

Choosing the right executor

Make sure the person you name to administer your estate has the right skills.

When you write your will you'll have to name an executor to collect and take care of your assets, pay your debts, and distribute what's left to your heirs. Most people tap relatives or friends for the job. If your estate is large enough to have complicated tax issues, you might want to name an attorney or bank. Or you could ask a pro and a family member or friend to serve as co-executors.

Whatever your situation, you should search for an executor who is:

► **As honest as Abe Lincoln.** When clients tell Martin M. Shenkman, an estate-planning attorney in Paramus, N.J., that they want an executor who's good with finances, he tells them that integrity is much more important. "You can't hire integrity," he says, "but you can hire a financial manager or an accountant." Indeed, your executor has the legal authority to bring in accountants, attorneys, real-estate brokers, and other experts and pay them with money from your estate.

While it's helpful if your executor knows the difference between a stock and a bond, he or she needn't invest with the finesse of Warren Buffett. The executor's main duty is to manage your assets prudently so they don't lose value.

► **As organized as Martha Stewart.** Much of an executor's work is detail-oriented. He or she must keep careful records of all actions on behalf of the estate. So if your younger daughter always balances her checkbook to the penny while your first-born daughter can't even find her checkbook, you should probably ask the younger one to be your executor.

If you worry about hurting your first-born's feelings, you could name her co-executor. Her orderly sister will probably do most of the work, and you'll avoid potential family friction.

► **As patient as Job.** It can take six months to a year or even longer to settle an estate, so you should choose an executor who'll be able to calmly stay the course.



Patience is a virtue when dealing with slow-moving bankers, brokers, and government bureaucrats.

► **As affable as Ed McMahon.** Unless your executor is also your sole heir, try to select someone who gets along well with others. He or she should write letters or send e-mail messages to the beneficiaries regularly, and explain any delays.

Once you've found the perfect executor, you'll also need to pick an alternate who will serve if your first choice dies before you do or can't assume the job for some other reason. If you don't name an alternate in your will, the court will choose a new executor for you.

If your executor of choice lives in another state, see if your state imposes any special requirements. An out-of-state executor might have to post a bond to protect your heirs in case he or she mismanages your assets. Some states require an out-of-state executor to appoint an in-state agent who is available to receive legal documents on his or her behalf.

Finally, be sure to ask your ideal executor if he or she wants the job. "The person you choose should know what's in store," says Mary Randolph, author of "The Executor's Guide" (Nolo, 2010). "Being an executor is like having a part-time job." \$

Leave an easy-to-follow paper trail

Your executor will remember you more fondly if you consolidate, organize, and make your assets easily accessible. Some folks fail to do those things, like the elderly couple that Martin M. Shenkman, an attorney, remembers. They had CDs at more than 30 banks, and they taped their passbooks under desk and dresser drawers throughout their house. Fortunately, one of the concealed passbooks fell from its hiding place. The couple's survivors were then left to turn the house upside down to find the others.

You can make life easier for your executor—and for yourself as you age—if you consolidate your savings and investments into the fewest feasible number of accounts. "Ideally, when you die, your executor would call just one broker and one bank," Shenkman says.

You should also organize all the paperwork your executor will need,

including funeral arrangements; insurance policies; your will and other legal documents; bank, brokerage, mutual-fund, and retirement account statements; and records of items you have in safe-deposit boxes.

Store these documents at home in a locked, waterproof and fireproof metal box, file cabinet, or safe. Maintain an updated list of your assets and let your executor know where to find it. Also provide a list of your advisers, including your attorney, banker, broker, and insurance agents. Let your executor know how to access financial records on your computer and provide passwords or PINs to your accounts.

Don't keep documents your executor might need immediately, like your will, in a bank safe-deposit box because it might be sealed upon your death. Instead, leave the original with the lawyer who prepared it, and keep a copy at home.