



Caring for a Loved One's Estate

Serving as a Personal Representative



Southern Baptist
FOUNDATION

Introduction

A Personal Representative (sometimes referred to as an Executor) is the person or entity who oversees a person's estate upon their death.

When you are named as a Personal Representative in a will, it is one of the highest expressions of confidence you can receive. You are trusted to perform some very important responsibilities for a person even after he or she has departed this life.

State laws provide for a legal process when a property owner dies. That process, known as a probate, may differ from state to state, but will follow a prescribed path. The Southern Baptist Foundation or your state foundation can give you counsel. To find a foundation to serve you, go to www.mylegacyoffaith.org/find-local-resource.

The purpose of probate is to determine the assets in the estate of the deceased, to establish their value, to pay debts and taxes which may be owed by the estate, and to distribute the estate assets to the heirs and causes named as beneficiaries in the decedent's will. State law will also have provisions if the deceased died without a will.

This Resource Guide is divided into four sections:

I. Begin Court Proceedings, Obtain Information, and Secure Assets

This section guides you through such steps as gathering necessary documents and making contacts with heirs and beneficiaries.

II. Manage Estate Property

This section will guide you through the examination of the estate, including outstanding expenses, assets and liabilities, liquidation and accurate record keeping.

III. Prepare Tax Returns and Pay Taxes

This section directs a Personal Representative to complete the necessary tax documents.

IV. Distribute Estate Assets

This section guides you through the final accounting steps and distribution of estate assets.

Locate Important Documents

Various records and documents will be needed to settle the estate for the decedent. Places to search include a safe deposit box, home and office desks, safes, or other places where important documents are kept. Ask a family attorney or accountant for copies of documents you may need. Because many of these documents will be required when filing for benefits, you will want to make copies of each important document.

Where To Begin

Important Documents to Locate:

- Original Last Will and Testament
- Electronic Will (list of all online accounts)
- Legacy Will (record of personal testimony)
- Revocable Trust Agreement
- Personal income tax returns for the previous five years
- Insurance policies
- Financial statements
- Records of outstanding loans
- Real estate documents, including deeds, leases, rental agreements, and most recent mortgage statement
- Auto registration papers
- All personal identification
- Records of employee benefits
- Credit report (Contact List on page 5)

Order original Certificate of Death for:

- Each life insurance policy
- Retirement account
- Social Security Administration
- Investment or bank accounts
- Department of Motor Vehicles for transfer of ownership
- Courthouse in county where property is owned jointly
- Broker, CPA, attorney, family and personal use

Notes _____

I. Begin Court Proceedings, Obtain Information, and Secure Assets

Among the first steps you will take as Personal Representative is to employ competent legal counsel to assist you. The probate attorney is an indispensable partner in this important undertaking. He or she will represent you at court hearings, advise you about specific actions and appropriate responses at different stages in the probate process, and prepare and file the necessary notices, forms, and documents required to complete the transfer of ownership from the decedent to others.

Before meeting with the attorney, he or she will need you to obtain the following information:

- Names and addresses of all heirs of the decedent (generally blood relatives)
- Name and address of all beneficiaries named in the will
- General list of known assets
- Original Last Will and Testament.

The attorney will prepare the necessary probate documents to:

- File Petition to probate will.
- Send notice to heirs and beneficiaries of hearing to admit will and appoint Personal Representative.
- Conduct hearing.
- Accept appointment as Personal Representative.
- Issue Letters Testamentary.

Upon approval as Personal Representative you will have the authority to handle the management of the estate.

The next step is to determine if there are any creditors to the estate. In general a creditor is any person or entity to whom the decedent owed money. The attorney will require a list of known creditors. With this information the attorney will:

- File a notice to creditors in the probate.
- Publish the notice in a newspaper.
- Send the notice to known creditors.
- Review claims submitted in the probate.
- Work with the Personal Representative to determine which claims should be approved or declined.

Notes _____

II. Manage Estate Property

- Keep a full and accurate record of all receipts, transactions, and disbursements supported by appropriate statements and receipts.
- Prepare a complete list of assets and obtain date of death values. Some assets such as real estate require appraisals.

The following are items that may be necessary to manage the estate:

- Obtain Employer Identification Number from Internal Revenue Service (needed to file tax returns).
- Forward decedent's mail either to your address or to the address of the probate attorney.
- Apply for Social Security burial allowance.
- Close all charge accounts in the decedent's name and arrange for the payment of the account balances.
- Determine if cash assets in the estate are sufficient to pay cash bequests, federal and state estate taxes, administration costs, etc.
- Determine which assets should be sold if the present cash in the estate is not sufficient to meet bequests and expenses.
- Negotiate and/or arrange for the liquidation of certain assets to provide cash flow for estate settlement.
- Make arrangements for the continued operation of any business(es) owned by the decedent until final disposition of the business(es) is determined.
- Collect life insurance and health insurance payable to the estate.
- Collect health insurance proceeds payable toward the decedent's hospital and doctor bills.

Notes _____

III. Prepare Tax Returns and Pay Taxes

- File a final income tax return for the decedent for the year of his or her death.
- Prepare and file an income tax return for the estate (if necessary).
- Prepare and file a state estate tax return for each state in which property owned by decedent is located (estate assets should not be distributed until estate tax release has been obtained from tax authorities).
- Prepare and file a federal estate tax return with the Internal Revenue Service if the net value of the estate assets exceeds the estate tax equivalent exemption for the year of the decedent's death. (If a federal estate tax return is required, estate assets should not be distributed until a "closing letter" is issued by the Internal Revenue Service).

Notes _____

IV. Distribute Estate Assets

Attorney will:

- File and prepare final accounting and petition for distribution.
- Notify heirs and beneficiaries of final hearing.
- Prepare and submit to the Court a detailed final accounting and notify all interested parties of the date for the final hearing and distribution of estate assets.

Upon receipt of the final probate order, the Personal Representative may do the following:

- Pay administration and court costs, probate attorney's fee, Personal Representative's fee (if charged) and reimbursement of Personal Representative's out-of-pocket expenses.
- Pay bequests and legacies as directed by the will to the extent funds are available and obtain receipt from each beneficiary.
- Receive a release and discharge from the Court of any further responsibility as Personal Representative.
- Retain all records related to the estate settlement for a period of at least three years in the event of tax audits.

Notes _____

Contact Information

Certificates of Death

State Vital Records Service:

Health Department:

Credit Reports

Equifax

800.685.1111

Experian

888.397.3742

Trans Union

800.888.4213

State Tax Commission

Federal Tax/IRS

www.irs.gov

800.829.1040

Social Security Administration

www.ssa.gov

800.772.1213

800.325.0778 (hearing impaired)

Veteran's Administration

Burial, Death Pension,

And Directions to VA

Benefits Regional Offices

www.va.gov

800.827.1000

Beneficiaries in receipt of
Pension Benefits

877.294.6380

Regional Offices

www2.va.gov/directory/guide/division_flesh.asp?dnum=3

Civil Service

Office of Personnel

Management Retirement

800.767.6738

Notes:

Written by the Baptist Foundation of Oklahoma

Adapted with permission by

The Southern Baptist Foundation

901 Commerce Street, Suite 600

Nashville, Tennessee 37203

Toll-free: (800) 245-8183

Fax: (615) 255-1832

www.sbfdn.org



Offered by

