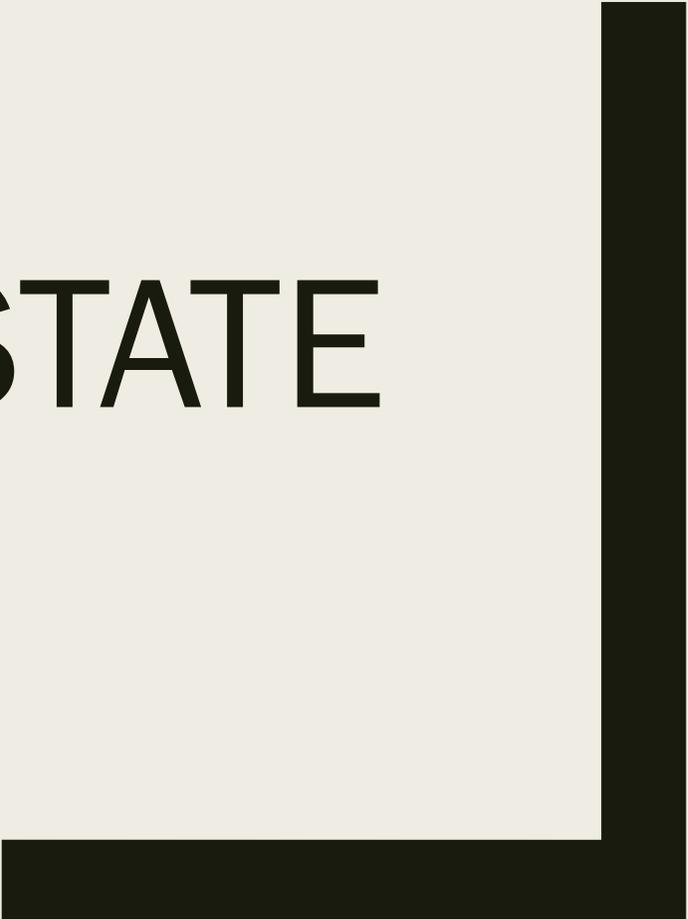




CLOSING AN ESTATE

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Closing Checklist

In general, an estate is ready to be closed when:

- Four months have passed since publishing notice to creditors or thirty (30) days have passed since mailing notice to a known creditor;
- All creditor's claims, administrative expenses, and legal fees have been paid or disposed of and an affidavit or declaration of due diligence regarding known creditors is filled;
- All expenses (legal, accounting, appraisal, and executor fees) have been paid or calculated;
- A final accounting and inventory has been prepared;
- Assets are ready for distribution to beneficiaries;
- Federal and state estate tax returns have been filed and taxes paid; and
- The Personal Representative has been discharged.

Estate Expenses and Creditor Claims

- Be sure you notified any reasonably ascertainable creditor
- Order of payment of debts. RCW 11.76.110
 - *Costs of Administration*
 - *Funeral expenses, expenses of last sickness*
 - *Taxes and debts owed to the state*
 - *All other demands*
- If estate insufficient, then debts of each class paid in proportion to his or her claim.
RCW 11.76.150

Inventory and Final Accounting

- Initial estate inventory should be completed within three months of appointment
RCW 11.44.015
 - *No obligation to file accounting*
 - *Updated when learn of new assets RCW 11.44.025*
- Annual reports required RCW 11.76.010
- Formal, final accounting not necessarily required to close probate; produce upon request
- PR needs to track final value for all assets, all Estate expenses, all debts paid, all fees paid, etc. even if no final accounting will be drafted

Distributions to Beneficiaries

- Real Estate – if real estate will be distributed to an heir, then need Personal Representative’s deed; fees paid by estate; make sure conveyance completed prior to closing; use exemption to avoid transfer tax (currently: WAC 458-61A-202(6))
- Personal Property – if heirs disagree on distribution of an item, a Petition for Instructions to the court might be the only way to resolve the issue; in-kind distribution can be offset against other inheritance to equalize the distribution
- Minors – an heir must be 18 to be eligible to inherit, otherwise the court must appoint a Guardian ad Litem
- Trusts – ensure any testamentary trusts are created (EIN, Acceptance of Trustee); distributions are made to the Trustee of said Trust
- Uncooperative Heirs – must do due diligence; place assets in safekeeping

Closing a Nonintervention Probate

1. Declaration of Completion of Probate. RCW 11.68.110
2. Closure by a court decree finding and adjudging that all approved claims of the decedent have been paid, finding and adjudging the beneficiaries of the estate, and directing the distribution of property to the beneficiaries. RCW 11.68.100(1)(a)
3. Closure by a court decree approving the accounting and settling the estate using the same process used to close a full intervention estate. RCW 11.68.100(1)(b)

Declaration of Completion of Probate

- File a Declaration; general statements that all steps have been completed
- No final accounting required, but process assumes an informal accounting has been provided
 - *Optional: Final Report and Plan of Distribution*
- Either:
 - *Release and Receipt of Heir*
 - *Notice of Filing Declaration of Completion of Probate*
 - Wait 30 days to see if an objection is filed, then distribute
 - 30 day period can be waived
 - If location of heir or distributee unknown, cannot use this process
- PR can retain authority to deal with taxing authority and up to \$3,000.00 per RCW 11.68.114
- PR automatically discharged after thirty days if no objection; no court hearing

Court decree under RCW 11.68.100(1)(a)

(1) When the estate is ready to be closed, the court, upon application by the personal representative who has nonintervention powers, shall make and cause to be entered a decree that either:

- (a) Finds and adjudges that **all approved claims against the decedent have been paid**, finds and adjudges **the heirs of the decedent or those persons entitled to take under the decedent's will**, and **distributes the decedent's property to the persons entitled to it**; or
- Simplified Petition; hearing required
 - Must provide notice of hearing to same individuals as if full intervention probate (“each heir, legatee, devisee and distribute whose name and address are known to him or her” RCW 11.76.040)
 - Petition should include fees paid or proposed to be paid to PR, attorneys, accountants, appraisers; Court may make a ruling on the reasonableness of any fees to be paid

Court Decree under RCW 11.68.100(1)(b)

(1) When the estate is ready to be closed, the court, upon application by the personal representative who has nonintervention powers, shall make and cause to be entered a decree that either: ...

(b) Approves the accounting of the personal representative and settles the estate of the decedent in the manner provided for in the administration of those estates in which the personal representative has not acquired nonintervention powers.

- Detailed petition; includes full accounting similar to the one that would be used for a full intervention probate
- Hearing & Notice Required
- Petition should include fees paid or proposed to be paid to PR, attorneys, accountants, appraisers; Court may make a ruling on the reasonableness of any fees to be paid

Closing a Full Intervention Probate

- Final Report of Personal Representative
 - *Update previous inventory*
 - *Update previous accounting of income and expenses*
 - *Full information on beneficiaries*
- Petition for Distribution of Assets of the Estate
 - *Ask court for approval of all activities and to discharge PR*
- 20 days' notice to any interested person
- Any interested person may object; court may take testimony
- Additional proceedings and penalties available by statute