

Items of Value, Inc.

Appraisals for Estate Planning and Estate Settlement

Basic Questions

1. What comprises your estate or anyone else's estate?

Three basic components: (a) stocks/bonds/cash, (b) real estate, (c) personal property. Your estate is everything you have bought, were given, inherited, awarded or won that has thereby entered your ownership. Personal property is all movable items both inside and outside your home, at other locations, plus motor vehicles, boats, and animals.

2. When do you lose control of your estate?

(a) You die, (b) court or custodian decides you can no longer manage your affairs, (c) court awards part of your assets to someone else. You may lose mental capacities through Alzheimer's or you may have irreversible declining health requiring full-time professional care, or court may award part of your assets to someone else as part of a divorce or bankruptcy settlement.

3. Why should you plan ahead? Why should you do estate planning?

(a) Make decisions while you still have control over your estate, (b) save a tremendous amount of time (estimate 6-8 weeks full time) and money expense to your heirs or executor, (c) have the feeling of personal comfort from knowing that you "have your affairs in order", having made planning decisions and having avoided family squabbles.

4. What happens if you do not do estate planning?

(a) The task of settling your estate and dividing up your estate falls to someone you have designated or to a court-appointed representative. Both will be required to do the work and can charge time and expenses against your estate. (b) Your heirs will lovingly divide up your property and wonder why you kept so much junk or did not give it to them earlier. (c) You will look down on your heirs and say it serves them right.

5. What type of value is declared for your estate?

Fair Market Value (FMV), as defined by the Internal Revenue Service (IRS), being the price an item is estimated to fetch as determined by a willing seller and a willing buyer without any time requirement to sell or buy. FMV has three components: (a) willing seller, (b) willing buyer, (c) no time constraint a somewhat artificial situation.