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Date

Address

RE: The Estate of _____
Executor to Pay and Notify Creditors

Dear :

It is our recommendation that Executors undertake the following measures:

1. conduct a thorough search of the decedent's personal papers and effects for any evidence which might point you in the direction of a potential creditor;
2. carefully examine the decedent's checkbook and check register for recurring payments, as these may indicate an existing debt;
3. contact the issuer of each credit card that the decedent had in his/her possession at the time of his/ her death;
4. contact all parties who provided medical care, treatment, or assistance to the decedent prior to his/her death;

We will not be able to file the NJ inheritance tax return until it is clear as to the amounts of the medical bills. Medical expenses can be deducted in the inheritance tax.

Since you will be involved as the Personal Representative of this Estate, you should be aware that, pursuant to the relativity recent United States Supreme Court Case, Tulsa Professional Collection Services, Inc., v. Joanne Pope, Executrix of the Estate of H. Everett Pope, Jr., Deceased, the Personal Representative in every estate is personally responsible to provide actual notice to all known or "readily ascertainable" creditors of the decedent. This means that is your responsibility to diligently search for any "readily ascertainable" creditors.

I realize that attempting to uncover and contact such creditors may be a demanding task. However, the Pope case is quite explicit in its requirements. In that case, a "readily ascertainable" debt pertaining to the last illness of the decedent appeared five years after the death of the decedent. The U.S. Supreme Court decided that the claim was valid, and had to be paid. The Personal Representative was held personally responsible for the outstanding debt, as all estate assets had been previously distributed. In light of this result, it is our responsibility, as your attorneys, to work with you in an effort to be certain that all such creditors are properly notified so that you will not be liable for the payment of any such claims and that all Estate assets, at the close of administrative and/or when distributed, are free and clear of any prospective claims.

Other upcoming duties/ Executor to Do

Bring Will to Surrogate

Apply to Federal Tax ID #

Set up Estate Account at bank (pay all bills from estate account)

Pay Bills

Notice of Probate to Beneficiaries (Attorney will handle)

If charity, notice to Atty General

File notice of Probate with Surrogate (Attorney will handle)

File first Federal and State Income Tax Return [CPA- ex Marc Kane]

Prepare Inheritance Tax Return and obtain Tax Waivers (Attorney will handle)

File waivers within 8 months upon receipt (Attorney will handle)

Prepare Informal Accounting

Prepare Release and Refunding Bond (Attorney will handle)

Obtain Child Support Judgment clearance (Attorney will handle)

Let's review the major duties involved, which we've set out below.

In General. The executor's job is to (1) administer the estate--i.e., collect and manage assets, file tax returns and pay taxes and debts--and (2) distribute any assets or make any distributions of bequests, whether personal or charitable in nature, as the deceased directed (under the provisions of the Will). Let's take a look at some of the specific steps involved and what these responsibilities can mean. Chronological order of the various duties may vary.

Probate. The executor must "probate" the Will. Probate is a process by which a Will is admitted. This means that the Will is given legal effect by the court. The court's decision that the Will was validly executed under state law gives the executor the power to perform his or her duties under the provisions of the Will.

An employer identification number ("EIN") should be obtained for the estate; this number must be included on all returns and other tax documents having to do with the estate. The executor should also file a written notice with the IRS that he/she is serving as the fiduciary of the estate. This gives the executor the authority to deal with the IRS on the estate's behalf.

Pay the Debts. The claims of the estate's creditors must be paid. Sometimes a claim must be litigated to determine if it is valid. Any estate administration expenses, such as attorneys', accountants' and appraisers' fees, must also be paid.

Manage the Estate. The executor takes legal title to the assets in the probate estate. The probate court will sometimes require a public accounting of the estate assets. The assets of the estate must be found and may have to be collected. As part of the asset management function, the executor may have to liquidate or run a business or manage a securities portfolio. To sell marketable securities or real estate, the executor will have to obtain stock power, tax waivers, file affidavits, and so on.

Take Care of Tax Matters. The executor is legally responsible for filing necessary income and estate-tax returns (federal and state) and for paying all death taxes (i.e., estate and inheritance). The executor can, in some cases be held personally liable for unpaid taxes of the estate. Tax returns that will need to be filed can include the estate's income tax return (both federal and state), the federal estate-tax return, the state death tax return (estate and/or inheritance), and the deceased's final income tax return (federal and state). Taxes usually must be paid before other debts. In many instances, federal estate-tax returns are not needed as the size of the estate will be under the amount for which a federal estate-tax return is required.

Often it is necessary to hire an appraiser to value certain assets of the estate, such as a business, pension, or real estate, since estate taxes are based on the "fair market" value of the assets. After the filing of the returns and payment of taxes, the Internal Revenue Service will generally send some type of estate closing letter accepting the return. Occasionally, the return will be audited.

Very truly yours,

KENNETH VERCAMMEN

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