

Introduction

When Chaos Hits

In 2013, my husband was diagnosed with leukemia.

We both were overwhelmed and scared as he went through months of chemotherapy. The medical procedures, including a bone marrow transplant, were stressful for both of us. We set up our finances to manage his care, and we prepared for the worst.

Then, miraculously, the bone marrow transplant worked.

We thought he was cured.

Our life resumed a sense of normalcy. He went back to work. With his compromised immune system, our new normal was slightly different, but we made plans, bought a house, and began renovations, preparing with our nine-year-old daughter to move in. We planned a family trip to Alaska.

Then, almost two years to the day from his original diagnosis, we found out my husband's cancer was back with a vengeance. He began treatment right away.

Six weeks later, I tried to call him from work, but he didn't answer the phone. I grabbed a sandwich to bring him for lunch. When I got home, he was in bed. "I just need to sleep," he said.

As the night wore on, he started breathing funny. I called his doctors, but even after I did what they told me, he got worse—and still worse. At ten o'clock, I called 911. Paramedics arrived, but he refused to go with them. I couldn't get him out of bed. The medics informed me that if someone is awake and unwilling, they can't make them go to the hospital.

At two in the morning, I called 911 again. Again, he refused to go in the ambulance. He only wanted to sleep. "That's fine," I said, "but we're getting up at six. I'm calling 911, and they're going to put you in the car. I'm taking you down there."

That morning, the medics didn't leave, even though he still refused their help. I think they knew he was dying, even though I didn't. Finally, he needed to go to the bathroom, and while he was up, I convinced him to get in a chair so they could carry him down the stairs.

They whisked him off to the emergency room, where doctors intubated and stabilized him in the critical care unit.

His heart stopped.

The hospital staff resuscitated him.

"How many times do you want us to do that before we don't do it anymore?" someone asked me. They were trying not to freak me out, but I didn't understand what was happening.

"I don't know," I said.

While I sat with him, his heart stopped again, and they resuscitated him a second time. A nurse pulled me aside.

"Do you really want us to do this?" she asked. "He's not going to get better."

I didn't have time to think about it. "No," I said. "Don't make him suffer any more."

Once you make the decision to stop care, it's done. He died right there in front of me. His body just couldn't take it anymore. I went home to tell my nine-year-old daughter.

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Our experience was a shock, but it was not unique. All of us face loss, and some of us face loss unexpectedly and early in life. After a trauma like the one my daughter and I endured, those who remain face essential tasks that are not really that hard but which create time-consuming pain.

Everything was disrupted. My family had been in the middle of moving to a new house. There was the planned family trip to Alaska, which we ended up joining, and though I was in shock the whole time, it was good for my daughter to get out of Dodge. I had a closet full of my husband's clothes that I would never need and so much paperwork to complete. I had to get the death certificate and deal with the health insurance, life insurance, and stocks he had acquired through his employer.

As a financial planner, I knew all the pieces that someone must deal with in my situation. I knew how to handle my husband's accounts, and I was familiar with the many forms. Yet, I panicked over health insurance and home renovations and his income having gone away. Some days, I couldn't wait to get to dinner and have a glass of wine. For the next year, I was kind of numb, going through the motions, fulfilling obligations, and trying to keep myself from exhaustion.

It was a long process to take care of things and create a new routine. After trauma, we never really go back, but we establish how we're going to live again. My daughter and I became the "girl team." We leaned into a robust life of connecting with her friends and their moms and my girlfriends. The dynamic of our home and our finances changed, and we constructed a new normal.

In December 2017, my sister died suddenly and unexpectedly. Her death pitched me back into chaos as I managed her estate and her husband's care. That's a story for a little later. But now, when I sit in my office with clients who have lost someone, and they describe their story and their pain, they usually end with, "It's all so overwhelming, you know?"

Yes. I know.

Begin Where You Are

The death of a loved one creates chaos in our lives. There are so many decisions to be made, and our fear of making the wrong choices can be paralyzing. We find ourselves asking, *What's the next step? How will I do it? Will I do it right?* When we're drowning in big emotions, managing the financial aftermath becomes a part-time job we don't want.

If you are in this situation, you may feel there is a big mess in front of you right now. It can be organized. Even in chaos, you can figure out where you are financially and where you can go from there. You can put the pieces together, organize the confusion, and create a financial plan that's easily managed.

On the other side of this chaos, there's so much freedom.

This book will show you how to take measured and meaningful steps to organize the finances in front of you, whether they're yours or an estate you've been left to manage. It's imperative that you break everything down into doable and bite-sized pieces. In this book, I'll show you the basics of how to begin, and you'll gain confidence to work with a financial advisor you trust. A great relationship with a financial advisor can take so much of the logistical burden off your plate, so you can focus on your new normal.

Understanding Finances through Relationships

The death of my husband, and then my sister—very major life experiences—taught me how to organize the work of dealing with a loved one's estate, while having compassion for my own emotional journey. Neither death was expected. I was organized and knowledgeable about the financial picture before my husband's death and completely blindsided by my sister's. I understand how our emotional burdens impact our financial lives.

When clients come to us, we ask them everything. Sometimes that "everything" has nothing to do with number-crunching, but it gives us a trail of clues that helps us pull together a

complete picture of our clients' lives. Some advisors are more transactional and feel they don't necessarily need the whole picture to sell financial products, but I was never interested in being that kind of advisor.

I started my career as a trader and administrative support in the bond room at a regional brokerage firm. In this commission-based environment, I was in the background doing the grunt work and learning to trade securities. During that time, I started to realize the value of relationships to guide these transactions. Unless you know someone's situation, it's harder to determine how they should invest their money. You need to know what you're investing towards.

I moved jobs and worked at a bank, where my boss was a Certified Financial Planner (CFP). As I transitioned to become a portfolio manager, I began studying for my Chartered Financial Analyst (CFA) designation, and I was in school for my MBA. The pieces fell into place, and I realized that fee-only advisors like my boss could give advice and build relationships to serve their clients. The beauty of the world of fee-only advisors is that, because they aren't chasing commissions, they are happy to share their knowledge and experience with other advisors. It was a relief to think I could take my experience and education and apply it to a business model I would love. I went for my CFP designation and started Summit Financial Partners, a fee-only financial planning firm.

It is a gift to connect with my clients, listen to what they're going through, and understand how that impacts their financial lives. I have a unique connection with clients who have inherited chaos after a loved one's passing. I know firsthand that they can get through what they're facing. With patience and compassion, we can conquer the chaos.

One Step at a Time

Part 1 of this book addresses the financial legacy your loved one has left behind. You'll learn the different roles and responsibilities of settling an estate and how to get organized and tackle these new responsibilities in small pieces. You'll gain a high-level understanding

of how to work with professionals who can advise you through the process and take much of the financial load off your plate.

In part 2, you'll find a primer for understanding and incorporating inheritance into your own finances. You'll learn the basics of the accounts and investments you may encounter in your loved one's estate, and you'll understand how to pivot these investments into a plan that works for you. Finally, we'll discuss some of the basics of setting up your own legacy to pass on to others.

What you won't find here is a step-by-step guide for how to set up your own financial plan. Everyone's situation is unique, and your specific circumstances should be considered and built into the best plan for you. You will understand financial language in clear terms, so you can ask clarifying questions and communicate your needs for your financial future with a financial advisor, if you decide to work with one.

Taking on a loved one's financial legacy can be an overwhelming responsibility. Together, we will find the pieces of this financial puzzle, and we'll connect them one at a time. My story is not unique by any stretch of the imagination. At some point in our lives, we all deal with the chaos of losing a loved one. With time and patience, in small steps, the financial chaos can be organized into a new financial picture that supports your life and how you want to live it.

Part One

From Past to Present: How to Manage Financial Chaos

Chapter One

Defining Roles

The most challenging aspect of managing a deceased loved one's estate is the paralysis of not knowing what to do next. *What is my next step? How do I do it? When do I do it? Will I do it right?* It's imperative to break everything down into doable, bite-sized pieces.

When my sister died, no thought had been given to how someone might pick up the pieces. Mary wasn't organized in her finances, and her husband Stan was in cognitive decline. She died suddenly at home, likely from a heart attack. Stan didn't call 911. He called my parents and told them that Mary, who had a small craft business, "can't paint anymore." My mom probed with questions: *Is Mary sick? No. Did she have an accident? No. Did she have an asthma attack, or a seizure?*

Finally, she asked, "Stan, did Mary die?"

"Yes," he replied.

Stan was named the executor of Mary's estate, meaning he was responsible for resolving her assets. We'll define that role in more depth shortly. But Stan needed help—not just to manage the finances but to arrange his ongoing medical care.

We visited an attorney to have Stan sign a document declining to serve as executor. I left the attorney's office with two roles: executor of my sister's estate and power of attorney for her husband.

Taking on this responsibility meant taking on a big unknown. When my husband Eric died, I was struck with the heavy emotional blow, but I already had full knowledge of our finances and the logistical steps that I needed to take. Taking on my sister's estate was complete chaos. I didn't know their bills, their investments, or their needs, and I was immediately thrown into the tasks of cleaning out their house, setting Stan up in assisted

living, selling their home and cars, and coming to terms with the long-term financial plans Stan would need to support his future.

These documents that declared me as executor and power of attorney gave me authority, but no one told me what to do. At times, these responsibilities felt overwhelming, and it was tough to know where to start. There were so many threads in Mary's finances and Stan's care to follow and tie off. Through understanding my responsibilities in the role of executor and power of attorney, my first steps began to take shape.

Understanding Responsibilities

We'll discuss how to begin organizing finances in the next chapter, but first we'll define the roles and responsibilities for each person managing a loved one's estate. To begin, it's important to define three terms: power of attorney, executor, and beneficiary.

Power of Attorney

Power of attorney is given to a person who has the legal authority to act on someone else's behalf while that person (called the "principal") is still alive. This role primarily refers to financial decisions, but as you'll see, power of attorney can be established for medical decision-making as well. In some cases, power of attorney is granted if someone is declared incapacitated through legal and medical means.

A person with power of attorney over someone's financial matters can open and close accounts, write checks, sell assets, plan the estate, and otherwise operate in place of that person for all financial matters. There are a few types of power of attorney worth noting: durable, nondurable, medical, and springing.

Durable Power of Attorney

A durable power of attorney is effective immediately, and it only expires on the principal's death. In two separate examples, I have my mother named as my durable power of attorney, and I am the power of attorney for my sister's husband, Stan. In the case of my

mother, I named her my power of attorney so that, if something were to happen to me, she wouldn't have to go to court to establish the authority to make decisions on my behalf. There is no triggering event to put a durable power of attorney in effect.

In Stan's case, he is incapacitated, and my role as power of attorney allows me to settle my sister's estate and set up Stan's care for as long as he needs because there is no time limit to this type of power of attorney.

Nondurable Power of Attorney

Nondurable power of attorney is for a set period of time. This structure can be used to give someone legal decision-making power in place of the principal for a single transaction, and it can be set to expire after the event is over. This power of attorney is especially useful if one has a spouse who travels a lot. For example, if a couple are buying a house, nondurable power of attorney would allow one spouse to sign for the other, but it could be set to end after that transaction.

Medical Power of Attorney

A medical power of attorney is set up to grant another person the power to make healthcare decisions for the principal, particularly when they are incapacitated.

Springing Power of Attorney

This structure "springs into action" at a future date when a specific event occurs. Springing power of attorney can be set up to give someone authority after the principal has had an accident, become incapacitated, or had another triggering event that has been decided in advance.

Choosing the Right Person for Power of Attorney

When deciding who should hold power of attorney, it's incredibly important to choose someone you trust. Once it's made active, this person has the authority to make legal, financial, or medical decisions for you.

As I mentioned above, my mother has my power of attorney. I have a twelve-year-old daughter, and it's important to me to have structures in place for my mother to make decisions for my daughter and my estate if needed. My mother can even write a check out in my name if she has the right paperwork to prove it. I completely trust my mother and having the power of attorney in effect makes it easier for her to immediately care for my daughter if anything were to happen to me.

Executor

The role of the executor is to make sure an estate is divided and distributed properly in accordance with how the will states things should be. When someone leaves money to a person or organization in their will, the executor is responsible for making sure that money is distributed to the appropriate parties. The executor drives the process of proving the will (known as "probate") and distributing assets.

In the first step, the executor takes the will to a court to prove that it is the valid last testament of the deceased. Not all wills go through probate. In some cases, an estate has too few assets for probate to be necessary. Some assets can be passed directly to the beneficiary without going through an executor. When a spouse dies, jointly-owned property passes directly to the surviving spouse with no need to consult the will or involve the executor. One example of this is a home that two spouses own as joint tenants with rights of survivorship: when one spouse dies, the surviving spouse becomes the sole owner. Another structure that can be set up to bypass a will is a trust. Trust funds can hold assets and dictate how they are distributed, so a will and an executor are not needed to transfer these funds to the beneficiary. You'll learn more about trusts and how they work in chapter 7 on estate planning.

If you are stepping into the executor role, an estate attorney can be helpful in determining whether a will needs to go through probate and how the wishes of the will should be carried out.

Once the will is verified, the executor is responsible for making sure that assets are distributed according to the will. The executor contacts companies (such as investment or retirement accounts) that hold assets to let them know a triggering event has happened and they are to transfer assets to the appropriate beneficiary (we'll get to exactly what a beneficiary is next).

The executor is accountable to the county or municipality where the deceased person lived, and they report how the assets were distributed to the commissioner of accounts. Counties vary in how exacting the records must be on an estate. For example, the county where my sister lived wanted to know to the penny that I'd done what I was supposed to do with her assets. My record keeping had to be very exacting and detailed.

Executors can draw a fee for the work of distributing the estate, and they must show that the fees they're taking are reasonable. Family members and survivors are not the only people who can serve as executors; an attorney can be hired for this role. A paid executor can be beneficial if there's a lack of trust between siblings or if the task seems too large for the person that was named the executor.

The executor is also responsible for settling the costs of the funeral. Life insurance policies are often used to cover those expenses, or the cost may come out of that person's assets. A word of compassion here: when the executor is a family member, they often feel a lot of guilt around making the best decisions and purchases around the funeral. It doesn't add value to buy the most expensive casket and vault and grave marker, or to take on guilt over those decisions. Over time, the impact of those details fades away.

Being an executor is a part-time job. If you've already begun to step into this role, you know the nature of the burden. It is frustrating, exhausting, and tiring work. You have to understand the paperwork required at each step. You'll spend time going to the bank, calling insurance companies, and transferring investment accounts. You might spend several days sitting and waiting at the Department of Motor Vehicles. You'll spend an inordinate amount of time on the phone. You may want to burn down the buildings of

companies that make your paperwork and your job harder. Operating in the financial world, I already understood how to do most of the job of executor, and yet my sister's relatively simple estate took four solid weeks of work time over six months.

It is possible to lighten the load, one small piece at a time. The first task is to learn where all the pieces of the financial puzzle are so you can begin to organize them and make a plan to deal with each account. In the next chapter, we'll discuss how to find all the accounts, bills, and plans that need to be dealt with, and then we'll lay out a hierarchy for when—and how—to resolve each piece.

You don't have to do this job alone. Part of the process of being an executor is recognizing how many responsibilities you can tackle effectively and how many might be necessary to hire out. An attorney or paralegal can help you understand your responsibilities and reporting requirements. As we'll see in the next chapter, a financial planner can help uncover and sort the various accounts that are to be distributed.

As an executor, you'll need to keep clear records. It's beneficial to be organized and detail-oriented, so that you can take one small step at a time toward resolving the estate.

Beneficiary

In financial terms, the word "beneficiary" is used to describe recipients of assets from a will, trust, retirement account, or insurance policy. Upon a person's death, the beneficiaries named on their accounts become the automatic owners of those assets. The transfer of those assets skips the estate process and goes directly to the beneficiary. Typically, the beneficiary would need to open an account with the brokerage firm that owns the asset, and from there, the brokerage firm would transfer the inherited funds to the beneficiary's new account.

Being a beneficiary comes with a few responsibilities. They usually have to open an account in their name as the inheritor to receive their assets. The executor will usually drive the process of getting assets moved by reporting the triggering event. For example, if there is a

Vanguard account that is to be transferred to a beneficiary, the executor would present the death certificate and Vanguard would contact the beneficiary to get the ball rolling. The beneficiary would then have to call or come in to open the appropriate accounts. A beneficiary can also go directly to Vanguard and present the death certificate to get started, but this responsibility usually falls on the executor.

Beneficiary designations trump any contradicting plans stated in the will. This means that if a retirement account has one beneficiary listed, but the will states the retirement money should go to a different person, the beneficiary designation on the account will be honored over the wishes in the will.

In a notable example, there was a case of a woman in New York City who set up her retirement accounts when she was fresh out of college and named her sister as her beneficiary. She later married, but never revisited her beneficiary designation. After fifty years of marriage, she passed away. All of the money that she intended to go to her husband went to her sister instead. The beneficiary designation trumped the will, and legally, the money became her sister's, even though it wasn't the woman's intention. This decision was upheld in court, and the husband was out of luck.

I ask my clients to review their accounts once a year to make sure the beneficiary designations are current and correct. It's incredibly important to keep these designations current, and they take only a few minutes to update.

One Step at a Time

Before you can begin looking into a loved one's accounts and assets, you'll need to have the legal authority established to ask questions and gather information. An attorney can guide you to have the documentation in place if you're serving as an executor or have power of attorney. With clear guidelines for the responsibilities of each role in the process, you can begin the first steps to organize and resolve the pieces of a loved one's estate. You'll learn

how to begin gathering accounts and sorting documentation in the next chapter. We'll take this one small step at a time.

Chapter Two

Getting Organized

I began managing my sister's estate and my brother-in-law's care in the same way I manage many things in life: with a to-do list. Understanding their financial life was a matter of following pieces and clues, and my list grew longer with each one. With six bank accounts at three different banks, missing car titles, and investment accounts with no statements, it was overwhelming to see more items pile on to the list faster than I could check them off.

I would file a form only to figure out that three more forms were required. I would do one tiny step and then wait to see what new steps were needed. It felt like tasks just came out of the woodwork at me. There was no quick fix; every accomplishment was one step forward and a half step back.

Yet, in tiny increments, I made progress one step at a time. At one point, I was dedicating one afternoon a week to getting through different pieces of my sister's will. I'd strategically plan an afternoon at the DMV for a Wednesday at 3 p.m. when it was least busy. Blocking out time this way helped alleviate the feeling of being overwhelmed. If I didn't get my one piece resolved at the DMV that day, I went back the next day. I made lists of the steps that needed to be done with each institution, so that I could methodically work my way through them.

It is possible to lighten the load, one small piece at a time. The first task is to learn where all the pieces of the financial puzzle are, so you can begin to organize them and make a plan to deal with each account.

Bring Everything Out of the Woodwork

Everybody has piles of mail and papers somewhere, and these are the best first clues when looking for a loved one's accounts. You can find a lot of important account information in

those piles. It can be an unpleasant task to sort through these papers, but it's a necessary one. In the case of my sister, my mother actually found the will in a pile of papers. It wasn't filed anywhere. We also found some things too late: my sister had some desires for her funeral that we didn't know about until we found her specifications after the fact.

Even when you're organized and proactive, you may find yourself putting out fires. Recently, I was surprised by a phone call about Stan's prescriptions. Whoever set up his prescriptions at his assisted living facility had written down the wrong name and address for me. Several months later, I received a phone call: apparently, Stan's medications had not been paid since January. It was July. The bill was \$5,000. I never received the bills for his medication. The company was about to cut off his medication. We were able to pay the bill just in time.

Sometimes you have to wait for details like this to come to you. The more organized you can make the accounts you do know about, the easier it will be to deal with surprises.

When embarking on this journey, the biggest clues are in the mail. Whether it's an electricity bill or a retirement account, most companies will send notices on a monthly or quarterly basis. Each of these notices can give you details about the account number and who to contact.

Forwarding Mail

As executor and power of attorney, I went to the post office and had all my sister's mail forwarded to me. Although this might seem like a lot, it's always better to start out with more information about someone's finances and then wean it down if it's not relevant.

You can easily have mail forwarded by visiting a post office and giving them your forwarding address. You'll need documentation that names you as executor or power of attorney for your loved one to set this up.

Keep an eye on the mail for one year. This is the maximum mail cycle for accounts that send yearly statements, so you can be confident that you've received notices from all the companies that hold assets or debts.

Checking Bank Statements

You can comb through bank statements to see if any random deposits were made into an account. For example, you may not have a statement for a retirement account—and therefore you don't know it exists—but you may see a withdrawal you don't recognize leaving a bank account. This withdrawal would have information attached to it that you could track down and then use to see where the money was deposited.

Finding Electronic Statements

Although mail is one of the best ways to start piecing things together, this isn't a foolproof solution. If your loved one received statements electronically, their account information may be in an email account that you don't have access to.

Look for email logins, so you can check your loved one's inbox. Bills could become overdue or insurance could go unpaid, and you may not know until you get a phone call.

If possible, it's best to have a list of all accounts and passwords ahead of time. In order to be proactive, I recommend people print and file one statement annually. Even this small amount of information is so much better than going in cold with nobody to ask.

Searching the State Database for Unclaimed Assets

Another potential avenue to find assets is the state's database for unclaimed assets. When property or assets go unclaimed, they are turned over to the state. Each company that holds an asset will first attempt to contact the beneficiary before reporting it as unclaimed, so it can take years for these assets to show up at the state department. Through each state's Department of the Treasury website, you can find a Division of Unclaimed Property. It's a good idea to search in each state the deceased lived in, and to check back each year.

I also recommend searching your own name, both in your state's database and at the institutions that hold your loved one's assets, just in case you may have inherited something without knowing.

Hidden Treasure

You may find clues that need further investigation. Be careful not to throw out items that could be useful. Not everything you find will be a "good asset" that holds a lot of wealth, but it's always worth looking into.

Different generations hold differing ideas on how to handle money, and this influences how people invest and where they put their assets. For example, people who went through the Great Depression tend to be less trustful of banks and financial institutions. Occasionally my clients have found assets hidden in their parents' houses: keys to lock boxes, paper bills stuffed in the pages of books—and I've even heard one story of a woman finding diamonds hidden in a rolled-up newspaper. It's important to check everything before tossing items or papers.

What to Throw Out

As you organize papers and decide what to throw away, you want to look out for anything that has a dollar amount attached to it. Whether they're bills or financial accounts, these documents are your clues for what debts and assets the estate has.

However, there's no need to keep old statements and bills as long as you have the most recent statement to reference. It's recommended to keep the most recent seven years of tax returns, but it's not necessary to hold on to the last twenty years of tax paperwork in the attic.

You'll use these statements to identify what institutions to look into, and where your trails begin. Once you're in contact with the institutions that are connected with your loved one's

estate, you'll be able to access all the necessary account history. You can let the older paperwork go.

Identifying Top Priorities

The first documents to address are bills for insurance or utilities that the survivors might still need. This includes medical, life, property, and casualty insurance, as well as electricity, water, and gas bills. You don't want power to get cut off in mid-January's freezing cold if an elderly person is living in their own home. Losing medical insurance can be a nightmare for survivors. It's important to have property and casualty insurance to protect assets in the case of an accident or natural disaster, so that the survivor isn't at risk of losing their home. Property and casualty insurance can sometimes be reinstated if the policy lapses, but health and life insurance policies can't be put back in place once you stop paying the premiums. It's important to know whether they're needed before you let them go.

Inheriting Debt

When a loved one dies, their personal consumer debts, such as credit cards, are paid with assets from the estate. For this reason, the county's commissioner of accounts may require the executor to wait one year to fully close out the estate, so that if a debt surfaces the money is still there to pay it. If there's not enough money in the estate to cover a debt, the debt is typically dismissed.

Jointly-owned debt, such as a credit card in both spouse's names, transfers to the surviving owner. Joint debt can go unnoticed when, for example, a spouse doesn't pay attention to the couple's finances, and discovering debts like this can come as a shock.

A friend of mine experienced this. Her father had cancer when she was very little, and in the years before he died, he racked up considerable credit card debt on an account that was also in her mother's name. When he died, my friend's mother was pitched into chaos: previously a stay-at-home mom with four kids, she had to get a job to work off the crushing

debt. It took several years to get rid of it, and the saving grace was a small family beach property that she was able to sell to cover the last of it.

Because of her lack of knowledge of her finances, she had no idea this debt was coming her way. She trusted her husband, and she was overwhelmed with the stress of caring for her sick spouse and her four children. My friend decided that in her own partnership, she would never not know her finances. She is now married, owns a business with her husband, and has full knowledge of her financial situation.

The aftermath of a loved one's death can lead to debt as well. A death in a partnership can mean a loss of income for the survivor. A client of mine had a job she loved, but she wasn't highly paid, and when her husband died, her expenses were greater than her income. She maxed out all of the debt she had access to, until she was paying a quarter of her income on interest alone. She was hobbled by it. We found an unconventional solution for her: she had paid off her mortgage with her husband's insurance money, so she got a home equity loan to pay off her debt and reduce her interest. She will continue to work on this debt for years to come, but we were able to make it much less painful and penalizing.

In cases like these, it's important to chip away at the debt a little bit at a time. When clients have multiple debts, I encourage them to pay a little bit extra on their smallest debt to pay it off as quickly as they can. Once the smallest debt is paid off, they can take the amount they were paying to that account and add it to their payment for the next smallest debt. In this way, the payments create a snowball effect that cleans up debts along the way, from smallest to largest.

Tackling One Institution at a Time

Once you have gathered all the papers you can find, begin to group them by institution. You may not yet know what each account is, or what's important, but organizing like papers together will give you a picture of all the institutions involved. A financial advisor can review these documents with you and guide you through the process of calling each

institution to see what accounts your loved one held there, and what steps need to be taken to transfer those assets.

Once you have the paperwork grouped by institution, create a list of all the institutions you need to call. You can tackle all the accounts at that institution on the same phone call. In my experience, working with one institution at a time gives order to the chaos.

When you make these phone calls, you'll first need to establish your authority to take action with accounts at each institution. You'll need to provide a copy of your affidavit of executor or power of attorney, as well as identifying information for the account holder: their Social Security number, birthdate, and address.

Next, you'll ask about the account that you know is with the institution. Each institution can search the Social Security number for any other accounts in your loved one's name, so ask if any other accounts exist for them.

Finally, you'll ask what paperwork the institution requires to move the assets into another person's name. They may require additional proof, such as a copy of the death certificate, and typically these documents will need a notarized signature. More steps may be added to get paperwork notarized before it can be submitted.

Usually, the beneficiary will need to open a new account and transfer the inherited funds into it. In some cases, the beneficiary will want their accounts created with a different bank or brokerage firm, and it's a multistep process to transfer funds from one institution to another.

Of course, it's never easy to get through all the bureaucracy and processing time it takes to approve paperwork. Breaking down all items on your list into bite-sized tasks will help make a larger task seem more manageable. Imposing an arbitrary end date for completing all tasks can be tempting, but in my experience, it only adds unnecessarily to the stress. You will run into roadblocks, and it will be less painful to do so if you work bit by bit.

Once all the accounts have been identified, transferred to the appropriate beneficiaries, and reported to the commissioner of accounts, the job of the executor is done. For the beneficiaries, the next step is to organize and consolidate the assets they're inheriting.

Simplifying Assets

With the transfers completed, the next step for the heir to simplify their newly inherited accounts is to gather the funds into one account to make investments and disbursements. Here's where a financial advisor can become invaluable, by taking all the confusion of transferring and investing money and making some sense of it. A financial advisor can tell you what paperwork is needed, fill it out for you, describe what it means, tell you where to sign, and take care of all the necessary steps. They can lighten the load.

Inherited finances become easier to manage when they're gathered into as few accounts as possible. Accounts of the same type can be consolidated; for example, separate IRA accounts can be combined into one. However, you can't mix different account types, such as an IRA with a taxable account. The key is to minimize the number of accounts you're managing.

The process to collecting assets into one place can be complex, and it varies depending on the institution holding the asset. A new account must be opened in the heir's name at the same institution where the deceased person's account is already held. The executor then signs a letter of instruction to the institution, letting them know the new account is open and how the assets are to be distributed. Once the new account is funded, investments can be made. If you're transferring these assets on your own, you'll need to learn the steps required by the institution you're working with and decide how you wish to invest the inheritance.

If you work with a financial advisor, they'll walk you through all these steps from the beginning and pull all these assets into one place with one custodian, such as TD Ameritrade. It's also possible to manage your own investment action through a brokerage

platform like E-Trade. We'll discuss how to identify your goals and plan new investments in part 2.

The key to conquering this complicated and multi-stepped approach is to simplify as much as possible, as early as possible. No matter what, the process is going to require a lot of patience to get it done properly. One step at a time, you will get closer to resolution.

Resolving my sister's estate taught me the importance of having financial information organized and accessible. When you don't have a close family member who has good knowledge of the financial picture, organization becomes even more important. When a loved one dies, many pieces of their financial picture can be hard to find. Professionals—from financial advisors to accountants to attorneys—can help you see the clues more clearly, as you'll see in the next chapter.