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Trust Administration Checklist

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When someone dies with a living trust, the successor trustee must administer the trust. While not as complicated, time consuming, or expensive as probate, **there is still a lot of work to be done in a trust administration.** Most trustees hire an attorney to help them. If you are the trustee, you will be responsible for safekeeping the trust assets, timely sending legal notices to the beneficiaries, keeping an accounting of all trust expenses, liquidating accounts, selling real property, keeping the peace with the family members, and ultimately distributing the assets. **It is a big job that must be done correctly.** Here is an outline of the general tasks in a trust administration:

TASKS TO COMPLETE

- [ ] Order ten death certificates
- [ ] Secure the living trust and the original will
- [ ] Get the name, address, phone, and email for each beneficiary and heir
- [ ] Contact the decedent's financial advisor and accountant
- [ ] Determine whether you should hire an attorney to help with the trust administration
- [ ] Lodge the original will with the Probate Court
- [ ] Submit Notice of Death to the California Department of Health Care Services
- [ ] Send Probate Code Section 16061.7 Notice to the trust beneficiaries and heirs
- [ ] Get a Tax Identification Number (EIN) from the IRS for the trust
- [ ] Prepare a Certification of Trust with the EIN
- [ ] Identify the decedent's assets and values and determine how each asset is titled
- [ ] Give the Certification of Trust to banks and financial institutions to add your name as trustee with the EIN
- [ ] Open a checking account in the name of the trust with EIN naming you as trustee
- [ ] Identify the beneficiaries of any retirement plans
- [ ] Keep a spreadsheet of all expenses incurred during the trust administration
- [ ] Determine whether all the probatable assets are titled in the living trust
- [ ] If not, determine whether you will need to file a Heggstad petition with the probate court
- [ ] If a joint trust with an A/B or exemption trust provision, determine whether to fund the exemption trust and prepare a trust allocation schedule
- [ ] Determine whether to liquidate the brokerage accounts and transfer funds to the new trust bank account
- [ ] Get an appraisal of real property unless you intend to sell right away
- [ ] If you intend to sell the home, get the home ready for sale
- [ ] Determine how to distribute and dispose of the decedent's personal property
- [ ] Determine if and when a preliminary distribution can be made to the beneficiaries
- [ ] Determine the date of death value of the assets to establish the step-up tax basis
- [ ] Determine whether a Form 706 estate tax return should be filed
- [ ] If keeping the family home, think through California Proposition 19 issues affecting the property tax
- [ ] Record Affidavit Death of Trustee for each real property
- [ ] File a Change in Ownership Report with the County Assessor
- [ ] If the decedent's children will keep the home, file a Claim for Reassessment Exclusion for Transfer between Parent and Child
- [ ] Determine how much money to reserve in the trust bank account for future bills, expenses, taxes, and tax preparation costs
- [ ] Provide the beneficiaries with a trust accounting
- [ ] Determine if a waiver of the 120-day period to contest the trust should be sent to the beneficiaries
- [ ] Make the primary distributions to the beneficiaries
- [ ] File the decedent's final Form 1040 personal tax return
- [ ] File the Form 1041 fiduciary tax return
- [ ] Distribute the balance of the reserve account