PROSPERITY
WEALTH PLANNING

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Trustee in Transition

Becoming a trustee doesn't have to be stressful. Whether it's planned or unexpected, preparing in advance can help ensure a smooth transfer of responsibilities and continued administration of the trust.

A guide to help you understand your role as a trustee, navigate key responsibilities, and manage the transition process.

The following checklist can help the current trustee, incoming successor trustee, and family prepare for a trustee transition and navigate the trust administration process. Not every item will apply to every trust, and the order may vary depending on the trust terms and your state's laws. Work closely with your attorney, CPA, and financial advisor throughout the process.

1. Before the Grantor Passes

☐ Review the trust agreement and any amendments to understand your duties, powers, beneficiaries, and distribution instructions

☐ Meet with the current trustee (if applicable) to discuss ongoing responsibilities and expectations

☐ Gather and securely organize the trust, will, financial records, insurance policies, deeds, titles, and other important documents

☐ Create an inventory of trust assets, including approximate values, and identify any outstanding debts or liabilities

☐ Identify digital assets and online accounts (email, password manager, cloud storage, cryptocurrency, subscriptions, social media, etc.) and document how they can be accessed or managed

☐ Confirm that asset titles and beneficiary designations are current and consistent with the estate plan

☐ If appropriate, consider consolidating financial accounts to simplify future trust administration

2. Immediately After the Grantor's Death

☐ Locate the original trust, will, and other estate planning documents

☐ Secure the grantor's residence, valuables, vehicles, and important records

☐ Identify immediate expenses that need to be paid (funeral costs, mortgage, utilities, insurance premiums, etc.)

☐ Forward or monitor the grantor's mail to identify bills, financial statements, and other important correspondence

3. Establish Your Role as Trustee

☐ Before notifying financial institutions, consult with the estate planning attorney regarding the recommended timing. In some situations, notifying an institution too early can temporarily freeze accounts or interrupt automatic payments

☐ Contact the estate planning attorney who drafted the trust (if applicable) and report the death to Social Security (often handled by the funeral director)

☐ Order 8–12 certified copies of the death certificate

☐ Obtain a Trust Tax Identification Number (EIN) and complete any necessary retitling of trust assets

☐ Notify beneficiaries of their interest in the trust and provide any legally required information

☐ Obtain professional appraisals for real estate, business interests, or other significant assets to establish date-of-death values

☐ For trust-owned real estate, record an Affidavit of Death of Trustee (or your state's equivalent) and complete any required county notifications

4. Administer the Trust

☐ Open a trust bank account and establish access to all trust financial accounts

☐ Review the trust's cash flow, income, expenses, and ongoing financial obligations

☐ Identify any required beneficiary distributions or upcoming payment deadlines

☐ Confirm insurance coverage remains in force for trust-owned property and other insured assets

☐ Work with the financial advisor to manage, maintain, or sell trust assets as appropriate

☐ Photograph and document valuable personal property before distributing or selling it

☐ Pay trust debts, taxes, administrative expenses, and other obligations

☐ Work with your CPA to prepare and file the deceased's final personal income tax return and any required federal and state trust income tax returns

☐ Work with the attorney and CPA to maintain required legal and tax records and determine whether IRS Form 56 (Notice Concerning Fiduciary Relationship) should be filed

5. Work with Beneficiaries & Advisors

☐ Maintain clear communication with beneficiaries and keep records of significant decisions and communications

☐ Coordinate regularly with the trust's attorney, CPA, financial advisor, and other professionals throughout the administration process

☐ Before making final distributions, ensure sufficient funds remain to pay taxes, professional fees, and any remaining trust expenses

☐ Distribute trust assets according to the trust's instructions and obtain written acknowledgment of receipt when appropriate

6. Complete the Trust Administration

☐ Maintain detailed records of trustee actions, communications, income, expenses, and distributions

☐ Periodically review the trust to ensure it continues to be administered according to its terms

☐ Act impartially and in the best interests of all beneficiaries, consistent with the trust's terms and applicable law

☐ Prepare a final trust accounting if required by the trust or applicable state law

☐ Formally close the trust accounts once all responsibilities have been fulfilled and the trust's terms have been satisfied

Helpful Documents & Information to Gather

- Original trust agreement and all amendments
- Will
- Certified death certificates
- Prior personal and trust tax returns
- Bank and investment account statements
- Insurance policies
- Property deeds
- Vehicle titles
- Business records (if applicable)
- Safe deposit box information
- Digital asset inventory and password manager information
- Contact information for beneficiaries
- Contact information for the attorney, CPA, financial advisor, insurance agent, and other key professionals