

MAXIMIZING THE GIFT

TOOLS FOR EFFECTIVE BEQUEST ADMINISTRATION

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NOTICE

- Trust
 - CPC 16061
 - 120 days
 - Obtain trust copy
 - Full for residual gift
 - Pertinent sections for specific or general pecuniary
 - Request to be kept apprised and to receive updates and accountings (CPC 16060 and 16061)
- Probate
 - Request for special notice (CPC 1250), communications with attorney
- Pay on Death/ Beneficiary Designation Accounts
- The Notice that Never Came
 - How to respond to suspicious silence

ADMINISTRATION

- Review your gift- Do you want it? Can you use it?
 - Purpose: who will benefit, how, who makes decisions, endowment- Overly restrictive? Illegal?
 - Asset(s)- Potential liabilities? Sufficient value? Consistent with Gift Acceptance Policies?
 - Options for imperfect gifts
 - Disclaim
 - Have the trustee liquidate
 - Court for change of purpose (use caution- you may lose the gift)
 - CPC 17200 petition for instruction
 - CPC18502 *cy pres* petition

ADMINISTRATION

- Follow-up
 - 120 days after initial notice if no contact
 - Regularly (but not obnoxiously) thereafter
- Know your trustee- Experienced? Represented by counsel? Possible conflicts?
 - How will they calculate fees?
- Be clear about management expectations
 - Will charity dispose of property or will trustee?
 - When can you expect preliminary distributions?
 - When will the estate close?

ACCOUNTINGS

- Accountings are required *if you request them* (CPC 16061 and 16062)
- A list of assets and expenses is usually sufficient and significantly less expensive than a court accounting
- Don't surprise the trustee with an accounting request at the end of the administration- request it early

ACCOUNTINGS

- Review Trustee or Executor Fees
 - Basic trust administration will typically be 1% of trust value
 - Probate set by statute CPC 10810 and 10811
 - Trustee fees and extraordinary fees can be much higher
- Review Expenses
 - Travel, disposal of property, etc., can be heavily padded
- Ask questions, push back as needed- it is your organization's responsibility to make sure the gift is transferred as intended

STEWARDSHIP

- Send appropriate condolences
- Engage with family during administration
- Send a personal acknowledgment and make sure colleagues impacted by the gift do the same
- Acknowledge within the organization consistent with standard practice for namings or other recognition
- Plan future stewardship for family as appropriate
- Add professional advisor to mailings

USE AS INTENDED

- Terms in the testamentary document are binding
 - Allocate per policy for missing terms
 - Pay close attention to endowment language
- Use *cy pres* if necessary
- Research the donor, engage family as needed, but keep terms as general as possible

LITIGATION AND ALTERNATIVES

- Select an excellent attorney- Get referrals, check references, pay for an expert.
- Do you have a claim?
- What will it cost to recover- What is the minimum you can spend to show that you are serious?
- What are your chances of recovery?
- Know in advance how far you will go, how much you are willing to spend, and where the funds will come from if you don't recover anything.
- Value your own time.
- Consider alternatives-
 - Removal of Trustee.
 - Petition for Distribution, Accounting, Etc.

QUESTIONS