



Enterprising Rural FamiliesTM

An Online Newsletter March, 2013 Volume IX,

Issue 3

This newsletter is an instrument of the *Enterprising Rural Families: Making It Work* program of University of Wyoming Extension. For further information concerning the Enterprising Rural Families program or on-line course contact information@eRuralFamilies.org or go to <http://eRuralFamilies.org/>.

TIP OF THE MONTH:

TYPES OF MANAGEMENT ACTIVITIES

Interpersonal

- Figurehead—Officially represents the business, greets visitors, and signs legal documents.
- Leader—Sets a tone; directs, trains, equips, counsels, and evaluates employees.
- Liaison—Maintains information links both inside and outside the work unit or organization.

Informational

- Monitor—Seeks and receives information, especially nonroutine, from published, as well as personal, sources in other organizations.
- Disseminator—Provides outside information to others in the department or business, and facilitates internal communications.
- Spokesperson—Tells outside stakeholders about business situations, plans, policies, achievements, and problems.

Decisional

- Entrepreneur—Identifies and introduces ideas from improvement, initiates planning for change, directs improvement projects.
- Disturbance Handler—Deals with internal and external crises, disputes, and other situations not resolved through routine procedures.
- Resource Allocator—Decides how time, staff, equipment, funds and other allocable assets are distributed throughout the business.
- Negotiator—Confers to reach agreement on terms of transaction with suppliers, customers, creditors, and service and labor organizations.

(Source: *Ag Help Wanted*)

WHO GETS MY PERSONAL STUFF? (Part 1) Transferring Personal Property

By Bill Taylor, University of Wyoming, Northeast Area Community Development Extension Educator



In giving attention to the details and issues of developing an estate plan, there is one area that is often missed, even by attorneys and professional estate planners. This is an area that is not nearly as well defined by law, and often is not of the same financial value as land, real estate, vehicles or other titled property. However, the failure to properly plan and itemize succession of ownership of this class of property often causes as much or more stress, misunderstanding, and anger as lack of estate planning of other types of property.

We all have personal items that are important or precious to us or to those that are associated with us. In estate planning, personal items are often ignored, yet they may cause some of the most significant emotions and conflicts. This is because the collection of family photos or the heirloom that belonged to our great grandparents is often of more emotional significance than a piece of land, the barn, or tractor. We sometimes assume that our personal items are not worth planning their passing, even though they were important to us and they may be a significant source of memories or comfort to those we leave behind. We also tend to assume that everyone will cordially receive or pass out our personal goods with no stress or argument about who should receive what or how these items should be divided.

Inheritance plays an important dynamic in whether and how families remain connected following our death. Making decisions and talking about inheritance issues, including non-titled property, is not easy for some family members. Such issues may be avoided in part because:

- Everyone has to face his or her own mortality and the mortality of family members
- Individuals fear how others may interpret their motives.
- Conflict or disagreement is expected – feelings can too easily be hurt due to the emotion attached to personal property
- Individuals may be grieving the loss of their own or another's independence, changes in health, or moving from one's house

What can we do to get property owners to talk about property transfer? Try asking some "what if" questions. An example might be, "Mom, what would you want us to do with the things in the house if you and Dad



had to move out or were gone? What special things do you have and where would you want them to go? What if we had to make decisions by ourselves about what happens to your belongings, like Grandma's china set or the family albums?"

Or you might say, "George, what would happen if you were in an accident and couldn't handle your affairs? You've got a house full of antiques, a gun and a train collection and you've got eight grandchildren and eleven nieces and nephews that have used or played with them. Who would be responsible for distributing your things and how would you want it handled?"

Look for opportune moments when the person(s) involved might be more open to discussing the subject – when a neighbor passes or grandma goes into the rest home. Use the situation to introduce the subject and start the thought process.

If property owners refuse to face the issue and discuss solutions, you cannot force them, you can only voice your desire and opinion. Your only recourse may be to warn them of the consequences of not developing a plan and leave it in their hands.

Inheritance of Personal Items is Important

Inheritance is not simply an economic and legal issue and personal items are a major part of the process. These personal items create complex emotional and family relationships which impact decision making. Inheritance decisions concerning non-titled personal property involve economic and emotional consequences and can enhance family continuity or add to its destruction.

For these reasons, most families will face less stress and emotional issues if they develop a plan for personal property transfer before death and while the property holder is of clear mind and sound health.

What is personal or non-titled property? Versus things like land, cattle, vehicles, or stocks and bonds, personal property includes items that do not have a registered title and the owner is not identified with a written document. This would include property items like:

- Guns, sports equipment
- Tools
- Furniture
- Books, papers
- Dishes
- Collections
- Hobby or handmade items
- Linens, needlework, quilts
- Clothes
- Jewelry
- Tack
- Photos, pictures
- Personal care items
- Antiques
- Gifts
- Toys
- Musical instruments
- Anything that has emotional and/or economic value



Unique Challenge

Passing on personal items adds some unique challenges over other types of estate planning.

The sentimental meanings of the items involved make the decisions more emotional. One person may attach a high degree of sentimental value to an item because of its importance to a parent or family member, its place of importance within the family culture, or their own use and/or relationship to the item at some point in their life. At the same time, the same item may be of little emotional significance to some other members of the family. And the degree of emotional attachment accorded an item, or group of items, by a potential heir may be unknown to the present owner or administrator of an estate if they feel the item is of little value. Or the person to which an item is important may not have voiced their attachment to it. The issue is further complicated if more than one potential heir sees great value in certain items, setting the stage for conflict, jealousy, and hurt feelings.



Passing on the ownership of property involves the process of grieving and saying goodbye, even more so if the property is of an intensely personal nature. Even if the planning is carried out before the death of the present owner, the process itself forces the present owner to face the fact of their own death, and the potential heirs with the passing of a loved one. This heightens the level of emotion that is already present in the estate planning process. And, if the passing of the owner has already occurred, and heirs and/or administrators are dealing with the issue of how to pass on personal items to spouses, siblings, children, grandchildren, nieces, nephews, etc., the process occurs during a time when loss, hurt, and heightened emotions may cloud clear and rational thinking.



Personal family objects often help preserve memories, family culture and history, and family rituals for us. The hat and boots Dad always wore or the favorite china that Mom used on special occasions take us back in time and give us a handle to use to hold on to family traditions and memories.

Due to all of these issues, and more, the concept of being “fair” is often much more complex and difficult with personal items than with titled property. Titled property can often be appraised and valued and some sort of economic division can be developed. How do you “fairly” divide up family heirlooms, photos, knick knacks, or antiques? As already explained, many of these personal belongings have different meanings to different family members and it is difficult to measure their worth or value. And what is “fair” to one family member may seem entirely “unfair” to another. When the “rules” as we perceive them are not followed or they are broken, we deem the process unfair and often take offense. To further complicate the process, these “rules” often remain unwritten, are not the same from family member to family member, and are seldom discussed or agreed upon. Family discussions should be designed to bring to the forefront members’ expectations and understanding of the “rules.” Where and how these differ should lead further discussion to help the family come to a level of agreement on how to proceed.

Often family history and past relationships have created unresolved conflicts that interfere with clear and objective discussions and decisions are not made until there is a family crisis, which may be the debilitation or death of someone.

Consequently, it is often impossible to divide things “equally” and distribution methods and consequences become clouded.

In determining how to be fair there are several questions to answer. We must determine:

- Who is involved (in-laws? grandchildren?)
- How we proceed (informing everyone, determining values)
- When to proceed
- What methods and standards to use to be consistent

Family members will consider the process unfair if they feel moral and ethical standards are not followed and if they have not had a voice in the decisions made. This is especially true if a few persons with dominate personalities walk off with everything they want and everyone else gets what is left over.

Some Factors to Consider

Realize that these are sensitive issues and even in the best of situations their discussion will create internal stress in family members and may strain some relationships. For that very reason it is usually much better to face the truths of the situation and develop a workable plan before the death of the family member involved. Remember, the stress level and the degree of emotion will be multiplied after a death or debilitation, and decisions may be made in the heat of the moment that are regretted later, or things may be said or done that create insurmountable rifts in relationships.

Just as other parts of estate planning should include discussion and input of all family members, developing a distribution plan for personal non-titled property should include



discussions and family conferences about values and goals, what family members view as “fair” versus “equal,” and what is important to the family as a whole and to those passing on the property. Carefully select a meeting location and time. Designate a person to record decisions made by the group. Unrecorded decisions will be a fertile field for disagreements later on. A decision needs to be made here by those responsible concerning whom to include in the process. Is it parents and siblings only, with the siblings acting as representatives for their spouses and children? What about including spouses? Grandchildren? Other family members? Consider friends, significant others and ex-spouses, as well as caregivers, attorneys, and mediators. Remember that the final decision for disposition belongs to the property owner(s), and potential heirs, once having the opportunity to voice their wishes and feelings, should respect the decision of those passing on their “important stuff.” It is also important to remember that family relationships, and their continuity, are vastly more important than the possession of an inanimate object.

There are a number of topics that family members need to discuss and on which to seek reaching consensus before proceeding to the next steps in the process. Agreement should be reached on these items before starting on actual estate planning for either titled or non-titled property. Please review the guide sheet titled *Transfer of Personal Property: Rules for Deciding Who Receives Which Items* at the end of this section to become familiar with these topics. As your family prepares to discuss the estate planning process, they will find themselves faced with these issues and it will be greatly helpful if you have had some time to think them through first. Prepare a copy for each family member involved and ask them to rate each topic according to its importance to them. After everyone has had a chance to complete the worksheet, schedule a time when all (or as many as possible) can be present to compare views and reach consensus of what is important. If consensus cannot be reached easily, don't give up. If necessary, go on to inventory the items that should be passed on and then come back to this document to attempt to reach agreement.

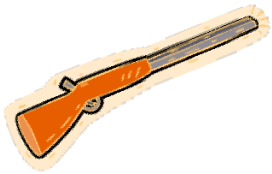
Members of the family need to consider the various options for distribution of personal property and what the consequences are of each. Some questions that should be answered are:

- Are there other goals beyond those that were listed that you feel are important?
- Which goals are the *most* important to you and which *least* important?
- Do any of your own goals conflict? Do any of the goals of family members conflict?
- Are there others (other owners, other family members) that need to have input into these goals?
- As you transfer this property, what do you really want to accomplish? Family continuity and relationships? Conflict avoidance? Preserving a heritage? Maintaining privacy? Contributing to society?

Remember that there is no perfect method of transfer – each method has its own advantages and disadvantages. Each method of transfer has its own consequences. Be as creative as possible and stay focused on your goals, but be sure to follow all state laws that apply. It is also important to remember that there are more transfer options available when planning is done *before* death of the owner than after.

Resource: *Who Gets Grandma's Yellow Pie Plate? A Guide to Passing on Personal Possessions* (1999) University of Minnesota. MI-6686-WG. 800-876-8636. www.yellowpieplate.umn.edu/





TRANSFER OF PERSONAL PROPERTY

Rules For Deciding Who Receives Which Items



Both the person(s) who presently owns the personal items and the person(s) who would potentially receive the items should review these rules and discuss which would be most appropriate in their situation. The final decision for the rules used and the disposition of the property rests with the owner of the property as long as they are alive and of sound mind.

Below are various rules which could be used and which place emphasis on different values. It is up to the family to decide which rules will be used.

SHOULD FAMILY MEMBERS BE RECOGNIZED FOR THEIR DIFFERENCES?

1. Will specific items go to persons in certain birth order (oldest, youngest)?
2. Will the designation of specific items be influenced by current age of recipients?
3. Will gender influence what they receive?
4. Will marriage status (married, widowed, divorced, or never married) influence what they receive?
5. Will birth status (children by birth, adoption, or remarriage) influence what they receive?
6. Will distance from home influence what family members receive?
7. Does having a personal interest in the item influence what members receive?

SHOULD EVERYONE BE TREATED EQUALLY?

1. Should family members be treated the same regardless of what they may have contributed to the family over the years?
2. Regardless of differences in needs, should family members be treated the same?
3. Regardless of differences (such as birth order, gender, or marital status), should family members be treated the same?
4. Regardless of sentimental meaning, should family members receive equal numbers of items?
5. Regardless of the sentimental meaning to them, should family members receive equal numbers of items?
6. Should family members receive equal dollar value of appraised items?
7. When more than one might want an item should all have an equal chance of getting items regardless of financial resources (drawing names, lottery system, taking turns at selecting, using chips or pretend money)?

IS IT IMPORTANT THAT RECOGNITION BE MADE FOR DIFFERENT NEEDS?

1. Does financial need dictate that family members will receive more?
2. Does physical or disability needs dictate that family members will receive more?
3. Does greater emotional need dictate that family members will receive more?

SHOULD DIFFERENT CONTRIBUTIONS BE RECOGNIZED?

1. Should items received as gifts from family members be given back to the same giver?
2. Should rewards be provided for family members who have helped do work around the home or business?
3. Will rewards be provided to family members who have helped financially?
4. Will those who have helped provide care and support over the years be rewarded?
5. Should family members who have shown the most love be rewarded?
6. Should organizations or individuals outside the family be rewarded?

DETERMINING HOW TO DECIDE

Once agreement has been reached concerning which values are important in deciding who receives which items of personal property, the family needs to discuss when decisions will be made and who will be involved in making them. Review the various choices below to make those determinations.

WHO IS INVOLVED IN THE DECISIONS?

1. Are children asked what they would like to receive?
2. Are spouses of children asked what they would like to receive?
3. Are grandchildren asked what they would like to receive?
4. Should an appraisal be obtained for items of financial value?
5. Which family members will be informed of decisions the owners have made?
6. Do we wait for all to be present to make decisions?

WHEN WILL DECISIONS BE MADE?

1. While owners are able to make decisions, should they make determinations of who gets what now?
2. Should owners give selected items away before they die?
3. Should owners mention their wishes in their wills?
4. Should the executor decide what happens to belongings at death?
5. Should surviving family members decide what happens to belongings at death?
6. Do family members need to be prevented from taking items without others knowing?
7. Should family members be allowed to make requests for items from the owners now?

