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My Laws, My Courts, My Maryland
Series: Estate Administration for Personal Representatives
Title: Part 5 Preparing and Filing an Account

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Hi there. This video series is for personal representatives administering an estate. In this video, we will cover preparing and filing an Account. An Account summarizes the estate's assets, all financial transactions, and the estate's balance. If you are handling a small estate, an Account is not required. If you are filing a regular estate, you will need to file an Account. For more information about your filing obligations in regular estates, watch part 3 of this series. Filing an Account can be complicated. My goal is to help make it easier.

Keep in mind, 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, or talk to a lawyer.

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

Let's get started with a discussion about the first Account.

Chapter Heading: The First Account

Within nine months after your appointment as personal representative, file your first Account, also called the initial Account. There is no form to use. You can view a sample account in the packet the Register of Wills gave you at the time of your appointment. The Register of Wills' website also has a sample to view. The website address is registers.maryland.gov. When you file the first Account, you need to also file the Verification of Account and a Certificate of Service. You can find samples of these on the Register of Wills website.

As a reminder, you will pay outstanding debts and claims before distributing what is left in the estate to heirs or legatees. If you are ready to distribute that remaining balance of the estate's property when filing your first Account, this will be your First and Final Account. We will discuss the Final Account more in part 7 of this series.

You listed all the known assets of the estate and their values on your Inventory and the supporting schedule filed with it. Your Account should begin with the total value of the assets reported on your Inventory.

List any income received during the administration of the estate. You may see income received referred to as receipts. This may include:

- Rental income
- Dividends from stock
- Interest in the estate bank account
- Refunds
- Reimbursements, and

- Gains from the sale of an asset, such as a home, vehicle, or stock.

Please note this is not a complete list. Add the total income received to the total value of the estate stated on your Inventory.

List all payments of estate expenses. These payments are referred to as disbursements. This may include payment of claims against the estate, which are typically for debts. View part 6 of this series for more information on claims.

Estate expenses may include:

- Funeral expenses
- Court costs and probate fees
- Family allowances
- Medical bills
- Mortgage payments
- Real estate taxes, insurance, utility bills, and any fees required to preserve the property, and
- Payments made to satisfy claims against the estate.

The law provides a specific order in which to pay expenses. The Register of Wills gave you a copy of this law when you were appointed. You must pay expenses in that order.

Subtract the total disbursements – meaning payments of expenses – from the total value of the estate. This is the value left in the estate.

Remember to continue keeping accurate records of transactions to verify all income coming into the estate and payments being made on behalf of the estate. You may be asked to verify the numbers on your Account. Retain copies of proof of income and payments, such as checks, bank statements, and receipts.

Your Final Account will include lines for any distributions, showing transfer of property to heirs and legatees.

If you need it, be sure to get help.

Chapter Heading: Get Help

If you do not have a lawyer, consider making an appointment with the Register of Wills' auditing department to review your Account before you file it. The auditor can let you know if there are things you need to correct. For legal help, reach out to an estate lawyer for assistance.

After you have checked over your Account with your lawyer or the auditor, prepare to file the Account.

Chapter Heading: File the Account

First, make copies of the Account and mail a copy to each interested person. Attach a certificate of service to the Account. The certificate is required to let the court know that you have mailed the Account to all people on your List of Interested Persons. Once you have mailed copies and completed a certificate of service, you are ready to file your Account.

What happens after you file the Account?

Chapter Heading: What Happens After You File the Account?

The Register of Wills will audit the Account. The Register may ask you for proof of a disbursement or distribution. After the Register's audit is complete, the Register's office will send the Account to the Orphans' Court to review. If the court does not have any further questions for clarification, then it will issue an order approving the Account.

Within 20 days of the court's order, interested persons may file exceptions if they disagree with your Account.

Let's talk about exceptions.

Chapter Heading: Exceptions

Interested persons may file exceptions for a number of reasons. Typically, an interested person files exceptions because they do not agree with the numbers on the Account. Another reason may be that they believe you have not included all probate property that should be in the estate. Whatever the reason, after the exceptions are filed, make sure you respond by filing an Answer. The Orphans' Court will have a hearing on the exceptions. The court will decide whether your Account can remain as you prepared it, or if you have to amend it. The court may provide instructions regarding the amendment.

If you need to respond to exceptions, consider speaking with a lawyer.

If you are not ready to make distributions to the legatees or heirs when you file your Account, then you will have to file subsequent accounts.

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Six months after the approval of your first Account, the second Account will be due. Your second Account will start with the estate value stated at the bottom of your first

Account. Just as with the first Account, the second Account will state whether there has been income received or any disbursements made. Follow the same process as with the first Account, making sure that it is filed no more than six months after approval of the last account.

If you are still not ready to make distributions to the legatees or heirs, then a third Account will be due six months after the approval of the second Account.

Once you are ready to distribute the remaining property to the legatees or heirs, you can file a Final Account. Whether it is a first, second, third, or later account, add the words "and Final Account" to the title of the document. For example, Second and Final Account.

Watch part 7 of this series for more information on the Final Account, closing the estate, and making distributions.

I hope this information has been helpful. Thank you for watching.