

The Responsibilities Of A Personal Representative

The Personal Representative is responsible for managing the income and expenses of an estate. This requires that you locate and gather the assets of the estate. At the end of this document you will find a checklist of the different types of assets which the decedent might have owned. It is important that you locate all such documents even if the decedent owned certain assets jointly with someone else.

Inventory List: One of your most important jobs is to prepare a list of the decedent's assets. Maine law provides three months to prepare this inventory. You should also prepare an inventory of the personal property in the decedent's house or apartment. With regard to any safe deposit boxes, I suggest you work with my paralegal to obtain access to the box and properly inventory it.

Estate Checking Account: You will probably need to open an estate checking account to receive income and pay expenses. My paralegal can assist you in opening and maintaining the account. If you maintain the bank account accurately, and keep your receipts, your final accounting will go smoothly. The expenses of administering the estate should be paid out of the estate checkbook. Once you have determined the existing bills and projected costs of maintaining the estate, we should sit down to establish a system that works for you to satisfy these expenses.

Personal Representative Fees: As Personal Representative you are entitled to a reasonable fee for your services and expenses. Sometimes, the Personal Representative decides not to charge any fees. Such fees are reportable as income in the year received. The estate may deduct the fee. Unless a Will provides otherwise, the expense is from the residuary estate. Because of all these factors, I suggest you maintain detailed records of your time and expenses, but do not claim the fee until you know the full effect of your decision.

Income Tax: With respect to taxes, you are responsible for filing the Decedent's final income tax return, the estate income tax returns, and, if appropriate, the federal estate and gift tax returns. I would be glad to recommend an accountant who can work with you on these matters.

Social Security: If you have not done so, you should contact the Social Security Administration (and Veteran's Administration if applicable) to advise them of the decedent's death. You may find that the funeral home has already done this, but it is wise for you to follow up. The estate may be entitled to death benefits from these agencies. Also, if the decedent was receiving Social Security, arrangements will need to be made to terminate the checks.

Creditors: Claims for expenses and debts of the decedent should be identified. I suggest that you withhold payment to creditors until we have a better idea of the size of the probate estate. Creditors have four months to file claims.

Assets: It is usually not a good idea to make distributions to heirs or devisees at this time. Before you take this action, we need to determine the needs of the family, to know the exempt property and the amount and nature of claims against the estate. You may advise people who are seeking early distribution that the process generally takes a minimum of six (6) months and if estate taxes are involved, it may take a year or more. While partial distributions may be made in

less than six (6) months, they can only be done if they do not infringe upon the rights of everyone involved.

Legal Fees: Attorneys fees and costs are an expense of the estate. I will send you bills monthly for my services and costs. These bills will show you the hours worked, who did the work, the nature of the work, and a description of the expenses. If you have any questions regarding any bills, please feel free to give me a call.

I hope this letter gives you a better understanding of the process. Please feel free to call us at (207) 846-6111 with any questions you have as we proceed.

CHECKLIST OF DOCUMENTS

- _____ Last Will and Testament and any Codicils
- _____ Any and all records of bank accounts, including checkbooks and cancelled checks
- _____ Mortgages and deeds to real estate
- _____ Statements from brokerage firms
- _____ Stocks or bond certificates
- _____ Insurance policies
- _____ Statements for retirement plans (IRA's, 401(k)'s, etc.)
- _____ Loan documents, including those relating to a home mortgage
- _____ Income tax returns from the past three years
- _____ Credit card statements
- _____ Any information relating to valuable assets, such as jewelry, collections, art, etc.
- _____ Title to burial plot
- _____ Title to any automobiles, boats, motor homes, etc.
- _____ Title to other personal property owned