

Are you an executor of a will? Consider these items if so.

JULY 24, 2024 | BY: THE LEADERSHIP TEAM



Being appointed as an executor of a will (also known as a personal representative in Massachusetts) is a significant responsibility that involves several important considerations. Here are key things to keep in mind:

1. **Understand Your Role:** As an executor, you have a legal duty to carry out the wishes of the deceased as outlined in the will. This includes managing and distributing assets according to the terms of the will. This is a significant time commitment that will likely extend for at least a year and, in some cases, much longer.
2. **Obtain Professional Advice:** Seek advice from professionals such as estate attorneys, CPAs, and financial advisors to navigate legal complexities, tax implications, and investment considerations. Depending on local laws and the complexity of the estate, you may need to apply for probate or letters of administration to obtain legal authority to administer the estate.
3. **Read and Interpret the Will:** Carefully read and understand the contents of the will. Identify beneficiaries, specific bequests, and any conditions or instructions left by the deceased. Understand that the will itself controls the disposition of only some of the decedent's assets; others may pass by beneficiary designation (such as an IRA) or pursuant to the terms of a trust. Serving as a Trustee is a different, though sometimes overlapping, role.
4. **Secure Important Documents:** Gather and secure important documents such as the original will, death certificate, and any relevant financial records. These documents will be necessary for executing the estate.
5. **Identify and Inventory Assets:** Compile a detailed inventory of the deceased's assets, including bank accounts, investments, real estate, vehicles, personal belongings, and digital assets. This inventory will form the basis for managing the estate. It is also your obligation to secure the decedent's assets, including a home, to ensure that they are distributed according to the terms of the will.
6. **Manage Estate Finances:** Open a separate bank account for the estate to manage incoming funds and pay ongoing expenses such as bills, taxes, and maintenance costs. Keep accurate records of all financial transactions. Determine and settle any outstanding debts of the deceased, including mortgages, loans, and credit card balances.
7. **Address Tax Filings:** File tax returns for the deceased and the estate as required by law. This may involve making a determination as to whether the decedent filed all necessary tax returns in the past and, if not, ensuring those returns are prepared and filed now.
8. **Maintain Detailed Records:** Keep accurate records of all communications, decisions, and transactions related to estate administration. This documentation will help demonstrate compliance with legal requirements and protect you from potential disputes.
9. **Seek Consent and Approval:** Before distributing assets to beneficiaries, obtain their consent and approval where required. This helps mitigate disputes and ensures transparency in the estate administration process.
10. **Close the Estate Properly:** Once all debts, taxes, and distributions are settled, close the estate according to legal requirements. This may involve filing final tax returns, obtaining releases from beneficiaries, and closing accounts.

Being an executor requires careful attention to detail, adherence to legal obligations, and sensitivity to the wishes of the deceased and the interests of beneficiaries. By understanding these considerations and seeking appropriate guidance, you can fulfill your role effectively and ensure the estate is administered responsibly.

RELATED SERVICES

Individuals, Trusts & Estates Tax