Chapter 7
Your Assets

What is an asset? For the purposes of this book, I am **not** referring to a person's inner strengths, qualities, talents, or other attributes that make him or her such a wonderful person to know personally or in business, although such a person may very well be considered a valued and essential employee of a company for purposes of "key person" insurance described in the insurance chapter of this book.

In this book, an asset is deemed to be an item you own, either having economic value or being capable of producing economic value. It can be tangible (something you can touch, like an automobile or diamond ring) or intangible (something you cannot touch, such as patents, trademarks, and goodwill). It can also be something having sentimental value (such as your grandparents' wedding picture).

1. **You need to identify <u>what</u> you own that may have value**

The purpose of identifying assets in your "Everything" file is to make sure your loved ones know it is an item that has monetary or sentimental value.

Most assets are easy to identify, such as real estate, automobiles, jewelry, and bank accounts.

But what about other types of assets that might not have obvious value?

For example, I have a collection of lawyer and judge figurines and artwork. Most of them are cute little statues I bought at an art fair or in a store for under $50.00 each, and probably wouldn't fetch more than a few dollars at a garage sale. But a few pieces are figurines by Royal Doulton and Lladro and have a value more than $1,000.00. To the uneducated eye, a person trying to liquidate an estate might not know that some of the pieces have value, and could wind up selling them at a garage sale for a fraction of their value. It is important that particular items of value like these be identified, so they can found by your loved ones.

Perhaps you have some collections of your own such as some relatively valuable coins or stamps haphazardly kept in a jar or a desk drawer? How about valuable jewelry mixed in with costume jewelry? Maybe some antiques or vintage items that the uneducated might perceive as "old stuff" to be donated to charity?

Have you invented something? Written a book? Are you a plaintiff in a lawsuit? Does someone owe you money? Without identifying them, who else would know about these assets?

2. **You need to identify <u>where</u> your valuables are located and <u>who to contact</u> to get them**

In the questionnaire I have provided, the questions may seem endless, but each question is meant to spark your memory as to a potential asset you might have otherwise forgotten to include in the list. Every "yes" answer lets your representatives know the asset exists. Every "No" answer saves them time by letting them know it is unnecessary to search for an asset that does not exist.

Similarly, you may have bank accounts, investment accounts, retirement plans, insurance policies, and other monetary assets. But someone needs to know the institutions at which they are located, account numbers, contact information for a representative of the institution, and more. Today, companies encourage you to be "green" (i.e., being kind to the environment by saving a few trees and getting your statements sent to you electronically instead of printing them out on paper and mailing them to you).

Going "green" may be an admirable goal, but without paper statements, how would anyone else know you have these accounts unless you tell someone? Perhaps an end-of-year or tax informational form would give them a clue, but those forms and statements may not be sent out for several months, if at all. If your representatives need money to take care of you now, you may not have the luxury of hoping your representatives find out about the account.

Think about other places where you may have assets of value. What about at your place of work? While most of my non-financial assets are kept at home, all the computer equipment, filing cabinets, and more are at my office belong to me (not to mention the extremely valuable business information stored in my office computer—dutifully backed up offsite on a regular daily basis, of course). Do you keep things of interest (including important documents) in a desk drawer, filing cabinet, or office safe? Do you keep important information on your office computer? Would your representatives know whom to contact and how to contact them to get access to these assets, documents, and information? Would they know what belongs to you (as opposed to assets belonging to the business you work for) and how to retrieve your important information from your business computer?

Is someone holding onto anything of value to you or your loved ones? If so, you want to identify the asset, who is holding it for you, why (e.g. is the asset meant to be collateral for a loan), and how to contact the person.

Does anyone owe you money? If so, what is the amount and circumstance of the debt? Is there a promissory note or other evidence of the debt, and where is the documentation located? If not, what are the terms of the debt?

Are you involved in a lawsuit in which you are seeking damages from someone else? Your representative will need to know the details, case name and number, and know how to contact the attorney who is representing you.

Do you have a safe deposit box at a bank? Your representative needs to know the location and telephone number to the bank branch, and needs to have the legal authority to get access to it. This is where I recommend you keep the all-inclusive copy of the "Everything" file. Assuming you fully trust your representative (why would you name this person as your representative if you don't fully trust him?), you may want to provide him with a key and have him as an authorized signatory on the box.

Do you store anything in a storage facility? Your representative will need to know where it is located; whom to contact, along with their contact information; how much you are paying; where the rental agreement is located; and who has a key (or knows the combination) to the lock on the door. After a certain period of time, if the rent isn't paid, storage facility owners may have the right to dispose of all the valuables you have stored there.

Some people have hiding places. In administering estates over the years, I have discovered valuable stock certificates taped behind drawers, under carpets, and mixed in with unrelated files in a drawer. I have found jewelry and cash in an oatmeal box in the pantry, in a feminine hygiene product box under a bathroom sink, and in a hollowed-out book on a bookshelf. Some people still bury cans filled with cash and other valuables in their backyard.

I had one particularly interesting estate in which a retired schoolteacher passed away. She was an avid reader with wall-to-wall bookcases overflowing with books in her apartment. The children were sure she owned nothing of value, and that she was living on her social security, so they called a local charity to pick up all the books and bookcases, so that the apartment could be turned back to the landlord.

Over their objections, I reminded them that, as Personal Representatives of the estate, they had an obligation to search for assets, which turned out to be a good thing. While none of the books were collectible or had any particular monetary value, we discovered a $10, $20, $50, or $100 bill on page 77 of every single book in the apartment! All in all, the discovery totaled $35,000.00!

Do you have a hiding place? Since you haven't told anyone about it (why would you? After all, it IS a hiding place!), rather than risk the hidden assets being lost forever, at least indicate where the hiding place is located on the copy of your "Everything" file that will be kept in your safe deposit box or other secure location.

Look around your house (including your closets, garage, attic, and basement), your workplace, your storage unit, and any other place you may have assets having economic or sentimental value. Your representative will need to know what the asset is, where it is located, who needs to be contacted to gain access to the asset, and how to retrieve, sell, or dispose of the asset.

Unclaimed Property

Don't forget about assets that are missing. This is a redundant statement, as they are missing, because you have already forgotten about them.

Unclaimed property (sometimes referred to as abandoned property) refers to accounts in financial institutions and companies that have had no activity generated or contact with the owner for one year or a longer period. Common types of unclaimed property include:

- Bank accounts and safe deposit box contents
- Stocks, mutual funds, bonds, and dividends
- Uncashed checks and wages, traveler's checks
- Insurance policies, annuities, CDs, trust funds & distributions
- Utility deposits, escrow accounts
- Customer overpayments, unredeemed money orders or gift certificates, etc.

Each state has enacted an unclaimed property statute that protects these assets from reverting back to the company if you have lost contact with them. The companies are required to turn these assets over to a state official who will make a diligent effort to find you or your heirs. The states hold the lost assets until you are located, and will return them to you at no cost, or for a nominal handling fee for filing a claim form and verification of your identity. Since it is impossible to store and maintain all the contents of safe deposit boxes that are turned over to the state, most states hold auctions and hold the proceeds from the sale for the owner. Some states sell stocks and bonds and return the proceeds to the owner in the same manner.

Occasionally, you may receive a letter from a company that says something like "We have located assets that may belong to you, and for a fee of 30% (or some other percentage) of whatever we recover for you, we will help you retrieve it." The assets they have "found" are usually the types of assets that have been turned-over to the state. You don't need the company to retrieve the asset for you, let alone pay them a third of its value.

A friend of mine received such a letter, so I contacted the Florida Bureau of Unclaimed Property on her behalf and discovered that 30 years earlier, when she was a teenager and had worked for Busch Gardens one summer, she had been awarded one share of Anheuser-Busch stock (Budweiser). She knew nothing about it (or had forgotten about it). Over the 30 years, there had been a stock split or two, as well as reinvested quarterly dividends, bringing the current value to over $2,000.00. It cost her nothing to file a claim, and she was able to retrieve the money without having to pay the company sending out the letters. She didn't need them to file the claim.

As an experiment, I made a similar search under my own name and discovered a $190.00 security deposit I had given to Tampa Electric when I first moved to Florida 25 years earlier. I had completely forgotten about it and had no trouble getting it back from the state.

There are several ways to search for such assets, and I encourage you to do so, as you may be pleasantly surprised. You can check on the website for the National Association of Unclaimed Property Administrators (NAUPA) at www.naupa.org. While NAUPA is the association of all the states' unclaimed property programs, each state maintains its own database.

Or, if you prefer, you can simply do an Internet search for the name of the state in which you live or lived in the past, click "unclaimed property" and you should be able to locate the state's site. An owner, and often an heir, can make a claim. Links to all the states' unclaimed property websites, as well as several Canadian provinces, are provided at the end of this chapter.

Probably the easiest way to search most of the states at once is to use www.MissingMoney.com, which is officially endorsed by NAUPA and the participating states. The site will help you to search for your family's missing, lost, and unclaimed property, money, or other assets. They are continuously adding more states, so you may need to use any missing state's own website. A complete listing of each state's links is provided at the end of this chapter for your convenience.

While writing this book, as an experiment, I typed in my wife's name on www.missingmoney.com, and while her name was not associated with any unclaimed assets, it did reveal that two of her brothers had unclaimed assets, one being an unclaimed asset from a department store (it was less than $100), and the other finding more had been turned over by the Hewlett-Packard Company.

3. You need to identify where the <u>proof of ownership</u> of the asset is located

Some assets have proof of ownership. For example, your representative may need the deed to your home, title to your car or boat, stock or bond certificates, insurance policies, etc. Your representative needs to know where these documents are located. In many cases, it may be more difficult, and sometimes more expensive, to transfer ownership of these assets without having proof of ownership.

In the case of stocks and bonds, most people keep them in book-entry form at a brokerage firm. If there is a stock split, the new shares will automatically appear in one's brokerage account. But not too many years ago, this wasn't the case. People would keep their stock or bond certificates at home, in a lockbox at home, in their bank safe deposit vault, or in one client's case, taped behind a painting on the wall. If your representative needs to sell the stock or bond on your behalf, he will need to be able to deliver the certificate to the brokerage firm selling the security. If the certificate cannot be located, a lost certificate affidavit will need to be completed, and a surety bond will need to be obtained at an additional expense to your estate.

Up until recently, if you were holding a stock certificate, and the company had a stock split, or the company merged into another company, you would receive additional stock certificates. Today, if one already had the stock certificate that had not been deposited into their investment account, stock splits and reinvested dividends might be held at an electronic clearing house, transfer agent or registrar, such as Computershare, Ltd, BNY Mellon, or EquiServe. Often, ownership of these additional shares are overlooked, because your representative might not realize or understand there are shares in addition to the certificates found.

A few years ago, I had a 95-year-old widower client who kept all his stock certificates in his safe deposit box at the bank. He liked getting and depositing his dividend checks, although there were so many stocks, he frequently got confused as to which dividends were paid and when, and often forgot to deposit the checks. I recommended that he consider putting all his stocks into a brokerage account, which could hold the stocks and receive all the dividends, and that he have an estate-planning attorney establish a revocable living trust in order to avoid the costs of probate. Based on the amount of his stock and bond holdings, probate would have cost his heirs over $20,000, so the $1,500 spent on the trust was a worthwhile expenditure. We retitled his stock account into the name of the trust, and when he passed away, all the account assets were easily distributed to the beneficiaries of the trust.

However, the client failed to, or didn't realize he should, tell the attorney that many of his stocks had multiple stock splits and mergers. All the additional shares that would have previously been sent to him were now held in electronic book-entry form by the company or clearing house. Most likely, the client didn't realize or understand the electronic shares also needed to be changed into the name of the trust. As a result, these electronic shares remained in his name individually and had to go through probate at a cost of over $15,000 to the beneficiaries of his Last Will and Testament. All this could have been avoided had the electronic shares been changed into the name of the trust, which would have cost nothing to accomplish. Luckily, the beneficiaries of his Will were the same as the beneficiaries named in his trust; otherwise, someone else might have inherited all these assets.

This scenario is one reason I always recommend that clients deposit any physical stock and bond certificates into their brokerage accounts. Any stock splits, dividends, and interest payments are paid into the account, so one doesn't need to worry about misplacing a certificate, having it stolen or destroyed in a fire, and dividends from all stocks and mutual funds can be retained in the account, reinvested (if permitted), or paid out directly to the client's bank account or mailed in a single, combined check to the client. Everything is conveniently held in a single place for your representative to handle on your behalf.

In addition, if a client has several accounts scattered about amongst several brokerage firms, banks, and mutual fund companies, it is a major inconvenience for his or her representative to locate them all, and go through the hassle of consolidating them (when possible) into just one or two financial institutions for ease of administering the assets. Therefore, I recommend that clients take the initiative to do the work needed to consolidate the various accounts into one or two financial institutions to make it easier on their Personal Representatives and loved ones, and reduce the possibility of an asset being overlooked.

The same analysis applies to mutual funds held directly at the mutual fund company and annuities held directly at the insurance company.

4. You need to identify <u>how</u> the asset is <u>titled</u>, and whether the asset has a <u>named beneficiary</u>

Determining how the asset is titled (i.e., how it is owned) and whether or not there is a named beneficiary is extremely important.

Sole ownership

If you own an asset in your name only, it is clear. It belongs to you, and you can do with it as you please while you are alive.

If you are alive but no longer able to handle your own affairs, your representative operating under your power of attorney or guardianship should be able to handle the asset on your behalf. (I say "should" be able to deal with it, because some financial institutions may not honor a Power of Attorney, even though many state laws require them to do so. So, with banks, I recommend having the person(s) you have designated as your "Attorney in Fact" under your Power of Attorney be an authorized signer on your account(s), so long as you trust the person so designated).

Upon your death, the asset will most likely need to go through probate before it can be sold or delivered to whom you have designated to receive the asset in your Will (if you have one), or through the intestacy statutes of your state (if you do not have a Will).

TOD Accounts, POD Accounts, and Beneficiary Designations:

As with sole ownership, you are still the owner of an asset held in a Transfer on Death or Pay on Death account, and you can do with it as you please while you are alive.

If you are alive but no longer able to handle your own affairs, as with sole ownership, your representative operating under your power of attorney or guardianship should be able to handle the asset on your behalf.

Upon your death, the beneficiary or beneficiaries designated on these types of assets will automatically receive the assets without the necessity of the asset passing through probate. The asset is said to have passed to them "by operation of law."

It is important to periodically review your beneficiary designations to make sure they are up to date and accurately reflect whom you want to receive the assets. There was an unfortunate case which illustrates the point: A man was in his second marriage, and had been happily married to his second wife for over 20 years when he passed away. The bulk of his assets were in a retirement account at his former place of employment where he had worked his entire career, which spanned both marriages. When he started working there (during his first marriage), he dutifully named his wife (now his ex-wife) as beneficiary but forgot to change the beneficiary designation when they got divorced. Upon his death, the court upheld that his first wife, not his current wife of 20 years, was entitled to receive the entire retirement account!

Note: To avoid this horrific result, many states now have laws that, upon divorce, deem the first spouse to have predeceased the owner of the asset. This would have enabled his second spouse to inherit the retirement account, but probate may have been required for her to get it. Sometimes these laws limit to certain types of assets (e.g. retirement accounts), but not to other types of assets (e.g. insurance policies).

A similar problem may due to the death or birth of a loved one. If you name someone as beneficiary, that person will automatically inherit the asset upon your death without probate. But if the beneficiary dies and you don't name a new beneficiary, the asset will go through a probate estate and will pass to whomever you have named in your Will (if you have one), or under the intestacy laws of your state (if you don't).

Also, consider the birth of a child. As an example, assume you have named your spouse as beneficiary of a life insurance policy, and your two children as contingent beneficiaries (the two children inherit the proceeds only if your spouse predeceases you). A third child is now born to you, and your spouse passes away. If you did not change the contingent beneficiary designation to include the after-born child, he or she may receive nothing. (Note: some states have statutes that may protect these "pretermitted" children, but it is easier and better to simply review your beneficiary designations when a new child is born).

Similarly, assume that you have three children named as beneficiaries, and each of them has children of their own. If one of your children predeceases you, is it your intention that the other two children inherit the asset? Or did you want the children of the predeceased child to take the share to which he or she would have been entitled? The beneficiary designation must be clear as to your intentions.

Doesn't it make sense to periodically review whom you have named as beneficiary on your various assets? I always recommend a review of all beneficiary designations every year, but at a minimum, upon the occurrence of major life events such as the birth or death of a loved one, marriage, divorce, change of home, change of jobs, and retirement.

Ownership in a Trust

If you own an asset in the name of a revocable living trust, you are probably named as the initial trustee, and as with sole ownership, you can do with the asset as you please.

If you are alive are but no longer able to handle your own affairs, your successor trustee will be able to handle the asset on your behalf.

Upon your death, the asset will bypass probate and the terms of the trust will dictate who is entitled to receive the asset. An asset properly titled in the name of your trust will control who receives the asset, because the asset will not go through probate. The terms of your Will control only assets that go through probate, so, if someone else is named in your Last Will and Testament to receive the asset, that beneficiary will not receive it; the beneficiary of the trust will prevail.

If you choose to create a Trust (often in the hope of avoiding the expense and delay of probate), it is important to change the title and ownership of the asset into the name of your Trust. This is called "funding" the Trust. If you fail to do so, the asset may wind up in the hands of someone you didn't intend to receive the asset, and the time, effort, and money, expended in having an attorney create a Trust for you will be wasted. For example, if you wanted your 1000 shares of a particular stock to be held in trust for a favorite nephew to be delivered to him when he turns 30 years of age, but you forgot to change title in the stock to the name of your Trust, the stock will pass through probate to whomever is entitled to receive your assets under the terms of your Will (if you have one) or under your state's laws of intestacy (if you don't).

Joint Ownership

There are three different types of joint ownership, each with potentially different consequences:

Joint Tenancy with Rights of Survivorship (JTWROS)

The asset is owned by you and someone else in equal shares. While you are alive, each of the joint tenants has a right to do with the assets as they please, which in some cases, may enable one joint tenant to take all the assets, even without the consent of the other. In other cases, the signature of both joint tenants may be required before the asset may be sold, or proceeds taken out of a joint account. You will want to verify which situation applies to any assets you own in this form of joint ownership.

Upon death, by operation of law, the surviving owners become the equal owners of the asset, without the need of passing through probate. For example, if you own a bank account as joint tenants with rights of survivorship with your spouse and your three children, all five of you are equal owners. If your spouse dies, it is now owned by your and your three children. If a child then dies, it is owned by you and the two remaining children. If it was your intention that the children of the child who died inherit that child's interest, you have just made an error that may lose them their ownership.

Often, rather than pay an attorney to write a Will, and in the hopes of avoiding probate, individuals will put their individually-owned home, bank account, or other asset in JTWROS with a child. In many circumstances, this will work out fine. The parent dies, and the child inherits the asset.

But when the child is added to ownership in this manner, there are many potential unforeseen and unintended consequences.

1. You have made a gift to the child. If you add one joint tenant, you have gifted half of the value. If you add two joint tenants, you have gifted one-third of the value to each of the two joint tenants. If the value of the gift exceeds $14,000 (as of 2014) to each joint tenant, you must file a federal gift tax return, even though a gift tax may not be owed. This amount varies from year to year, so be careful.

2. You may lose the benefit of a stepped-up cost basis in the property. For example, if you bought your house 30 years ago for $50,000 and it is now worth $500,000, when you die, the cost basis is reset to the date-of-death value (i.e., it "steps up") to $500,000. If the house is now sold for $500,000, there is no taxable gain. But if you put the property into joint tenancy with a child, that child takes your original cost basis, namely one-half of your $50,000 investment or $25,000. Upon your death, your half steps up to $250,000 (half of the $500,000 date-of-death value). But your child's cost basis remains at $25,000. So, for that half, the difference between the $250,000 selling price and the $25,000 cost basis results in a taxable gain of $225,000. If long-term capital gain tax rates are at 15%, there will be a $33,750 tax due. This tax and probate could have been easily avoided

through other means, such as through the use of a Revocable Living Trust, or transfer-on-death designation, if appropriate. Even probate may have been less costly than this tax, depending on the size of the probate estate.

3. By making this gift, you have made your child a co-owner of the property. So, if he or she goes through a divorce, bankruptcy, loses a lawsuit, or such, your asset may be at risk to the ex-spouse, the trustee in bankruptcy, or judgment creditor.

4. If the joint tenant dies before you, the asset comes right back into your estate, exactly what you were trying to avoid by adding the joint tenant to the title of the asset.

5. If it was your intention for the property to go to your child, and then to his children, but not to that "no-good spouse whom you never liked," you may not like the result. When you die, the child will properly become the sole owner of the property. When he dies, his spouse will probably inherit the property. Perhaps the children will inherit the property when she dies. Perhaps not. If she chooses to remarry and then dies, her second spouse may inherit the property and the children inherit nothing!

6. The child could clean out the bank account or force a sale of the asset. The child is a co-owner of the property and can therefore claim the asset.

These are just some examples of the potential unintended consequences of adding someone as joint owner to your assets. Be careful.

Tenants by the Entireties

This is similar to Joint Tenants with Rights of Survivorship (JTWROS), but is limited to ownership between a husband and wife.

It provides a few extra protections not provided by JTWROS. A Tenancy by the Entirety treats both spouses as a single legal entity, so that property owned this way may be exempt from judgments obtained against one spouse for that spouse's sole debts. Thus, property cannot be seized from the innocent spouse who is not legally responsible for them. For example, only a creditor of both the husband and wife can try to claim the asset. If the debt is the obligation of just the wife or the husband, but not both, the creditor will not be able to seize the asset. While most customarily used with real estate holdings, many states and/or financial institutions will recognize this form of ownership on investment and bank accounts. It is worthwhile to ask your investment advisor or banker whether or not this form of ownership is available to you and your spouse, as opposed to owning an account as joint tenants with rights of survivorship.

There are additional differences between JTWROS and Tenancy by the Entirety that are beyond the scope of this book. Most of these differences make ownership as Tenants by the Entireties advantageous to a husband and wife, but there are some disadvantages. For example, one spouse cannot convey his or her ownership share of real estate to another; both spouses must sign the deed for it to be effective. So, be sure to discuss the differences, and how they may impact your ownership of joint assets, with your estate-planning attorney.

Tenants in Common

This is simply a form of ownership of an asset by more than one individual. There is no automatic right of survivorship, and the shares do not need to be owned equally as they do in JTWROS or Tenancy by the Entireties above.

Each co-owner owns their respective proportion of the asset, so if one co-owner dies, that person's share goes to his or her heirs.

As with any form of co-ownership, there are numerous advantages and disadvantages, and it is important to understand the different consequences of owning the asset in one form of ownership versus another.

An example will highlight one of the differences regarding inheritance:

Let us assume you own a bank account with your two children as co-owners. Also assume that each child has two children of their own.

If the bank account is owned as Joint Tenants with Rights of Survivorship, upon your death, the assets in the account will automatically, without the need for probate, become the assets of the two surviving children. If they don't change anything, upon the death of the first child, the remaining child will automatically inherit the entire account. In other words, the last person standing gets everything. The first child's children will inherit nothing, because it all passed to the surviving child.

On the other hand, if the account is owned as Tenants in Common with your two children, upon your death, your one-third ownership will pass through the heirs you have designated in your Will (having to go through probate), if you have a Will, and if you have no Will, then by your state's intestacy laws (still having to go through probate). Your children still own their respective one-third interests, and upon their death, once again, their share of the account will have to go through probate to go to their heirs. If one of their heirs is a minor, a Guardianship may be required until the child turns eighteen years of age.

There can also be significant tax consequences in the form of co-ownership you choose, which is beyond the scope of this book. So, be certain to discuss ownership of all your assets with your estate-planning attorney.

Ownership in an LLC or Corporation

Sometimes, for liability, tax purposes, or privacy reasons, you may choose to title the asset in the name of a corporation, limited liability company (LLC), or another entity name.

It is important to remember that the asset itself is no longer owned by you. It is owned by the corporation, LLC, or other entity. You may be the owner of the shares of the corporation or LLC, but not the asset itself.

So, when filling out the asset portion of the questionnaire, be sure to list the asset correctly. For example, if you have bought an investment piece of real estate individually, list it as such in the real estate section of the questionnaire. But if you bought it in the name of an Limited Liability Company (LLC), list your ownership of the LLC, and indicate what the LLC owns (e.g. I own "100 shares [or perhaps 100% of the shares of XYZ, LLC, a Florida Limited Liability Company, which is the owner of 12345 Blackacre Avenue, Anytown, FL 12345).

As you can see, as I have discussed at greater length in other sections of this book, the estate-planning process requires a careful coordination of your various legal documents, proper titling of your assets, and the proper use of beneficiary designations, to make sure your assets will be received by the people you intended to receive them, and not by those whom you did not intend to receive them. One must always be aware of the unintended consequences of failing to consider all the what-if scenarios.

Categories of Assets

This list of assets is not meant as an all-inclusive list of every type of asset you may own or that should be included in your "Everything" file. But it is a good starting point. Add any additional categories that are appropriate to you.

Remember, the “Everything” file is not only a resource for what you own, but also to enable your representatives to be able to find it, know how to gain access to it, and know what to do with it for your benefit and for the benefit of your loved ones.

So, for each asset, including other assets you may have remembered while going through the categories I’ve included, you will want your representative to know:

1. The asset exists
2. Where it is located (or how it can be found)
3. Approximate value (remember to include items of sentimental value)
4. Who needs to be contacted and what needs to be done (e.g. passwords, combinations to locks, etc.) in order for the representative to be able to claim it
5. How it is titled (and with whom, if not just you)
6. Whether the asset is encumbered by a debt or mortgage and the payment details
7. Whether there is insurance on the asset; and
8. Who, if anyone, is named as beneficiary of the asset
9. You may even want to add some personal, special notes or other details you’d like to let your loved ones know about it, such as how you acquired it, what made it so special to you (if applicable), and any other story behind it. To them, it may just be your “stuff.” To you, it may be the source of a happy memory. Share the memory and make someone smile.

Here are some of the asset categories to include in your own “Everything” file:

Real estate (Your home, vacation home, investment properties, vacant land, farmland, timberland, time shares, mobile homes, leaseholds, etc.)
Accounts (Bank savings, checking, & CDs; investment accounts, etc.)
Accounts you hold for others (Educational 529 plans, Uniform Transfer to Minor Accounts (UTMA), etc.)
Vehicles (Cars, motorcycles, vans, trucks, boats, jet skis, skimobiles, tractors, etc.)
Permanent insurance with cash value (Whole life, universal life, variable life, etc.)
Annuities (Fixed, variable, indexed, immediate, etc.)
Retirement plans (IRA; SEP-IRA; Simple IRA; Profit Sharing; Money Purchase Plan; 401(k) plan; 403(b) plan; 457(b) plan, etc.)
Other employee benefit plans (Deferred Compensation, Stock Option, Cafeteria Plans, etc.)
Business ownership (sole proprietorship, partnership, LLC, corporation, etc.)
Contracts in which you are entitled to receive something or a service of value
Inheritances or gifts you are expecting or may be entitled to receive
Jewelry, antiques, artwork, collections, etc. (Does someone know their value?)
Patents, trademarks, copyrights, royalties
Digital or online assets (iTunes, Shutterfly, online storage vaults, Bitcoin accounts, etc.)
Lawsuits in which you are Plaintiff (you are suing someone else)
Judgments you have against others
Loans / debts that are owed to you
Hiding places (hidden jewelry, cash or other valuables, something buried in the ground, etc.)
Things of value which someone else would not realize have value
Musical instruments, camera equipment, hobby gear, exercise equipment
Tools, hardware
Computers, tablets, electronics, cellular phone
Appliances;
Furnishings
Books, music, record albums, CDs, DVDs, etc.
Frequent-flyer miles and credit card reward points

Ownership of websites and online domains
Assets in your home
Assets at your place of business
Assets in storage units, a bank safe deposit box, home safe or lockbox
Assets held as collateral for a loan (e.g. at a pawn shop, to a private lender, etc.)
Loans and mortgages owed to you
Assets being held by someone for your benefit
Money or other assets lent to others (and is there any written evidence of it?)
Pensions (do payments continue past your death?)
Clothing being stored for you, such as furs in cold storage, or valuable clothing at a dry cleaner
Litigation claims against others, whether currently pending (write down the name and contact information of your lawyer, and what the case is about), or that you are planning on pursuing (there are statutes of limitations that will limit the amount of time you or your Personal Representative can legally file the claim or lawsuit)

Making a Home Video Inventory

As long as you have committed to create a list of assets for your "everything file," why not take it to a higher level and create a home inventory? This will not only be a useful tool for helping you to remember what you own to create a list of your valuable assets for the "Everything" file, but if you ever have to file an insurance claim due to your home being destroyed in a fire or storm or being robbed, it will also give you an important visual reminder of everything you own, even the not-so-valuable items. All those not-so-valuable items can add up to a significant sum of money.

Many people know they should take pictures of valuable items around the house (just in case), but few ever do so. Better than pictures would be a video inventory of absolutely everything in your home, including the closets, cabinets, drawers, shelves, garage, attic, etc. With a video inventory, not only will you be able to document absolutely everything that is contained in your home; you can narrate additional useful information about what the camera is recording, what the item is, an approximate date and price of purchase, the manufacturer and serial number, the approximate value, etc. This information will help complete your insurance claim form and document what you owned, particularly when used in conjunction with the receipts and invoices you will have (hopefully) digitally stored as recommended in the chapter on getting organized.

Pretty much everything you own in your home has value, and most items around your house, especially the "non-essential" items, will most likely be forgotten once you can no longer look in your drawers and closet to remind you they exist.

To illustrate my point, go into your bedroom with a pen and a pad of paper. Sit down on your bed, and without looking around, start writing down the contents in the room: the furnishings, lighting fixtures, television, telephone, clock radio, etc., and then list the contents of your drawers, cabinets, and closet (how many shirts, pairs of pants, suits, dresses, skirts, sweaters, shorts, pairs of underwear, shoes, etc., do you own?).

While used clothing may not be worth much for resale purposes, you have spent a lot of money on all those assets. If you have spent a little extra amount for replacement cost coverage on your homeowner's policy (as discussed in the insurance chapter), you should be able to recover a significantly greater amount if you can detail the contents of your house, especially with visual evidence of what you owned, than by relying on your memory and guessing what was formerly in your room.

Since I would like to help turn what might otherwise be a tedious project into a potentially fun one, if you'd like, in addition to providing the factual details above, consider narrating the story about the item you are looking at in the camera, how you acquired it, and why it was important enough to you to have chosen to keep it, or perhaps the story behind some of the pictures hanging on your wall. They may be happy reminders of family vacations, a special moment in your life, or a special remembrance of something your 50-year old daughter made for you when she was a child. You know the stories behind your stuff, but does anyone else?

We tend to put things on shelves, and then after a while, not even notice them any more when we walk into the room. This is a good exercise to relive a pleasant memory for yourself, and perhaps for future generations. It will take some additional time to make the video, but you may get some joy out of it, too.

It may also encourage you to purge some of the excess stuff you have accumulated over the years. (I'm sure my wife, whom I lovingly refer to as a "minimalist," will appreciate my adding this paragraph, as I'm as guilty of accumulating as much stuff as anyone else, maybe more so.)

Steps to Follow in Creating Your Home Video Inventory

1. Before you get started, remember that you are going to be making a video of pretty much everything. So if you have something in a drawer that you don't want someone to see, or the contents of your drawers or closets are in such disarray you would be humiliated if someone viewed the video, consider organizing them before you start the video process. You may want to use this step as the initial purge of the stuff you no longer need or want.

2. This project is going to take several hours, if not an entire day, so be sure you have enough video tape or digital storage to record it all. This process also tends to jog one's memory as to things that need to be repaired or purchased, projects that need to be done, or people that need to be called for one reason or another, so have a pad of paper and pen nearby, so you can make notes of things that come to mind as you are making the video.

3. Unless there is no other alternative, this is not a do-it-alone project. Have someone who will help you. It is quite difficult and distracting to hold a video camera steady while going through drawers and closets. It's much easier for someone else to be moving things around as you narrate and video what you are seeing.

4. For items of higher value, such as electronics, make a point of getting a video of the manufacturer's name, model, and if possible, the serial number, which may involve turning the equipment around while the video is running. If available, you may want to have the receipt or other purchase documentation available, and zoom in on the receipt showing the date, place of purchase, and purchase price.

5. Buy a newspaper with the date you will be making the video. Focus the camera on the front page of the newspaper and zoom in on the date as you dictate the date out loud. This will establish the date the video is being made for purposes of identifying what you own in the house as of that particular date. A more recent tape will certainly be more meaningful than one taken a decade ago, which is why this is a project you should update ever year, if possible, but every few years, at a minimum.

6. Systematically, with the video equipment running, go through the entire house room by room, documenting everything in each room, narrating everything you see, as discussed above. Remember to have your helper open every drawer and move the contents of the drawer around as you narrate what is in each drawer. Do the same thing for the contents of every closet, in every cabinet, and on every shelf. If storage containers or boxes are used to store items, do the same for the contents of each container or box. In your bedroom closet, while it is not necessary to pull every shirt or dress off the rack, at a minimum, literally count each category out loud, while the video is running—Dresses: 1, 2, 3, … 16, 17. Suits: 1, 2, 3, 7, 8. For items of higher value, make a point of zooming in on the item. For example, you may have 50 pairs of shoes and purses, and it would be fine to count them out loud. But if certain pairs are a particularly expensive brand, it will be worth the few extra seconds to zoom in on those particular shoes and identify them.

7. Don’t forget the kitchen and bathrooms, the garage, the attic, pati,o and any outdoor storage shed you use. Video the contents of your car(s) while you’re at it.

8. Do the same thing at your workplace if you own anything of value there. If you have purchased some of the items, such as a desk chair, filing cabinet, computer or electronics that you keep at the office, be sure to identify the items that belong to you, as opposed to belonging to the company, in case a disagreement arises at a later time when you are not capable of confirming what is yours. If you rent a storage locker, again, video all the contents.

9. Make several copies of the video and be sure at least one of the copies is kept away from your home or office, perhaps in your safe deposit box. If possible, store them with copies of your receipts or other documentation of ownership. A friend of mine proudly told me she had gone the effort of making a video inventory. When I asked her where it was stored, she said it was still in the video camera. When I asked her where the video camera was stored, she said it was in her closet at her home. When I asked her what would happen to it if the house burned down, she opened her mouth, but said nothing. However, the very next day, she made a point of moving a copy of the video to her safe deposit box at the bank.

10. With your big-ticket items (furnishings, appliances, electronics, etc.), you may want to simultaneously create a written list of all the items, including copies of the receipts, if available. Going forward, as you acquire new items, you can update the list, and get into the habit of keeping the receipts with the list. As you dispose of old items, you can remove them from the list and dispose of the receipts and documentation.

11. Be sure to update your video inventory every year or so, to keep it up to date. This is important for insurance claim purposes in the event of theft or a fire. Be sure to store the video away from your home, preferably in a safe deposit box, so it won’t be destroyed along with your other assets if your house burns down.

Home Inventory Checklist
Air conditioner window units and portable heaters
Appliances
Artwork
Attic furniture and contents
Automobile repair and maintenance equipment
Basement furniture and contents
Bathroom(s) furniture
Beds & Bedding
Bedroom furniture and contents (master and all additional bedrooms)
Bikes
Books
Cabinets
Camera and video equipment
Carpets and rugs
Ceiling fans
Chairs
China
Christmas (and other holiday) decorations
Clothing
Collections
Computers, computer accessories, and tablets
Couches and recliners
Craft materials
Crystal and glassware

Curtains and draperies
Decorative items
Dehumidifier
Dining room furniture and contents
Dishes and utensils
DVD player
Electronics
Exercise Equipment
Family room furniture and contents
Fireplace equipment
Fixtures
Food in pantry, refrigerator, and freezer
Freezer
Furniture
Game systems (such as Wii, PlayStation, Xbox, etc.)
Garage furniture and contents
Garden equipment
Golf clubs
Grill
Hobby items
Home office
Ironing equipment
Items in storage (within your home)
Jewelry
Kitchen appliances, furniture, and contents
Ladders
Lamps
Laundry room furniture, appliances and contents
Lawn furniture
Lawn games
Lawnmower, edger, blower, pressure washer, etc.
Living room furniture and contents
Musical instruments
Piano, organ, and harp
Pots, pans, and other kitchen equipment
Plants and landscaping
Refrigerator
Sewing machine
Shelving
Silverware and cutlery
Sporting goods
Stereo
Stove and oven
Tables and chairs
Table linens
Telephones, answering machines, smartphones
Television, DVD, VCR, DVR, and other television equipment
Tools & power tools
Toys and games
Video equipment
Washer and dryer

Unclaimed Property Websites (State, U.S. Territories, & Canadian Provinces)

NAUPA Website	**https://www.unclaimed.org/**
State or U.S. Territory	
Alabama	http://www.moneyquestalabama.com/
Alaska	http://treasury.dor.alaska.gov/Unclaimed-Property.aspx
Arizona	http://www.azunclaimed.gov/
Arkansas	http://auditor.ar.gov/
California	http://www.sco.ca.gov/upd_msg.html
Colorado	http://www.colorado.gov/treasury/gcp/index.html
Connecticut	http://www.ctbiglist.com/
Delaware	http://revenue.delaware.gov/unclaimedproperty.shtml
District of Columbia	http://cfo.dc.gov/service/unclaimed-property
Florida	https://www.fltreasurehunt.org/
Georgia	https://dor.georgia.gov/unclaimed-property-program
Guam	http://doa.guam.gov/
Hawaii	https://www.ehawaii.gov/lilo/app
Idaho	https://www.yourmoney.idaho.gov/
Illinois	https://icash.illinoistreasurer.gov/
Indiana	https://indianaunclaimed.gov/apps/ag/ucp/index.html
Iowa	https://greatiowatreasurehunt.gov/
Kansas	https://kansascash.com/prodweb/up/ownr_1.php
Kentucky	http://treasury.ky.gov/Pages/index.aspx
Louisiana	http://www.treasury.state.la.us/default.aspx
Maine	http://www.maine.gov/treasurer/unclaimed_property/
Maryland	https://interactive.marylandtaxes.com/individuals/unclaim/default.aspx
Massachusetts	http://www.mass.gov/treasury/unclaimed-prop/
Michigan	http://www.michigan.gov/treasury/0,1607,7-121-44435---,00.html
Minnesota	http://mn.gov/commerce/consumers/your-money/find-missing-money/
Mississippi	http://www.treasurerlynnfitch.com/unclaimedproperty/Pages/default.aspx
Missouri	http://www.treasurerlynnfitch.com/unclaimedproperty/Pages/default.aspx
Montana	http://revenue.mt.gov/home/businesses/unclaimed_property
Nebraska	https://treasurer.nebraska.gov/
Nevada	http://www.nevadatreasurer.gov/Unclaimed_Property/UP_Home/
New Hampshire	http://www.nh.gov/treasury/unclaimed-property/index.htm
New Jersey	http://www.unclaimedproperty.nj.gov/
New Mexico	http://www.tax.newmexico.gov/Individuals/search-unclaimed-property.aspx
New York	http://www.osc.state.ny.us/ouf/
North Carolina	https://www.nctreasurer.com/Claim-Your-Cash/Claim-Your-NC_Cash/Pages/default.aspx
North Dakota	https://land.nd.gov/UnclaimedProperty/
Ohio	http://www.com.state.oh.us/unfd/
Oklahoma	https://www.ok.gov/treasurer/
Oregon	http://www.oregon.gov/dsl/up/pages/index.aspx
Pennsylvania	http://www.patreasury.gov/
Puerto Rico	http://www.ocif.gobierno.pr/UnclaimedProperty.htm
Rhode Island	http://www.treasury.ri.gov/treasury-divisions/unclaimed-property/
South Carolina	http://treasurer.sc.gov/

South Dakota	https://southdakota.findyourunclaimedproperty.com/
Tennessee	http://treasury.tn.gov/unclaim/index.html
Texas	https://mycpa.cpa.state.tx.us/up/Search.jsp
Utah	http://new.mycash.utah.gov/
Vermont	http://new.mycash.utah.gov/
Virgin Islands	http://ltg.gov.vi/
Virginia	https://www.vamoneysearch.org/
Washington	http://ucp.dor.wa.gov/
West Virginia	http://www.wvtreasury.com/
Wisconsin	https://www.revenue.wi.gov/ucp/index.html
Wyoming	https://treasurer.state.wy.us/upsearch.asp