes of trust administration. Next, the decedent’s name will have to be taken off of any of the joint bank accounts that he or she owned. This can be accomplished by taking a certified copy of the decedent’s death certificate to the bank and asking them to remove his or her name from the accounts. The decedent’s Social Security number should be removed as the tax identification number from all bank and brokerage accounts and replaced with the tax identification number of the trust. A tax identification number for the trust can be obtained from the IRS.

Also, the proceeds of any life insurance policies on the decedent’s life should be collected by the named beneficiary or beneficiaries. Any IRAs the decedent may have owned can be rolled over into the name of the decedent’s spouse or children, if they are named beneficiaries.

**D. Confirming Estate Assets and Liabilities.** The first priority is to determine the extent of the trust assets and liabilities. In that regard, the real property should be appraised as of the date of the decedent’s death.

The trustee should obtain copies of bank and brokerage statements to determine the balance in all accounts as of the date of Jane’s death. All other assets should be valued as of the date of Jane’s death, as well.

During the time period that the estate is being inventoried, valued, and the bills paid, the successor trustee should pay any taxes as they come due and retain records of the receipts into the trust and expenditures from the trust. It is also important to meet with an accountant to eventually prepare an income tax return for the decedent, and an estate tax return if one is required.

**E. Possible Claims Against the Trust.** After the successor trustee has determined the assets and liabilities of the Trust, the trustee needs to consider the possibility of creditor's claims against Jane’s estate. In some cases it is appropriate to petition the Court so that any creditors are advised of the decedent’s death and their need to file a creditor's claim within a certain time period. If this procedure is not followed, then creditors will have the right to pursue their claims against either the trustee or the beneficiaries of the estate. This procedure is particularly advantageous in the case of professionals who may have exposure to claimants who at this time are unknown.

**F. Original Will.** Under state law, Jane’s original Will may be required to be filed with the Court Clerk in the county where the estate will be administered.

**G Federal Estate and Other Taxes.** A federal estate tax return is due for estates with a gross value that exceeds a certain amount (which varies year to year). The tax is based upon the net estate (after bills and costs of administration). There may also be state inheritance taxes.

**H. Distribution of Trust Assets.** After the assets of the trust are gathered and valued, and an appropriate amount of time to allow for possible creditors’ claims or claims against the trust, the trust estate should be distributed to the beneficiaries as stated in Jane’s trust document.

**I. Timing and Attorneys' Fees.** Normally, it takes approximately 10-12 months to finally resolve these matters. Attorneys’ fees are paid from the trust estate, and not by the trustee from their own personal funds.