Letter of Instruction for Personal Property Template

**To attorneys or those planning your own estates: Here’s some sample wording that you can use as a guide (Edit freely to match the estate) to provide to a layperson or trust officer serving as the family executor or trustee. Tax and state laws may dictate more legal speak, but try to word the general letter of instruction in a practical manner. You’ll address the main challenges I’ve seen when dividing personal property among thousands of heirs if you use this. The key, as with most planning documents, is to anticipate and direct the future process in ways the client and the client’s heirs aren’t experienced or equipped to do without your guidance. This will help assure that “The Great Divide” goes well for all involved:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Sign the letter of instruction and keep it with the estate documents. It serves as valuable instruction to the executor or trustee and the heirs.

Dear Executor (name):

First of all, thank you for taking on this mostly thankless job of executor. I will leave as much direction as possible so this will serve as your guide, and also when shared with the other heirs, relief of the burden of trying to decide, or reach agreement with everyone with possible differences of opinion. This document is to provide a path at my direction, for an efficient, transparent and peaceful process.

Please encourage all to be respectful of the wishes of each, and be understanding that each person processes grief, loss and moving forward differently. Some may want to hold onto many things, and others may have no interest in hardly anything, and both ways of viewing it are to be accepted and accommodated as much as possible.

Please see the attached list of items I am specifically bequeathing to individual heirs (see attached, or login to the online account \_\_\_\_\_\_\_\_\_FairSplit or other using these credentials). If for some reason one of them doesn’t want one or more of the items, they may elect to give to someone else, or have it added back to available items to be divided as explained below:

GUIDANCE ON HOW TO DIVIDE –

\_\_\_ I have created, or \_\_\_ You need to create an online account at [www.FairSplit.com](http://www.FairSplit.com) or other online estate settlement service (see above) you can use as my recommended way to share and divide the personal property for the family, because it provides equal full transparency to everyone, is accessed online, and makes it unnecessary to travel or arrange meeting times that work for all:

1. Change locks on the house. Many caregivers, cleaners, and even neighbors may have keys and we want to have the personal property distributed as intended, not as “first to take”.
2. Create a comprehensive list of personal property to be divided, which includes items such as art, furniture, memorabilia, household contents, automobiles, RVs and boats; basically, any unnamed assets of the estate.  Several online and offline tools exist from FairSplit.com to Excel.
3. Have appraisals done on things likely to be worth [insert amount] or more (May or may not be needed), and either have mutual agreement from all heirs that no fair market value (value at an estate sale or garage sale) is needed to be put on other items before dividing, or have an independent third party put estimated market values (not appraisal level) on other items.
4. **If meeting in person to divide or selections needed from non-direct heirs** (if not using FairSplit.com or other online system)I would ask that the meeting be heirs only, no spouses or significant others, as I have learned that is recommended as the best approach to create fewer possibilities of conflict. Also, if grandchildren are to be included, it is ideal if their items of interest be submitted to their parents to keep the selections to the direct heirs only. If one sibling heir is deceased and their next of kin or children are to be selecting in place of the deceased, it works best to have them work together to create a list they will use for a single voice, or single choice, in leu of the deceased’s turn in a rotation.
5. **Divide the personal property using a** **system of taking turns choosing** (similar to drawing straws and taking turns, then use random start, then continue as 1,2,3,3,2,1,1,2,3 until done) or other selection process you may elect to use that gives good equal opportunity to designated heirs. Do not separate categories as different division rounds as not all will want items from the category, so do a wide variety of items if using rounds. On high value items, one could do those as a separate round to try to ensure a more equalized division of those items. With any items left over sold or donated with proceeds going to the estate, or being offered to grandkids (or nephews, nieces, housekeepers, caregivers, etc. as desired as you the executor see fit).
6. Another possibility is to start with blind bidding on the most wanted items only. Use a points system for a blind bidding auction to help ensure that the one that wants something most has a better chance of receiving than random order taking turns. Example: each heir gets 500 points and may **silently bid those points** on a single, or up to \_\_ X items (maximum 5-10 recommended)
7. If more than one heir is interested in items like **photos, movies and albums**, have the estate pay to duplicate and digitize these for anyone who wants them, and give the originals to whomever chooses them in their selection turns, including the frames.
8. The responsibility and **cost of packing and shipping** any items or collecting from the property shall be A. borne by the recipients and coordinated with you, B. OR Use estate funds, or up to $\_\_\_\_ ($500?, $1000?, to pack and ship selected items to heirs as needed)
9. (**Is there’s to be equalization**)— A. Not needed, nothing very valuable so after dividing fairly, no need to balance or equalize. B. After all items have been valued and awarded to the heirs as equally as possible or as selected, determine the total value each received and equalize the values using other assets of the estate. **The value basis should be a discounted value to reflect the anticipated net cash value items would bring in an estate sale,** consignment or other liquidation event. A guide for this would be discounting fair market value by 50%, unless clearly it would yield more or less, like automobiles (wholesale bluebook value), or silver (melt down value) or jewelry that may vary and that you’ll need to determine.
10. Best efforts to make the division process available to all will be made, but an heir unreasonably withholding participation from you and the other heirs in a timely and cooperative way to complete the process will result in a fair assumption of non-interest by that party, as may be determined by the executor, who may then exclude the uncooperative party from the process and their otherwise entitled share.

So, I hope the above is clear and reduces or eliminates challenges that might arise. Please also be aware there are online resources like FairSplit.com to help with listing, valuing and running the division process as independent third parties, and there are local companies that can help with photographing, listing, packing, shipping and clearing the house. As executor, your hands will be full of the many unwanted responsibilities of serving as executor, so use estate funds, with my blessing, to get help where needed.

Lovingly,