**Trust Administration**
**Initial Steps**

1. Confirm the triggering event and trustee authority

    - Obtain certified death certificates for the settlor or prior trustee.
    - Locate the original executed trust, all amendments/restatements, and any pourover will.
    - Identify the acting trustee (successor designation; resignations or vacancies) and document acceptance per the trust's terms (written acceptance, if required).

2. Give required notices and satisfy information duties

    - Colorado UTC requires trustees to keep qualified beneficiaries reasonably informed and to provide the trust instrument upon request. Best practice: send a written notice of trust administration identifying the trust, trustee contact information, the trustee's appointment date, a summary of beneficiary rights, and an anticipated administration timeline. Include notice of any revocable trust that became irrevocable at death and the 120-hour survivorship requirement, if applicable.
    - If the decedent also had a probate estate, coordinate with the personal representative; provide cross-notice as needed.

3. Marshal, secure, and segregate trust assets

    - Take possession/control of all trust property: financial accounts, brokerage, business interests, real property, tangible personal property, digital assets, insurance payable to the trust, and receivables.
    - Change title and beneficiary designations to reflect the acting trustee (e.g., "Jane Doe, Trustee of the John Doe Revocable Trust dated X").
    - Open a dedicated trust bank/brokerage account; do not commingle with personal funds.
    - Arrange insurance coverage and physical security for real estate and valuables.

4. Obtain tax and identification credentials

    - Apply for an EIN for any trust that is now irrevocable or that will file its own return (Form SS-4).
    - Determine fiscal year and filing requirements: federal Form 1041 (fiduciary income tax) and Colorado Form 105; Form 706 estate tax return only if the gross estate plus adjusted taxable gifts exceeds the federal exemption or for portability/elections.

5. Inventory and baseline valuation

    - Prepare a complete inventory of trust assets as of the date of death/administration start, with verified titling.
    - Obtain date-of-death or distribution-date appraisals for real property, closely held business interests, valuable tangible property, and any hard-to-value assets to establish basis and support accountings.

6. Identify and classify beneficiaries and distribution standards

    - Determine current, remainder, and contingent beneficiaries; apply any survivorship provisions (e.g., 120-hour rule per C.R.S. 15-11-702) and anti-lapse/substitute-taker terms.
    - Confirm distribution methodology for class gifts (per stirpes, by representation, or default per capita at each generation under C.R.S. 15-11-708–709 if unspecified).
    - Review any spendthrift, special needs, or age-staggered distribution provisions.

7. Review and satisfy debts, expenses, and claims allocable to the trust

    - Distinguish liabilities of the decedent's probate estate from those payable by the trust (taxes, expenses of administration, specific obligations of trust assets).
    - Address creditor claims against trust property if the trust is liable by instrument or statute; coordinate apportionment of estate taxes and expenses per the trust/will and C.R.S. allocation rules.

8. Establish an administration plan and budget

    - Sequence liquidity needs for taxes, expenses, and specific bequests; consider sales, redemptions, or loans.
    - Evaluate whether to make discretionary distributions during administration; document trust purposes and beneficiary needs.

9. Accounting and recordkeeping

    - Implement fiduciary accounting in conformity with principal and income rules adopted by the trust or statute.
    - Track receipts, disbursements, gains/losses, fees, and allocations; retain invoices and appraisals.
    - Plan to provide interim and final accountings to qualified beneficiaries.

10. Investment compliance

    - Review existing investment lineup; adopt a written investment policy consistent with the Colorado prudent investor rule, the trust's risk/return objectives, tax posture, and cash flow needs.
    - Rebalance away from concentrated or imprudent positions unless the trust authorizes retention and retention is reasonable under the circumstances.

11. Address special assets
    - Real property: confirm title, utilities, insurance, occupancy status; consider property manager; evaluate sell/retain.
    - Closely held business interests: review governing documents, transfer restrictions, buy-sell rights, required consents, and voting/control obligations; calendar elections and distributions.
    - Retirement assets payable to the trust: identify trust's status for SECURE Act purposes (see-through eligibility), required minimum distribution strategy, and separate share accounting where applicable.

12. Tax elections and deadlines
    - Consider portability election (Form 706) for a deceased spouse even if no estate tax is due.
    - Evaluate alternate valuation date, special-use valuation, QTIP, Section 645 election (to treat a qualified revocable trust as part of the estate for income tax purposes), and administrative expense deductions (estate vs. income tax).
    - Calendar fiduciary estimated tax payments and information reporting to beneficiaries (Schedule K-1).
13. Make specific distributions and partial allocations
    - After securing assets and resolving immediate liabilities, fund specific gifts and pecuniary bequests as authorized; obtain receipts and releases.
    - Retain a prudent reserve for taxes, fees, and contingencies.
14. Prepare and deliver a final accounting and distribution package
    - Provide beneficiaries with a comprehensive accounting, valuation support, proposed trustee fees, and a distribution schedule.
    - Circulate receipt, release, indemnity, and refunding agreements as appropriate under Colorado law and the trust terms.
15. Final distributions and trust termination or continuation
    - Distribute residue per the trust instrument or establish continuing subtrusts (e.g., lifetime, GST-planned, special needs).
    - Transfer title, update registrations, and deliver administrative control for subtrusts.
    - If terminating, wind up remaining liabilities, file final returns, close accounts, and maintain records per retention policy.