



FIDUCIARY INSTRUCTIONS 101

By taking control of another person's estate or trust, you are now a Fiduciary (from the Latin *fidelis*, meaning faithful). You are now bound by law and your honor to faithfully administer the trust and/or estate. Here are some guidelines to help you:

- 1) **KEEP FUNDS SEPARATE.** Never mix personal funds with Trust/Estate Funds. Keep separate accounts for the Trust/Estate and **USE THEM!**
- 2) **DO NOT GO TO COURT WITHOUT CONTACTING US FIRST.** Helpful clerks can confuse you into opening up more paperwork than is necessary. Certain actions, once taken, cannot be undone.
- 3) **KEEP RECORDS**
 - a. Track all income and expenses using a spreadsheet or ledger.
 - b. Checks- keep statements and make sure statements have copies of checks (front and back). This is essential for Probates.
 - c. Keep all account statements
 - d. Receipts- when heirs receive money or items from the estate, have them sign a written receipt.
 - e. Accountings- Probate Estates must file accountings with the Commissioner of Accounts. Trusts must account to the beneficiaries. Know that your work will be inspected and **be careful.**
- 4) **DEBTS**
 - a. Solvency. Make sure the estate can pay all debts. If not, call us immediately- insolvent states are difficult, complicated, and carry great risk to the executor. Insolvent estates must follow particular rules and the executor is personally responsible to pay for mistakes.

- b. Time. Creditors want to be paid immediately. Your duty to account for the estate may cause them to be paid later than they would like. You have no duty to accommodate their convenience.
- 5) **TAXES.** You must file Federal and State Income Taxes for the deceased. Even if you normally do your own taxes, you should consider hiring a professional for the estate work. You also have a duty to file Estate Taxes if the size of the estate requires a return.
- 6) **DEADLINES.** Estate administration is a combination of delays and deadlines. Talk to us about both and be prepared to be patient and preach patience to the heirs.
- 7) **DISTRIBUTIONS.** Do not distribute assets before talking to us. You must make sure that claims are paid to the right people, in the right order, with the right terms. Heirs often want their share immediately; your duty is to administer the estate properly rather than immediately. Trust Administrations usually take months, Probates take years.
- 8) **EXPECT THE UNEXPECTED.** Every estate seems to have an unforeseen headache with a creditor, a financial institution, or an heir. Know that every problem has a solution, do not panic and...
- 9) **CALL FOR HELP** anytime you are unclear what to do with funds, when to pay or distribute funds, or you are otherwise feeling lost or confused. Please call us at (757) 220-9800.

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