

Succession Planning for Your Physical Assets

How to Avoid Family Wars

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Steps to avoid family wars?

- 1. Talk to your children about what you own that they want.**
Family wars often begin because someone often failed to communicate with their children
 - Identify what are memory items - give them away to the children that want them
 - Identify what items they will go to war for! So you can plan to avoid family wars
- 2. Never assume your children will share or they still love each other.**
 - Simmering animosities
 - The lessons taught in childhood no longer apply
 - Mom always liked you best
- 3. Recognize the three behavioral laws of family relationships.**
 - Your oldest child is used to being in charge and probably will assert themselves
 - Who your children married matters
 - When push comes to shove: The most assertive child or the one with the most assertive spouse will win if you allow your items to be contested
- 4. Recognize that there may be inequities of care in your final days that may cause family wars.**
 - "Get back" is a common behavior in estate settlement
 - The burdens of care may cause a child to believe they are entitled to more than their siblings. Personal services contract - talk to your attorney
 - Your primary care child may become the bad guy and say "NO" to you constantly and other siblings may use that to get you to change the will to benefit them

So how do you avoid family wars?

- 1. Clearly define in the personal property attachment to your will who gets what!!!**
When you fail to designate who gets what you are choosing the "I Hate My Kids Option!"
- 2. Avoid using the term: "to be divided equally" in your will.**
What happens when you use the term "to be divided equally?"
 - It's Expensive! You have to determine what is equal - which means you may have to hire a certified personal property appraiser to define what is equal.
 - The terminology allows your personal representative to determine division or simply sell all the assets and divide cash instead.
 - Should the personal representative decline to serve, or be unable to serve (example: convicted of felony) someone else will be making those decisions which may be contrary to your wishes.
 - Should two heirs both want the same item, a family war can and most likely will break out.
- 3. Designate successor and personal representatives.**
Designate both:
 - A primary personal representative and
 - A successor designated representative for your estate

Recognize your personal representative or executor could die, can decline to serve, quit or be legally unable to serve.

What do you do to provide a clear succession process?

- 1. The Will**
 - Keep it updated yearly to reflect your holdings and status of heirs
 - Eliminate old wills to avoid contest by heirs
 - Make it easy to find
 - No safe deposit box
- 2. Provide a Financial Roadmap for your estate.**
Keep a financial inventory with your will
 - Bank accounts
 - Investments
 - Insurance policies
 - Land holdings
 - Tax returns
 - Other valuables

**A New Concept in Financial Roadmaps
Very Important Private Documents**

www.myVIPdocs.com
Linda Donegan, CPA
813-438-6538

3. **If you hide money in your home, make sure your personal representative knows about it!**
Make of list of your hiding places for money and valuables and keep with your will.
4. **De-cluttering for the children's sake.**
 - Get rid of extras, out of date clothes, multiple sets of dishes, silverware, etc.
 - Papers
 - Inappropriate material & family secrets

How do you handle your valuable personal property?

Will you even know what items are valuable?

Do you know what it is actually worth?

Will your kids or personal representative know what it is worth?

What is the connection between the following items:

Lalique Perfume Bottle	\$3,383
Civil War Union Officer's Presentation sword	\$4,575
Paul Sormoni French Bowfront Louis XV Vitrine . . .	\$9,750
Ary Bitter bronze bookends	\$7,750
1926 World Series Cardinals team signed baseball .	\$12,600

The family or the personal representative had no idea of the value of these items and could have sold them for too little!

So how do you let family know what is valuable?

Estate Planning Appraisals & Certified Personal Property Appraiser

Can help you avoid these problems and secure those assets for the next generation.

Including estate planning appraisals with the estate planning documents:

Wills, Trust Documents, Durable Power of Attorney, Health Care Surrogate, etc.

Estate Planning Appraisals Protect the estate assets

Estate Planning Appraisals like Probate Appraisals are always Market Value Appraisals - what is it really worth (What can you sell it for)? Versus: Insurance Replacement Value - what will it cost to buy it?

A Photographic Inventory – Why?

- To identify who gets what. A clear record of the item and what it looks like.
- To protect current assets from theft – caregiver misconduct etc.

A recommended photograph inventory company

www.assetregistry.com

Ronica Tucker

727-289-3600

Asset Registry, LLC

What if no one wants your antiques and valuables?

How do you get rid of them and maximize their return?

Once you have determined none of your heirs want your valuables - liquidation may become an option

- Always sell in the public arena – auction
- Always employ people who do not buy for appraisals or assistance in selling your valuables
- Always hire a professional estate sale person who does not deal in antiques
- Never use a storage unit

Review: Steps in Succession Planning

- Communicate with your children about what you own
- Recognize the true relationships between your children and what can happen in your final days
- Clearly define who gets what in your will
- Designate both a personal representative and a successor
- Keep your will and estate planning documents updated on a yearly basis - make it easy to find
- Provide a financial roadmap of your assets
- Keep a list of where you hide your money
- De-clutter for your children's sake
- Always liquidate your valuables in the auction arena using people who do not buy.