

Post-Death Trust Management

This playbook describes the actions a trustee must take to manage and distribute the assets within a trust after the death of the settlor. It outlines the procedural steps required to ensure legal compliance and the fulfillment of the settlor's wishes.

Step 1: **Notification**

Notify all beneficiaries and relevant parties of the settlor's death promptly. This includes sending out formal notices and obtaining acknowledgment receipts where appropriate.

Step 2: **Document Review**

Thoroughly review the trust documents to understand the terms, including distribution instructions and any specific duties imposed upon the trustee.

Step 3: **Inventory Assets**

Create a detailed inventory of the trust's assets, including bank accounts, real estate, and personal property. Obtain appraisals for valuable items as necessary.

Step 4: **Valuation**

Determine the date-of-death values of the trust's assets. This may require professional appraisals and could be important for tax or distribution purposes.

Step 5: **Debt Settlement**

Identify any debts or liabilities owed by the trust and follow procedures for notifying creditors, verifying claims, and paying valid debts.

Step 6: **Tax Compliance**

Prepare and file any required trust income tax returns and the settlor's final personal income tax returns. Address estate taxes if applicable.

Step 7: **Asset Distribution**

Distribute the trust assets to the beneficiaries in accordance with the terms of the trust document, which could involve transfers of title, creation of new sub-trusts, or liquidation of assets.

Step 8: **Final Accounting**

Prepare a final accounting of the trust's administration, detailing all income, expenses, and distributions for review by beneficiaries or court if required.

Step 9: **Close Trust**

Once all obligations have been satisfied and assets distributed, formally close the trust. This may involve filing documents with the court or recording deeds.

General Notes

Legal Advice

Consider obtaining legal advice to ensure all actions comply with trust documents, state laws, and fiduciary duties. Missteps in managing a trust can have legal and financial consequences.

Beneficiary Communication

Maintain open and frequent communication with beneficiaries to keep them informed of the trust management process and reduce the likelihood of disputes.

Record-Keeping

Keep meticulous records of all actions taken, communications sent and received, and any expenses incurred in the management of the trust.