

# Seek Counsel from Meyer Capel Our History Speaks Volumes

## Trust Administration Checklist

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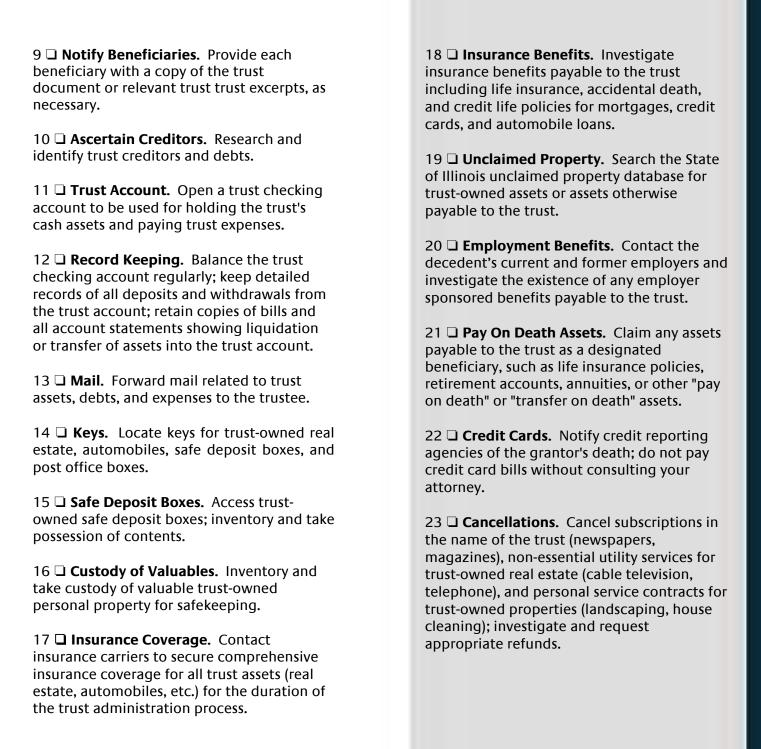
This checklist outlines a number of basic legal steps undertaken in a typical Illinois trust administration for a trust that fully distributes all assets to the trust beneficiaries following the grantor's death. This checklist is not exhaustive and should not be substituted for competent legal advice from a qualified estate and trust attorney. Throughout the trust administration process, there are a number of nonlegal tasks you, as trustee, can complete under the direction and supervision of your attorney, but there are several legal tasks which should be completed by a licensed attorney.

1 **Trust Attorney.** Contact an estate and trust attorney to guide you through the trust administration process. 2 **Estate Planning Documents.** Locate any Will, Codicils, and Trust documents; if a known testamentary trust cannot be located, search the State of Illinois Will depository database. 3 **Legal Documents.** Locate important legal documents (divorce property settlements, premarital agreements, child support orders, contracts, leases, and business and partnership agreements). 4 **Ownership Documentation**. Locate deeds, titles, account statements, and ownership documentation for all trust assets. 5 **Summary of Assets.** Prepare a detailed summary of trust assets for your attorney, noting approximate asset values. 6 □ Summary of Debts and Expenses. Prepare a detailed summary of trust liabilities (debts, expenses, and other financial obligations) for your attorney, noting names of all known creditors and the approximate amount of the liability; do not pay trust debts or expenses without consulting your attorney. 7 Trust Certificate. Obtain a trust certificate from your attorney to establish your authority as trustee. 8 **IRS Filings.** File necessary forms to (1) obtain a tax identification number for the trust, (2) notify the IRS of your appointment as trustee, and (3) advise the IRS of the

identity of your attorney.

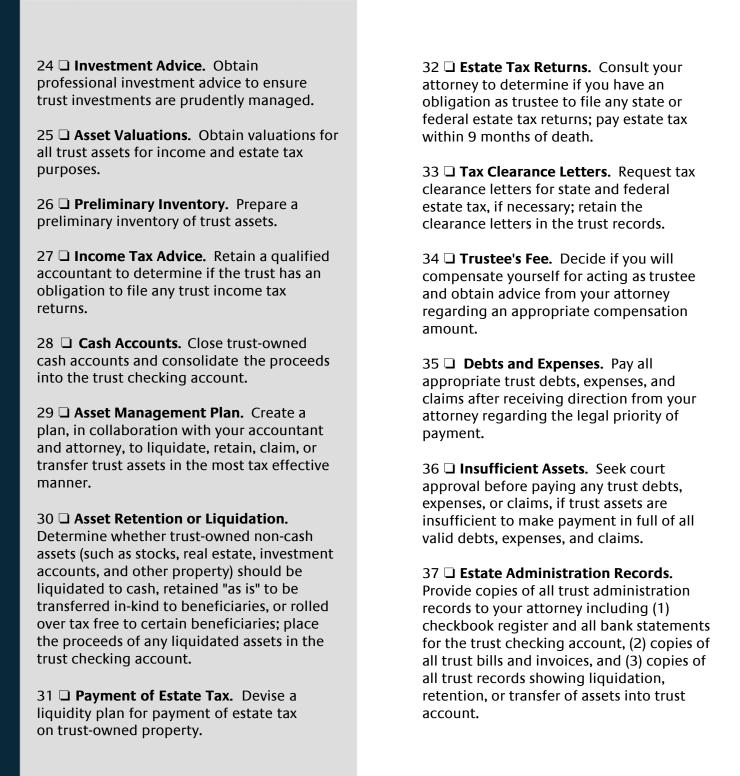
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43 **Trust Account Closure.** Close trust

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38 Annual Accounting. Prepare an annual accounting of all trust receipts and disbursements to provide to current beneficiaries obtain written approval of	43 Trust Account Closure. Close trust checking account after all outstanding checks clear.
beneficiaries; obtain written approval of the accounting from the trust beneficiaries, if necessary.	44 Insurance Cancellation. Cancel any remaining insurance coverage for trustowned property and request appropriate
39 <b>Escrow Funds.</b> Determine an appropriate amount of money to hold in escrow for payment of estimated final	refunds; deposit refunds in your attorney's trust account.
legal fees and trust expenses.	46 Trust Income Tax Returns. File any required final state and federal trust income tax returns (Form 1041) and pay
40 Proposal for Distribution.  Prepare a proposal for distribution of remaining trust assets; obtain written approval of the proposal from all	any required trust income taxes. Provide Schedule K-1 forms to beneficiaries, as necessary.
necessary trust parties or request court approval of the proposal.	47 Personal Income Tax Returns.  Consult your attorney to determine if you
41 <b>Escrow Fund Deposit.</b> Deposit escrow funds into your attorney's trust account.	have an obligation as trustee to file the decedent's final state or federal personal income tax returns (Form 1040).
42 Asset Distribution. Transfer remaining trust assets to beneficiaries; write checks for cash distributions;	48  Escrow Fund Release. Pay final legal fees and trust expenses; distribute the remaining escrow funds to beneficiaries.
transfer assets in-kind by re-registering ownership or arranging for rollovers; convey real estate by deed; obtain written receipts from all beneficiaries.	49 <b>Your Estate Planning.</b> Have your attorney evaluate your needs and update your personal estate plan if you inherited assets from the trust.
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NOTICE: This checklist is based on Illinois law and is intended to be informative not advisory and is not intended to be applied to any particular facts or to serve as legal advice and does not create or constitute an attorney-client relationship. You should not act upon any information contained herein without seeking qualified legal counsel for your unique matter. The law changes frequently, and the author is not responsible for any errors, omissions, or any consequences of any reliance on this information.