

TRUST ADMIN

Your client died.
Now what do you do?

About me



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Founder and CEO,  trustate

- Settled **hundreds** of estates, nationwide.
- Administered over **\$50B** via estate administrations.
- **12+ years experience** as estate attorney (JD & LLM) with multi-jurisdictional estate/trust admin practice.
- Learn more: trustate.com





Important Precursor

No estate or trust administration is the same.

You can scale using a similar framework for each.

- They are all different.
 - Variables:
 - People
 - Assets
 - Liabilities
 - Prior “Plan” (or lack thereof)
- Your part = managing the ongoing relationship between the fiduciary and the interested parties.
- Pressure to “Produce” like how we draft EP documents. Ignore this.
- Focus should be on Guidance, Management & Protection of Client.
- There isn’t a “schema for compliance” that should be applied. Litigator hat should be ON.



Your client died... Now what?

Today we will learn:

- ✓ How to engage with the family
- ✓ How to use Trustate as a framework for bringing in administration work
- ✓ What to ask for clients to bring
- ✓ The proper processes to employ
- ✓ Fees - what to charge, how to determine pricing, who to charge, when to charge

First Meeting

Client Expectation is NOT reality

This is NOT a meeting with multiple family members.

For Attorney-Client Privilege preservation, your initial consult on the estate administration should ONLY be with the underlying client you plan to represent (i.e. the “would-be” Fiduciary named in the testamentary document).

If the potential client would like for you to have other family members/interested parties in attendance, then you can have them there, but be clear that you do not represent them and inform them of their right to separate and independent counsel.

In this meeting, you WILL need to be able to explain to the client how things are going to pass under the testamentary document in their specific set of circumstances.

Your Meeting Prep:

- ✔ Review the Documents (even if you drafted them!)
- ✔ Draw an outline of what happens and how the assets pass in the particular circumstances (who is dead, who survived, who can act, who cannot, etc.)
- ✔ Issue Spot
- ✔ Memo the file.
- ✔ Client HW MUST BE DONE

First Meeting Goals

Set Expectations

Explain nuances in the process, tell them what they don't want to hear and get your point across.

Assess and illustrate the risk areas.

Make aware that it is a mixture of attorney + client work (share on dashboard can help). Add your data requests as a client task.

Other family members = Proceed with Caution

Part of the issue spotting needed is seeing when beneficiary incentives may be misaligned with your clients.

You can give them information to close the deal

Use some of the searches for that with your prospect.




Admin Client Pre-Meeting Consultation Checklist

Prep Work

Request the client bring and/or provide

- ☐ Client identification
 - Verify the identity of your client and any other parties involved.
- ☐ Client's legal relationship to the deceased
- ☐ Copy of the Death Certificate
- ☐ Original Will, Codicils, Trust, and any amendments/restatements
- ☐ Precursor Inventory of Assets and Liabilities

Before you go

- ☐ Run a  trusuite search, retirement search, bank quick search
- ☐ If a TruPlanning Client - contact your Account Manager and they will transfer data for you as courtesy



Probate v. Non Probate Assets

Probate Assets



Court filing required to gain control



A Will directs where these assets end up



Estate

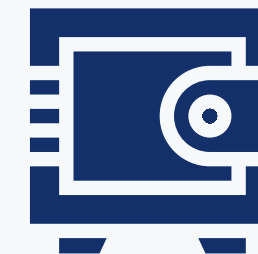
EXAMPLES

Payment & checks

Assets held in sole name

Assets held as "tenants in common"

Non-Probate Assets



Assets pass directly to named beneficiaries / surviving owners



Named Beneficiary / co-owner

EXAMPLES

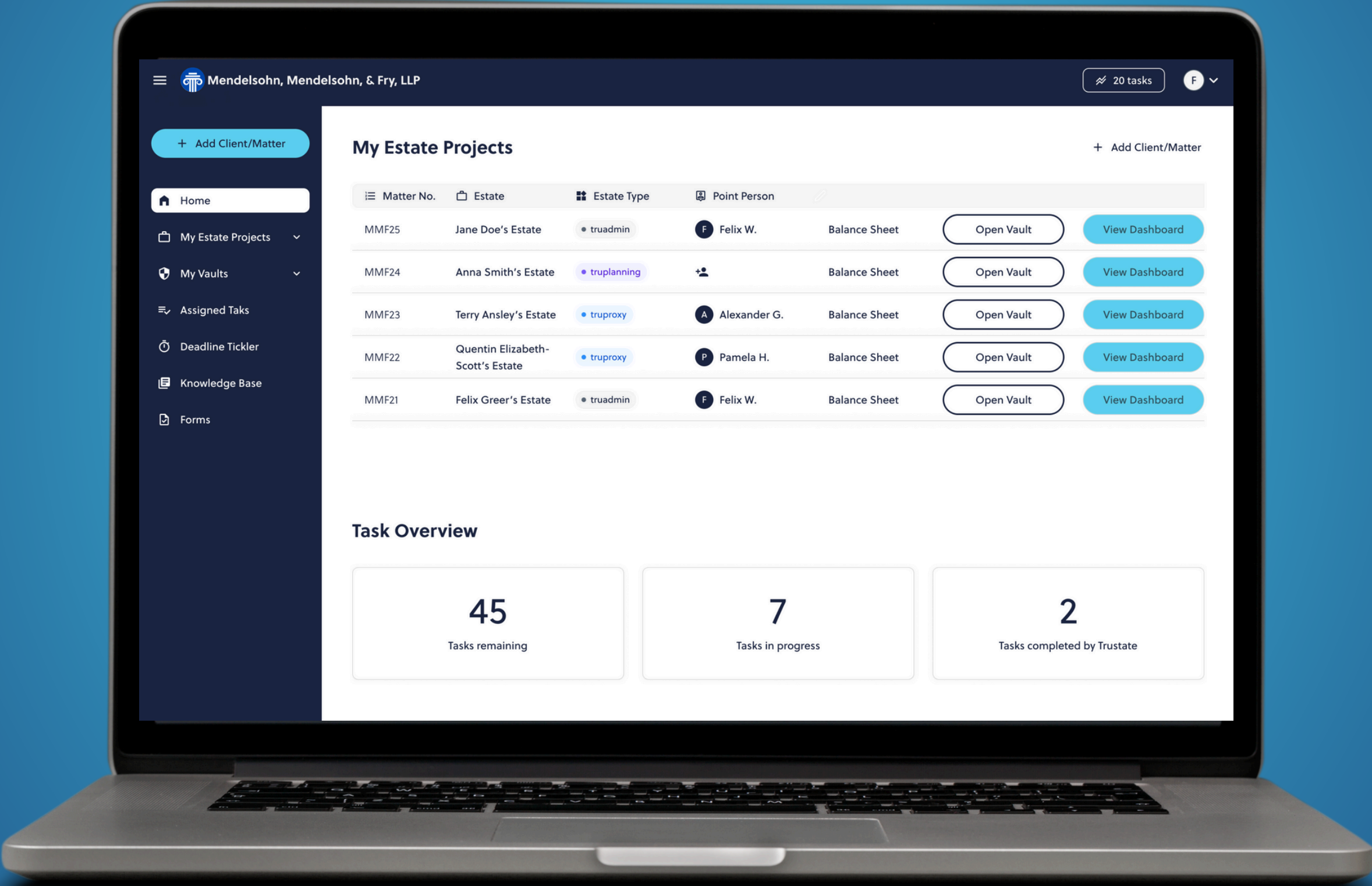
Jointly held assets

Trusts

Accounts with named beneficiaries



Let's meet trustate





Data Gathering

Acknowledge that it is a lot and that initial ballparks are acceptable.

Balance Sheet - can be VERY helpful here.



Admin Client Pre-Meeting Consultation Checklist

Estate Assets

- ☐ **Real Estate:** Real estate holdings, including location, value, and any mortgages
- ☐ **Bank Accounts:** Bank accounts with current balances
- ☐ **Investments:** Inventory stocks, bonds, mutual funds, and other investments
- ☐ **Personal Property:** Valuable personal property items (e.g., jewelry, art, vehicles)
- ☐ **Life Insurance:** Life insurance policy, beneficiaries, and payout amounts
- ☐ **Retirement Accounts:** Retirement accounts, including IRAs, 401(k)s, and pensions

Estate Liabilities

- ☐ **Mortgages and Loans:** Mortgages, personal loans, and other debts
- ☐ **Credit Cards:** Credit card debts
- ☐ **Utilities and Bills:** Outstanding utility bills or service charges
- ☐ **Taxes:** Potential estate tax liabilities and any unpaid income taxes





Trust Admin Client Consultation Checklist

Consultation

Understanding the Will and Trust

- ☐ **Review:** Read and interpret the Will and Trust with the client
- ☐ **Executor/PR:** Confirm the appointment and willingness of the trustee, executor or personal representative to serve
- ☐ **Beneficiaries:** Identify all beneficiaries named in the Will/Trust and any specific bequests to them
- ☐ **Special Instructions:** Note any special instructions regarding the disposition of the estate/trust



Trust Admin Client Consultation Checklist

Estate Assets v. Trust Assets

Determine what is a probate asset versus what is in the trust or is otherwise non-probate

- ☐ What assets was the trust funded with during their lifetime
- ☐ What assets operationally pass to the trust upon death (i.e. trust as designated beneficiary)
- ☐ What assets are neither - and pass through the probate estate

Legal and Administrative steps

- ☐ **Determine if Probate Process Necessary:** If so, outline timelines and key steps
- ☐ **Tax Filings:** Requirements for filing the final income tax return for the deceased and any estate/trust tax returns
- ☐ **Notices to Creditors:** Process for notifying creditors and settling debts
- ☐ **Closing Liabilities and Paying Expenses:** Closing out any open and/or ongoing bills and expenses of the Decedent and their estate, and how that protects the client from future liability down the road
- ☐ **Distribution of Assets:** Process for distributing assets to beneficiaries
- ☐ **Final Accounting:** Necessity of preparing a final accounting for the estate and/or ongoing accountings for the trust



Trust Admin Client Consultation Checklist

Other Considerations

- ☐ **Disputes:** Potential disputes among beneficiaries or challenges to the Will
- ☐ **Ongoing Communication:** Expectations for ongoing communication and updates

Closing

- ☐ **Summary of Next Steps:** Next steps and any immediate actions required
- ☐ **Deadlines and Timelines:** Where the client will be needed, and where you will step in to assist them in making sure they comply with any open items in the appropriate timeframe
- ☐ **Fees and Costs:** Estimate of legal fees and other costs related to the estate administration
- ☐ **Questions and Concerns:** Address any remaining questions or concerns the client may have

Documentation

- ☐ **Engagement Letter:** Prepare an engagement letter outlining the scope of services, fees, and other terms
- ☐ **Checklist and Documents Received:** Document the checklist and any documents received from the client

This checklist aims to cover the essentials of trust administration but may need to be adapted based on the specific laws of the jurisdiction and the unique aspects of each case.





How to package & price your Admin work

Flat Fee vs. Hourly

It is the age-old “It depends” 🧑

Flat fee can be used when you limit the scope of the engagement. (i.e., preparation of forms to appoint the successor trustee and gain control of trust assets, can itemize and list out assets or cap the number of assets where you’d assist in administering / preparation of probate forms and instructions on what to do, preparation and filing of an IRS Form 706)

For more open-ended work, use an hourly fee.

Why hourly fee?

- Avoidance of Pandora’s Box
- Can’t always estimate client behavior unless you know them really well. (i.e. amount of hand holding needed and “moods”)





What happens at this meeting?

Establishment of rapport, guided overview of the process

You will need to guide them through what happens. What is typical, what might be needed, what might not - above all this is about managing expectations

6 Phases of Estate Administration

- ① Estate Opening
- ② Asset and Liability Discovery
- ③ Asset and Liability Management
- ④ Payment and Taxes
- ⑤ Distributions
- ⑥ Estate Closure, Settlement, and Final Distributions



Resources



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Email info@trustate.com with questions.



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