

**A Maryland Judiciary Production**  
***My Laws, My Courts, My Maryland***  
**Series: Estate Administration for Personal Representatives**  
**Title: Part 4 Managing the Estate**

**Chapter Heading:**

**Gather All of the Decedent's Property**  
**Decedent's Bank Accounts**  
**Transfer the Decedent's Assets to the Estate**  
**Estate Expenses**  
**The Decedent's Income Taxes**  
**Records**

Hi. In this video, we will cover your responsibilities as a personal representative for both small and regular estates. We will discuss:

- Gathering the decedent's property
- Handling payments made to the decedent
- Recurring estate expenses
- The decedent's income taxes, and
- Keeping records.

As a reminder, this video series discusses steps to take after you are appointed personal representative of an estate, not before.

Watch parts 2 and 3 of this series for information on what you need to file and when.

Part 2 addresses filing requirements for small estates, and Part 3 covers regular estates.

As you go through the process of administering an estate, the Office of the Register of Wills can help you with forms and resources. When you were appointed as personal representative, the Register shared a packet of information and sample forms with you. Refer to that packet for filing dates and deadlines. If you have questions, visit the Register of Wills website at [registers.maryland.gov](http://registers.maryland.gov), or talk to a lawyer.

A quick note before moving forward. We will use the term decedent to refer to the person who passed away.

Let's get started by discussing one of your first steps: gather all of the decedent's property.

### **Chapter Heading: Gather All of the Decedent's Property**

Gathering property here means identifying the property and making sure you have what you need to protect and maintain it. You now have responsibility for all the decedent's assets and must account for them. For example, if the decedent owned a house, make sure you have the key. If the decedent owned a vehicle, you should have possession of it. Make sure you have the records and statements for the decedent's bank accounts, investments, and other accounts.

You will need to know the value of the estate's property. One of your first tasks as personal representative is to have all the estate's assets appraised. This includes personal property inside the decedent's home. The only clothing that has to be appraised are furs. Keep in mind, you must have all property appraised or have permission from the court before giving away or getting rid of any of the decedent's property.

Next, let's go over what to do with the decedent's bank accounts.

### **Chapter Heading: The Decedent's Bank Accounts**

You will need to close the decedent's bank accounts and transfer all funds into a new account. Open the new account in the name of the estate. The name of the account will be "estate of" followed by the decedent's name. You will need to bring certain documents with you to the bank. This may include the death certificate, letters of administration, and the taxpayer identification number. This is also known as an EIN number.

Before the estate account is open, you must get a taxpayer identification number for the estate. For tax purposes, the decedent's estate is its own entity and is separate from the decedent. That is why the estate will need its own bank account and tax identification number.

Apply for the tax identification number by visiting the Registers' website at [registers.maryland.gov](http://registers.maryland.gov). On the Registers' homepage see Federal EIN Tax ID Application. You can apply online free of charge.

Keep in mind, the decedent may have named a beneficiary for a bank account. If there is a beneficiary, the account is not probate property. The account will automatically pass to the beneficiary. You do not have control over accounts with a named beneficiary.

This is typically called a payable on death account. You do, however, need to report this type of account on the Information Report. Watch part 2 or part 3 of this series for more information about payable on death accounts.

If you need to pay estate expenses, you may pay them from the estate account.

Remember to maintain accurate records of all transactions. If the estate receives income, deposit the money in the estate account. This may include rent, stock dividends, interest, or refunds, as well as other types of income.

Make sure to also close any other accounts the decedent owned, such as investment or retirement accounts. Transfer the decedent's assets to the estate.

### **Chapter Heading: Transfer the Decedent's Assets to the Estate**

The decedent may have regularly received certain payments, for example:

- Social security payments.
- Rental income.
- Payments from investments, such as stock dividends, or
- Payments from an employer.

You cannot continue to receive payments in the decedent's name. I am going to run through a list of things that need to happen regarding these payments.

- Stop any social security payments right away.
- Rental payments need to go to the estate. The tenant should now pay the estate, not the decedent.
- Notify financial institutions of the decedent's passing.
- Payments from financial institutions should be transferred to the estate.
- Deposit all checks and other forms of payment into the estate account, not your own account.

That is a big to do list. Make sure to ask for help if you need it. Reach out to a lawyer if you need assistance. Next, let's talk about handling estate expenses.

### **Chapter Heading: Estate Expenses**

Now that you have the estate account, you may use that money to pay the debts of the decedent and other estate expenses. Keep clear records of your payments.

If there are not enough funds in the account to pay all of the estate's expenses, you will have to prioritize which expenses get paid. Maryland law defines the order in which payments should be made. When you were appointed personal representative, you received a copy of this law. If you have questions, review the document. Among the prioritized payments are funeral expenses, family allowances, and taxes. View the tip sheet accompanying this video to see the full list.

Let's talk about the types of expenses you may need to handle. The decedent may have outstanding bills. This may include utilities, credit card bills, or medical bills. The estate may also have regular expenses, such as a mortgage. If there are sufficient funds, you may pay these final and recurring expenses from the estate account.

It is also your job to maintain the estate's property. This may include paying the mortgage, utilities, real estate taxes, and insurance for a home that is part of the estate. If no one is living in the property, you may need to leave the utilities on to protect it. If you do not have enough money in the estate account to maintain the house, talk to a lawyer about your options.

If someone is living in the decedent's home, the person living there is likely responsible for paying the mortgage, property tax, insurance, and utilities. Generally, the estate

should not be paying for someone else to live in a home that is part of the estate.

Consider talking to a lawyer if this is your situation.

Maryland law allows the estate to pay for funeral expenses up to a certain amount.

Check the tip sheet accompanying this video for more information. Unless the decedent had a Will that specified the estate will be responsible for all funeral expenses, you will have to petition the Orphans' Court for permission to use estate funds to pay for a funeral that costs more than the allowed amount.

If there is enough money in the estate, you may also pay family allowances. These are one-time payments made to a spouse or a registered domestic partner, and to minor children. Family allowances are paid from the estate just like other expenses. This means they are not included in the calculation for final distributions to heirs and legatees. The decedent's spouse or registered domestic partner may receive an allowance. Unmarried children of the decedent under the age of 18 receive an allowance as well. This allowance is paid to the person who the minor child is living with. For more information on family allowances, view the tip sheet accompanying this video.

Let's move on and discuss another important topic: the decedent's income taxes.

### **Chapter Heading: The Decedent's Income Taxes**

If the decedent was required to file taxes while alive, then you may need to make sure final state and federal income tax returns are filed after they died. Consult with the decedent's accountant, if they had one. A spouse may also have information about the decedent's income tax returns.

The final income tax return includes any income the decedent received before death during that year. You may have to file two returns: one for the year in which they died and one for the year before they died, if not already filed. The first type of return will include income earned that year up until the decedent's date of death. Again, consult with an accountant.

Next, we are going to talk about records.

### **Chapter Heading: Records**

Keeping good records is part of your responsibility as a fiduciary. Write down the details of what money comes into the estate and the payments you make on behalf of the estate.

The records you keep are very important. Nine months after your appointment as personal representative, you will need to file an Account of all transactions regarding the estate. To learn more about filing an Account, watch part 5 of this series.

We have covered a lot of information. I hope it has been helpful. Thank you for watching.