

# Nuts and Bolts:

ESTATE  
ADMINISTRATION  
ESSENTIALS  
a.k.a. R.I.P. (REALIZING  
INDIVIDUALS' PLANS)

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# WHAT IS A BEQUEST?

The act of giving or leaving personal property by a *Last Will and Testament*.

For our purposes, we will include gifts via *Wills, Revocable Living Trusts, and Beneficiary Designations* (Retirement Accounts, Insurance Policies, etc.)

- Specific bequest
- Residual or Percentage bequest
- Contingent bequest



# ESTATE ADMINISTRATION

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- Process of reviewing documents, providing needed information, monitoring progress until bequest received by charity, and stewardship
- Ensure receipt of gift in a timely manner
- Build relationships with advisor community, other non-profits, and living family/friends



# KEY PLAYERS

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## Will

- Testator/testatrix/decedent (aka – Donor)
- Executor/Executrix/Personal Representative
- Beneficiary

## Revocable Living Trust

- Settlor / grantor (aka – Donor)
- Trustee
- Trust beneficiary



# BASIC MECHANICS

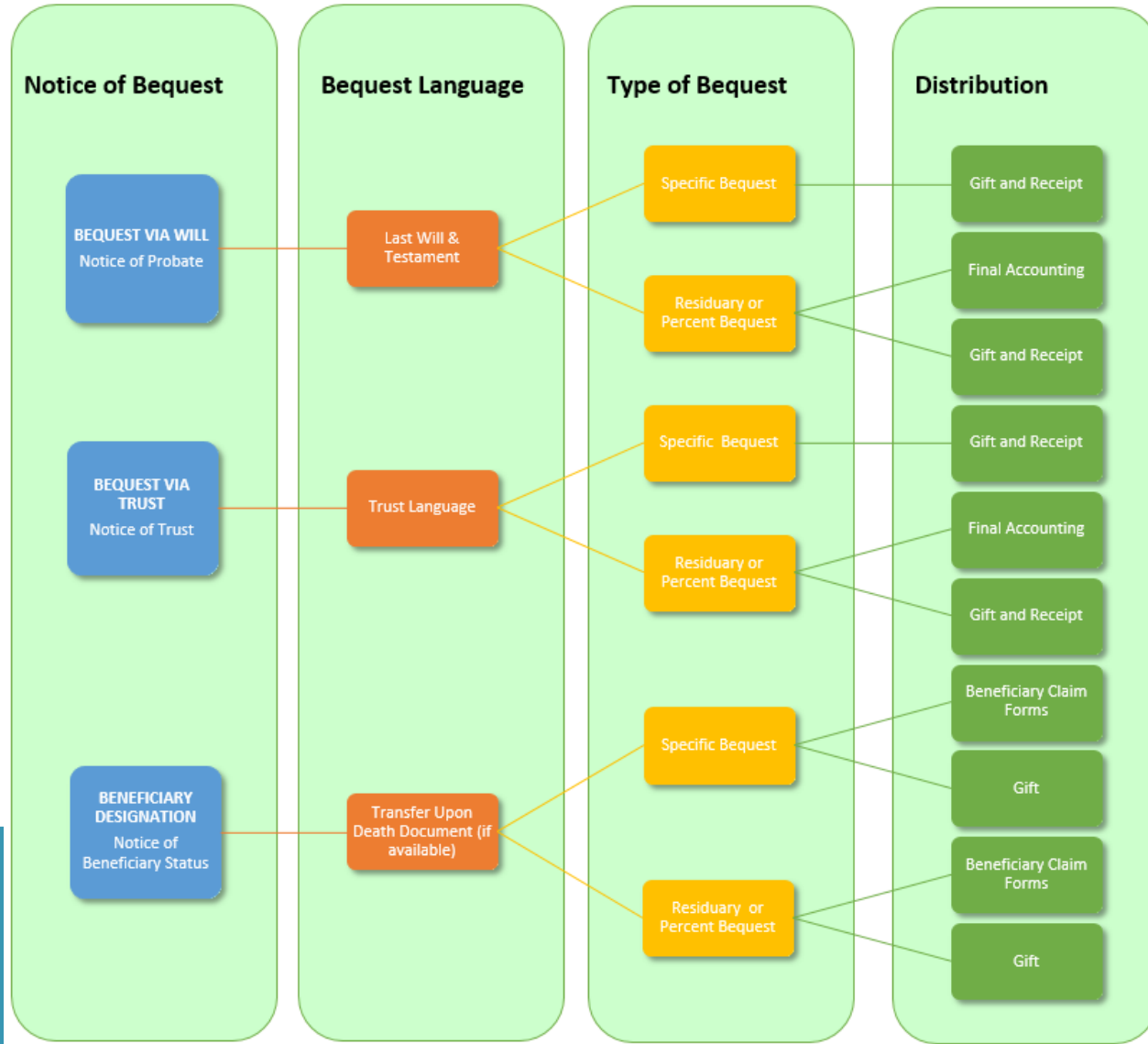


**Will** – personal representative (aka executor), flows through probate (public record and process)

**Revocable Living Trust** – trustee, non-probated assets, no formal court supervision, no public record

**Beneficiary Designation** – non-probated assets, managed by plan administrator or company

# Estate Documents to Collect



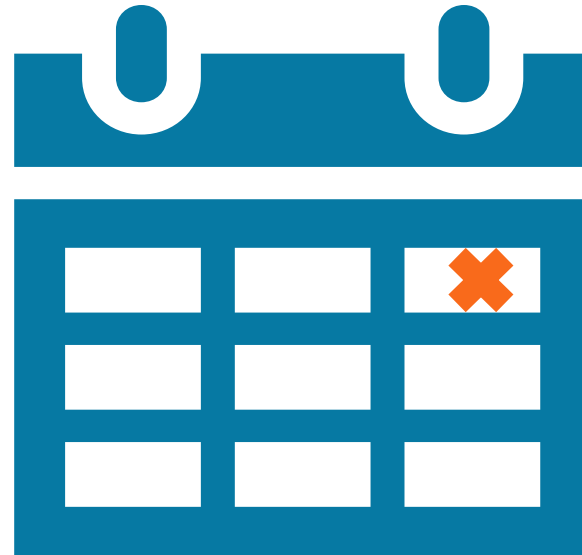
# DOCUMENTS & TIMING FOR BEQUEST VIA WILL

Non-taxable estate:  
~ 9-12 months

Subject to estate tax:  
~ 16-18 months

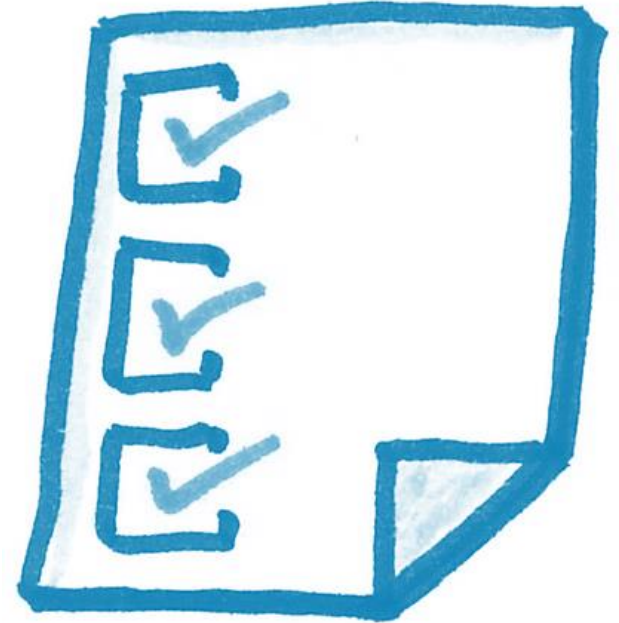
## Factors affecting timing

- Scattered assets, heirs
- Assets difficult to value, sell
- Creditor issues, family disputes



# DOCUMENTS FOR BEQUEST VIA WILL

1. **Notice of Appointment / Letters of Administration / Letters Testamentary**
  - Starts the process
  - 30-40 days after decedent's death to file the will
  - Often includes copy of will
2. **Inventory and Appraisement / Valuation**
  - 30 days from PRs appointment
  - Residual beneficiary – entitled to receive (not necessary for specific bequest)





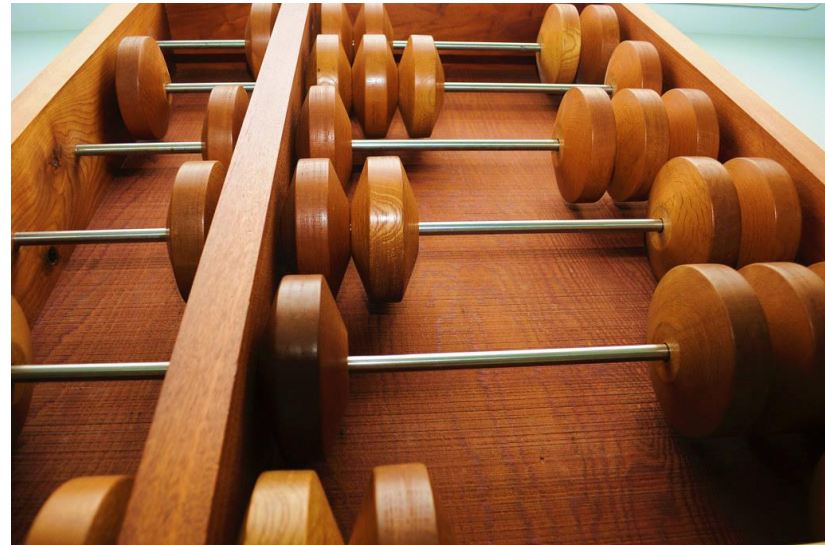
# DOCUMENTS FOR BEQUEST VIA WILL

## 3. Notice to Creditors

- Individual notice when known – 30 days to respond
- General publication when not – 3-4 months to file
- No distributions until after time elapsed

## 4. Petition for Discharge and Final Accounting

- Closes the estate
- 12 months from date PR appointed
- Objections filed within 30 days
- Distributions promptly after that
- Receipt/Release/Indemnification



# INTERNAL ADMINISTRATION PROCEDURES

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## **Have one point person**

- Educate staff to funnel all estate information to the estate point person

## **Upon notice of death**

- Standard letter to attorney/PR/Trustee
- Update database/ records
- Notify Gift Officer and other relevant parties

## **Standard documents to have on hand**

- IRS tax letter (501(c)3 letter)
- IRS Form W9 (signed)
- Signature Authority / Certificate of Incumbency
- Articles of Incorporation

# Template for Initial Contact

April 10, 2017

Address

RE: \_\_\_\_ Trust

Dear \_\_\_\_:

Thank you for notifying CHARITY that we are a beneficiary under the Trust of \_\_\_\_\_. You may be assured that we will allocate this gift according to \_\_\_\_ wishes.

We are very thankful that \_\_\_\_ remembered the Charity in his/her estate plans and would like the opportunity to contact people important to him/her to express our thanks. Do you know of anyone who might appreciate this gesture?

In order for us to maintain complete estate files and allocate this gift as M.\_\_\_\_ intended, we request a copy of that portion of the Trust that identifies the Charity's interest. If (BECAUSE) our organization is a residuary beneficiary of the estate, we would appreciate receiving an informal trust accounting at the conclusion of the trust administration.

Finally, once the gift has been received we may like to recognize \_\_\_\_'s name/gift in an appropriate publication. I would appreciate your informing me if you have any objection to such recognition.

Thank you for your assistance in this matter. We look forward to working with you on this trust. Enclosed is a copy of our W-9 form. If you require additional information just let me know.

Sincerely,

Enc.

# Approximate Timeline

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**Set up tickler system to follow-up periodically** (Persistent but not a Pest)

## **Specific bequest**

- Review: 5-6 months
- Second review, if needed: 4-6 months (9-12 month mark)

## **Contingent bequest**

## **Gift of real property or in-kind gift**

- Disclaimer date: 9 months

## **Residual bequest**

- Review: 5-6 months for inventory of assets (valued as of date of death)
  - Pay attention to fees
    - Not more than 5% for estates <\$1M
    - Less for larger estates
  - How estate taxes are paid. Were taxes apportioned?
- Review: 5-7 months after (10-13 month mark)
- If federal tax return due, final review at 18 month mark
- Various contact in between

# INTERNAL ADMINISTRATION PROCEDURES

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## Complete estate file should contain

- Copy of final will / trust, with any amendments (codicils) or restatement,
- Copies of all legal documents and notices received,
- Inventory and Appraisement,
  - For a trust, get a listing of assets or other information regarding the value of the trust.
- Copies of all accountings,
- Copies of checks and associated paperwork, and
- Copies of correspondence sent and received related to the gift.



# INTERNAL ADMINISTRATION PROCEDURES



## Policy Considerations

- Who is authorized to sign?  
(Be careful of signing waivers/ releases)
- How aggressive to be?
- Process for questions that arise
- When to engage local counsel
- Continued stewardship process

# Estate Pipeline

ESTATES IN PROBATE	Entity ID #	Date of death	Previously Recorded	Total Amt Expected	Distributions	Date(s) of Distribution	COMMENTS	Date of Last Action	School / Unit Benefiting	Designation Details	STATUS	Contact Information	NOTES/Family etc.
Boone, Daniel (Estate of)	xxxxxx	13-Aug-13	no	\$400,000.00	\$400,000.00	11/8/14	7/24/14 - Ltr from Estate w/Initial Inventory, Petition for Partial Distribution. Estate wants to make first partial distribution of \$400K. (Mr. Boone is the spouse of Dr. Irene Boone). 7/25/14 - JVE EM to Betsy & Renee with paperwork requesting sign off of Consent to distribute. 7/29/14 - EM from Betsy. Will execute and return Consent asap. 7/31/14 - JVE initial ltr. 8/4/14 - Copy of signed consent from OGC. 11/3/14 - Ltr from Atty with full distribution (\$400K). JVE EM to OGC w/ Receipt for signature. 11/11/14 - Signed Receipt to attorney. 4/22/15 - Email from Nina with MOU to establish Boone endowed fund.	4/22/15	MED	Unrestricted	First distribution received	P. Reid Griffith, Jr. Attorney and Counselor at Law, 555 Oppenheimer Drive, Suite 105, Los Alamos, New Mexico 87544 (505) 662-3911	Jeff Dinkely, PR (same address as attorney)
Clark, Kent (Trust)	xxxxxx	20-Mar-15	Yes	\$3,000,000.00	\$3,000,000.00	6/3/15	5/26/2015 - Initial letter received from Trustee with notice of trust, details of bequest. 6/3/2015 - Ltr from Trustee with check for full & final distribution (\$3M)	6/3/15	SEAS	Clark Scholars Program at SEAS (per MOU on file)	Initial contact	Kim Clark Patrick, Lawrence C. Nussdorf, David M. Osnos, c/o Clark Family Office, 123 Georgetown Road, 15th Floor, Bethesda, MD 20814	

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# Estate Pipeline

Date of Last Action	School / Unit Benefitting	Designation Details	STATUS	Contact Information	NOTES/Family etc.
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# Sample Internal Processing Document #1

Date: November 3, 2016

THE GEORGE WASHINGTON UNIVERSITY  
OFFICES OF VICE PRESIDENT FOR DEVELOPMENT AND VICE PRESIDENT AND  
TREASURER  
**ADMINISTRATIVE DATA SHEET FOR MONEY RECEIVED THROUGH DISTRIBUTION OF  
A BEQUEST**

**PERSONAL INFORMATION**

Donor: Estate of Jill Doe

Address: c/o Honest Forthright Stewards & Associates  
400 Anywhere Street, Suite 600  
Some City, MA 01234

Date of Death: 11-MAY-2014 Entity ID: #123456

Donor's connection with GW: Friend, widow of Jack Doe, MD '60 (Thoracic surgery)

**GIFT INFORMATION**

Date of donor documentation: 5-May-2009

GW Gift Date: 3-NOV-2016

Previously Documented?: **NO** (This is NEW attainment)

**Amount to be booked now: \$200,000**

Description of gift: Beneficiary designation via Will (2% of residual estate)

First partial distribution: \$200,000

- Check no.: 1131
- Date received: 3-NOV-2016

Designated use of the gift: To the George Washington University School of Medicine to establish the Jack and Jill Doe Endowed scholarship for medical students.

Managing Gift Officer: N/A

**NOTE:** There will be another distribution of at least \$200,000 by the end of the March 2017.

Thank you letters may be directed to: Mary Sue Doe (executrix / Niece)  
123 Main Street  
Whoville, MD 12345

Route to: Development VP, PG AVP, Gift Officer, Treasury office, Comptroller's Office, Gift Processing,  
Stewardship Office, Estate Administrator, Endowment Office, Appropriate School/Unit officer

# Sample Internal Processing Document #2

**SMITHSONIAN INSTITUTION  
Office of Planned Giving  
Realized Bequest Transmittal (RBT) Form<sup>1</sup>**

Estate Information	
Estate Donor Name: Myra Maines ( <i>decedent</i> )	Estate Donor PANDA Account #: #123456
Estate Donor Mailing Address: 987 First Street City Town, YZ, 12121	Estate Donor's Representative: Izzy Dedd ( <i>executrix</i> ) OR Stella Live, Esq. ( <i>estate attorney</i> ) Dewey, Cheatem, & Howe, LLC.
Soft credit to (if applicable): N/A	
Realized Bequest Information	
Date of Receipt: <sup>2</sup>	Source Code: dfg-estate
Gift Amount: \$( <i>Gift Amount</i> )	<b>Designation:</b> <input type="checkbox"/> Smithsonian Inst. (SI) <input type="checkbox"/> Specific SI Unit: _____  <b>Restriction:</b> <input type="checkbox"/> UNRESTRICTED <input type="checkbox"/> Acquisitions <input type="checkbox"/> Collections/Conservation <input type="checkbox"/> Education <input type="checkbox"/> Exhibitions <input type="checkbox"/> Facilities <input type="checkbox"/> Fellowships/Scholarships <input type="checkbox"/> Public Programs <input type="checkbox"/> Research <input type="checkbox"/> Other: _____
This is a: <input type="checkbox"/> Single complete distribution <input type="checkbox"/> Initial partial distribution <input type="checkbox"/> Subsequent partial distribution <input type="checkbox"/> Final distribution - no more funds expected  Total Bequest Value (if known): \$( <i>Full Gift Amount</i> )	
Supporting Documents (please attach): Required: <input type="checkbox"/> Check/Cover Letter <input type="checkbox"/> Copy of Will or Trust <input type="checkbox"/> Other (i.e. Proof of deposit): <sup>3</sup> _____	
Comments:	
Reporting Information	
Form Prepared By: ( <i>Gift Officer/ Check Processor</i> )	Date of Preparation:
Authorized By: ( <i>Estate Administrator</i> )	Date of Authorization:

Forward completed form to (*ESTATE ADMINISTRATOR & EMAIL*)

<sup>1</sup> To be used with estate distribution(s) in which the donor has made SI a beneficiary of their will, trust, or other planned gift instrument.  
<sup>2</sup> Post mark date of check- if unavailable, choose **executor/attorney letter** date- if unavailable, choose **check** date.  
<sup>3</sup> Insert pertinent documentation- allocation information, proof of deposit, etc.

# WRAP UP


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We have presented the bare bones (ba dum bump!)

These are the steps we take to ensure we:

- Fulfill the donor's intent
- Receive the money to which the organization is entitled
- Meet the legal obligations of estate administration process
- Steward the donors' loved ones appropriately

Every situation is different and there is a lot of variability from gift to gift.



# Contact Us – We are here to help!

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## **Rachel Eichhorn**

- [Eichhornr@si.edu](mailto:Eichhornr@si.edu)
- (202) 633-5041

## **Justine Van Wie**

- [justinev@gwu.edu](mailto:justinev@gwu.edu)
- (202) 994-9525

## **Patty Wang**

- [pwang1@umd.edu](mailto:pwang1@umd.edu)
- (301) 405-7764



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