

# RIGHTRISK™

## RIGHTRISK NEWS

### DATES TO REMEMBER

**Annual Forage Insurance Plan**  
- July 15

**Spring crop acreage reporting deadline**  
- July 15

**Margin Protection Program Dairy (MPP-D)**  
- 2019 crop year  
July 1 - Sept. 30th, 2018

**Forage Insurance**  
- September 30th

**RI-PRF Coverage**  
November 15th, 2018 for 2019 crop year coverage

*For more information see:*  
<http://www.rma.usda.gov>  
<http://www.fsa.usda.gov>

## What is a Personal Representative?

A person named to administer an estate is called a personal representative. This title is used whether a person dies with a will or is appointed because there is no will (intestate). A personal representative is also commonly referred to as an executor. The role of a personal representative is to carry out the wishes of the decedent as expressed in the decedent's will or as authorized by the court and state statutes when there is no will. The personal representative is also responsible for completing the decedent's business such as paying bills and filing tax returns.

### Opening and Closing the Estate

Each state has specific rules regarding probate. Some states have an informal probate process, while others are more formal. Sometimes estates are opened informally and closed formally.



Public Domain, TheBlueDiamondgallery.com

Informal probate usually occurs when there is an uncontested will and all the potential heirs of the estate agree with the personal representative and other beneficiaries, or in those cases where there is no will. Filing an application for an informal probate is usually less expensive and takes less time than formal probate. Formal probate most often occurs when the original signed will cannot be found or if the heirs and beneficiaries cannot agree. Formal proceedings will result in final and binding court orders and notice of those orders being sent to the interested parties.

### Authority and Specific Duties

The authority and specific duties of a personal representative will vary by state. However, a personal representative will be issued letters from the court indicating that they have authority to act on behalf of the state. Banks, insurance companies, and other third parties may request that these letters be presented or that a copy be forwarded before completing any business on behalf of the decedent. The original will should be located and filed with the probate court in the county where the decedent lived within the period required by the state (some states have a 10-day filing requirement). If the personal representative cannot find the original will or a copy, an attorney can help the personal representative go through the intestate probate process.



Public Domain, Pixabay.com

The personal representative should also look for any and all important documents, including: funeral and burial plans, safe deposit boxes and keys, trust agreements, nuptial agreements, life and health insurance policies, all financial accounts, income and gift tax returns, marriage certificates and divorce papers, military records, notes receivable and payable, business agreements, and unpaid bills. It is important for the personal representative to find online accounts, passwords, and user names. The personal representative should meet with the decedent's advisors (attorneys, accountants, investment advisors, insurance agents, etc.). Any information and documents indicating that an asset exists and/or that bills need to be paid should be secured for administration of the estate.

### Paying Taxes

The personal representative is responsible for filing the decedent's final income tax return and any tax returns for the estate. Since the estate is a separate tax paying entity, it must have a unique tax identification number. This number will be needed to open estate bank accounts,

How Much Risk is Right for You?

## APPLIED RISK ANALYTICS

Machinery and equipment costs are often the largest expense categories for a farm or ranch operation. Many producers do not know their machinery and equipment cost for a given activity. The *Machine Risk Calculator* (MRC) from RightRisk.org can help producers estimate rates for custom field operations and individual machinery costs. The tool will also estimate the risk sensitivity of those costs to changes in various factors. The MRC uses a comprehensive list of related expenses to calculate an overall cost, including expected life (years), repairs, depreciation, housing, insurance, taxes, and annual use (hours).



To access the *Applied Risk Analytics* series, see [RightRisk.org](http://RightRisk.org) > Resources > Applied Risk Analytics

---

### WHAT IS A PERSONAL REPRESENTATIVE? CONTINUED FROM PG. 1

receive income, and sell assets owned by the estate.

#### Distribution of Assets

The assets of the estate ultimately belong to the beneficiaries and not to the personal representative. Distributions or partial distributions from the estate should be made within a reasonable period of time. In those cases where the court supervises administration of the estate, distributions can be made only following a court hearing and issue of the subsequent order. Personal representatives should be careful to avoid distributing assets that may be needed to pay legitimate claims and expenses of the estate.

#### Closing the Estate

An estate does not terminate automatically. If the personal representative chooses to informally close the estate, a closing statement must be filed with the court. A personal representative begins the process to formally close an estate by filing documents with the court that describe how the estate has been administered and outlines the proposed distribution of the estate's assets. Once the court approves the closing documents, the personal representative is immediately discharged and released of liability.

#### Summary

A personal representative is responsible for carrying out the wishes of the decedent and completing the decedent's business affairs. He or she has a duty to act impartially with regard to all parties to the estate and must distribute the estate in accordance with the decedent's will or as directed by the court. The Bar Association and judicial system in each state have forms and other useful resources to help with the administration of an estate. Competent legal and other counsel should be obtained as appropriate and needed by the personal representative.

*The information provided in this article is intended for educational purposes only. It should not be cited nor should it be relied on for legal advice. For information on probate and the administration of an estate, individuals should seek competent legal counsel.*



# RIGHTRISK™

- Education
- Coaching
- Research

E-mail: [information@RightRisk.org](mailto:information@RightRisk.org)

Web: [www.RightRisk.org](http://www.RightRisk.org)

*How much risk  
is right for you and your operation?*

*RightRisk helps decision-makers  
discover innovative and effective  
risk management solutions.*

RightRisk News is brought to you by the RightRisk Team

#### Contributing authors:

John Hewlett, Ranch/Farm Management Specialist - University of Wyoming, [hewlett@uwyo.edu](mailto:hewlett@uwyo.edu)

Jay Parsons, Risk Management Specialist - University of Nebraska-Lincoln, [jparsons4@unl.edu](mailto:jparsons4@unl.edu)

Jeff Tranel, Ag and Business Management Specialist - Colorado State University, [Jeffrey.Tranel@ColoState.edu](mailto:Jeffrey.Tranel@ColoState.edu)

**Editing and Layout:** John Hewlett, [hewlett@uwyo.edu](mailto:hewlett@uwyo.edu)

Past issues of RightRisk News are available at: <http://RightRisk.org> > Resources > RightRisk News  
To subscribe/unsubscribe, email [information@RightRisk.org](mailto:information@RightRisk.org) subject line "Subscribe/Unsubscribe RR News"

Colorado  
State  
University  
Extension



UNIVERSITY  
OF WYOMING

EXTENSION

**N** EXTENSION