

GUIDE FOR [EXECUTOR] [ADMINISTRATOR]

1. Open a Checking Account

When you receive Letters of Office from the court, in approximately 60 days, you should open a checking account in the name of the estate. Take copies of the letters of office and death certificate with you. You will also need to provide the bank with the employer identification number (EIN) of the estate, which you will receive from your accountant. You will sign checks as executor.

2. Keep Good Records

The record of each receipt and payment will be used in an accounting. Keep detailed records about each check written and amounts received. List each item separately.

3. Receipts

- a. All receipts should be deposited into the estate checking account.
- b. Excess cash in the checking account should be invested in an interest-bearing account or investment.
- c. Checks in the decedent's name should be reissued in the name of the estate. Some checks, such as social security or pension checks, may need to be returned.

4. Payment of Debts and Claims

- a. Debts and expenses will be paid from the estate checking account.
- b. You may pay small routine bills after letters of office have been issued to you by the court and the estate checking account is established.
- c. Creditors of the estate have six months to file claims. If there is a question as to whether all creditors will be paid, then it is improper to pay claims before the expiration of the claims period.

5. Distribution to Heirs and Legatees

- a. Personal property should be distributed according to the terms of the will. Personal property not specifically disposed of by the will may be sold.
- b. Distribution of estate assets other than personal property to heirs or legatees should be made only after consultation with your attorney.
- c. Life insurance proceeds may be paid to the designated beneficiary.

6. Information Gathering:

- a. complete list of the property, bank accounts, investments and other assets owned by the decedent

b any trusts established by the decedent or in which the decedent had any interest or involvement

c any life insurance owned by the decedent or insuring the decedent's life

d any pension or other employment related benefits

7. Estate Management

a. Utilities that are no longer needed, such as phone and cable television, should be disconnected. Ask for a refund of any deposit, and keep a record of any refunds.

b. A change of address for the decedent should be filed with the post office listing your address.

c. Insurance should be obtained to protect the assets of the estate. Automobiles owned by the estate should not be driven unless insurance coverage is available.

d. Unneeded insurance policies should be canceled, and refunds of earned premiums should be obtained.

e. Sometimes a beneficiary will disclaim (*i.e.*, refuse to accept) assets from the estate for tax reasons. Disclaimers must be made within nine months of the date of death and before the beneficiary has accepted any of the benefits of ownership of the assets.

8. Financial Management

a. You will need to determine whether the estate's investments should be liquidated. An executor or administrator may be liable for any decrease in value of the investments unless the will permits the investments to be held.

b. The decedent's credit cards and debit cards should be destroyed and the accounts closed.

c. You should notify all banks and investment firms of the change of the decedent's mailing address to your address.

d. The Social Security Administration may provide a burial benefit. Many funeral homes will help you apply for this benefit. Otherwise, you may contact the Social Security Administration to obtain the necessary forms. You may receive the payment from the Social Security Administration upon proof of payment or direct that the benefit be paid to the funeral home.

9. Income Tax Returns

a. Final federal and state income tax returns will need to be filed for the period from January 1 of the year of the decedent's death until the date of the decedent's death. The due dates for the returns are April 15 of the year following the year of the decedent's death.

b. Fiduciary income tax returns (IRS Form 1041) will need to be filed for income received after death.

10. Estate Tax Returns

a. A federal estate tax return will be required to be filed within nine months after the date of death. An automatic six-month extension is available if requested during the nine-month period, but any estate tax due must be paid within the nine-month period. The State of Illinois also has an estate tax return with the same deadline.

b. The personal property [will] [will not] need to be appraised.

c. A Form 712 should be obtained for each life insurance policy insuring the life of the decedent or owned by the decedent.

Please do not hesitate to contact our offices if you are unsure about what to do in regard to any aspect of the administration of the Estate.