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## The Basics of Estate Planning

### Farm Management Update, December 1996 - January 1997

By Frank Smith of the Department of Agricultural and Applied Economics, Virginia Tech

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Estate planning is both a right and responsibility: a right granted by state and federal laws and a responsibility imposed by society, family relationships, and ownership of property. For those who do not exercise the right and fulfill the responsibility, the state in which they live has developed an estate plan for them. The state plan may or may not be acceptable in fulfilling family objectives. If not, then positive action is needed to develop a plan that does.

### Steps of Estate Planning

1. Take Stock of the Present Situation. This involves the listing and valuation of all assets and liabilities, but should include, as well, a realistic projection of asset and liability growth and income needs to aid the estate owner in planning for his or her future. In addition, it should include an inventory of the family situation and consider the possibility of changes in that family situation over time.
2. Decide upon objectives. The development of objectives is perhaps the most difficult step of all. They will not be the same for all people. They need to be developed with great care and clarity, and then put in order of importance. The support of a spouse, special educational or physical needs of children, adequate income for retirement, intergenerational transfer of a farm or business enterprise, charitable gifts, and minimization of tax liability constitute the list of possible objectives.
3. Choose professional help. The attorney is a very important person in the estate planning process and should be chosen with care. He or she should be knowledgeable in estate planning techniques, estate tax laws, other state laws that bear upon the particular estate situation, and tax implications of these laws and techniques. Other professionals could include CPA's, bank trust officers, certified financial planners, and insurance representatives.
4. Evaluate alternatives. The estate owner, in consultation with his or her attorney and other professional counselors, should examine the various estate planning tools with a view toward accomplishing his or her objectives. Such tools include, but are not limited to, wills, trusts, gifts, life insurance, and sale of property.
5. Select the "best" program. The careful evaluation of several alternatives will result in a plan that most nearly meets your objectives. The features that constitute this optimal plan then should be reduced to writing, signed and attested as required, and kept in a safe place.
6. Review the plan periodically. A change in law, family situation, income needs, or net worth of the estate can modify or alter objectives and create a need to revise the plan.

7. Be prepared to accept less than a perfect plan.

8. DO IT NOW!!

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