

# DUTIES OF AN EXECUTOR

The role of an executor can be time consuming, but it is an important task and many consider it an honor to be given the job. Due diligence requires that the executor keep beneficiaries informed but not rush the process. A year or more is not an unusual time for some estates to be completely settled. Partial pay-outs are considered after an adequate amount is held back to cover all costs. The executor's expenses are covered from assets in the estate and he or she may request a percentage from the court at final review for their time and services. It is common now to include in your Will a minimum amount that you would want the executor to receive, especially if the executor is not a beneficiary in your will.

## COLLECTS ASSETS AND GATHERS INFORMATION:

### 1. Studies the Will

- a. Meets with family members to assist with funeral arrangements if necessary and address any short term cash requirements to cover immediate expenses
- b. Applies for the death certificate
- c. Meets with legal advisor, accountant and others to discuss provisions of the Will

### 2. Arranges for the probate of the Will (if applicable\*)

- a. Arranges for notice to creditors
- b. Asks post office to forward mail
- c. Notifies banks, investment brokers, and others
- d. Opens bank accounts for estate
- e. Arranges for bond, if necessary
- f. Discontinues telephone and other utilities when advisable

*\*Probate is usually required if the estate is large and assets are with institutions that require letters of probate for the executor to access these funds*

### 3. Assembles inventories and takes custody of assets

- a. Searches for assets
- b. Lists safe-deposit box contents
- c. Inspects real estate; studies leases, mortgages, and other contracts
- d. Has assets appraised for value
- e. Files veteran's claims, social insurance benefits, and life insurance payable to the estate
- f. Examines policies of insurance on real estate and personal property; has policies endorsed to the estate and coverage modified as necessary
- g. Obtains all cancelled cheques
- h. Studies deceased's income tax returns for previous three years

### 4. Determines debts and claims against the estate

- a. Collects all money and income due to deceased or estate
- b. Examines each claim against the estate for validity

c. Defends estate against any lawsuits

d. Makes payment on approved debts and claims against the estate

## ADMINISTERS (MANAGES) THE ESTATE:

### 1. Financial matters

- a. Holds back estimated cash needed to settle estate and selects assets to be sold to raise cash
- b. Collects rent and maintains real estate

### 2. Bookkeeping

- a. Sets up bookkeeping records
- b. Examines business books and records
- c. Supervises family-owned business

### 3. Legal affairs

- a. Meets with the legal advisor
- b. Through legal advisor, files necessary documents with the court and arranges appropriate notices
- c. Requests allowance from court for support of deceased's family

## DETERMINES AND PAYS ALL TAXES:

1. Files income tax returns for deceased
2. Files estate income tax return during administration period
3. Prepares for the tax authority's audit of income tax returns filed for deceased
4. Obtains final tax clearance from Canada Revenue Agency before final disbursement of remaining assets

## DISTRIBUTES THE ESTATE:

1. Determines who is entitled to share in the estate
2. Sells assets to raise cash
3. Determines distribution of assets
4. Pays all final costs
5. Arranges securities transfers
6. Prepares detailed final account for the court
7. Obtains and files receipts from all beneficiaries