

CLS class 9-14-21

Family Treasures, etc./Disposition of assets-Process and precautions

My history: Name: Born/raised in Poughkeepsie, husband Rob, 2 daughters & 2 grown grandchildren. Live in T/Wappinger, 38 years and retired auctioneer, appraiser, still a real estate broker in 4 states, mostly problem solver for our clients!

Me: Over 38 years of handling the sale and appraisal of assets for others- decluttering, moving, downsizing, assisted living, estates.

Three things for you to take away from this opening class in the series:

- 1) Handle your affairs while you are still able to do so
- 2) Consider the end result you want in removing unneeded belongings
- 3) Work with reputable companies, where help is needed

Many different expectations and disparate needs

This part of the series deals mostly with families and business partnerships. Most of us wouldn't think of approaching our later years without a will, power of attorney, etc., but many wait until they can't deal with what they have accumulated in homes, businesses, storage units, etc. The task frequently seems insurmountable, but it's not difficult for those who do it professionally on a day-to-day basis & you can break the need down into smaller components.

Some frequently seen situations included:

Those who inherited a relative's possessions,

Family members who have moved on w/o taking all their belongings,

Antiques & collectibles that are no longer needed or enjoyed,

Real estate closing approaching rapidly

Unexpected need to move to assisted living or nursing home

Wish to avoid continued costs to keep up home, commercial building or apt. once moved-think of the many businesses who have not reopened after Covid shutdown. Holding costs can be prohibitive.

Need to avoid storage cost, additional taxes, property holding costs

Family members who can't agree on what to do with the items left by a relative

SO What is your expected end result?

We can look at a few different situations:

Divorces: appraisals & agreement on division of assets-appraisers should have training & credentials for court to accept their opinions of value.

Higher value Estates: May require an estate appraisal before removal or sale

What will you keep and what is no longer needed-get help deciding if you aren't sure

Estates where family lives at a distance-a reputable auction company may be able to handle it all

End result is the decision for the action that keeps costs to a minimum and is timed to your needs

Determine values & appropriate ways to dispose of valuable items

What to do with lower value items-donations, recycling, gifting

Figure out what to keep & what to sell/dispose of-sometimes it can be done in stages. Ask other stakeholders if they want anything. (could be family members, friends, local historical society, colleges, etc)

Perhaps not everything will be appropriately disposed of in the same way or using the same company

Can you remove a collection or certain items that will help your current situation-to make a home wheelchair or walker accessible, gain some needed cash, to make the home more attractive for showings while it's on the market, make room for an added family member?

Suggestion: Keep items you're not sure if you would be sorry to have let them go. Frequently these decisions involve a lifetime's memories.

If you have plenty of time, you can possibly handle some of the needed steps yourselves, but accept when doing that would not be in your best interest or capabilities. No need to hurt yourself lifting or doing other tasks that are beyond what you can now do.

Need to determine today's value of an item:

When trying to determine values online:

Online searches for value can be confusing and give an inaccurate result if you aren't looking in the right place. For instance:

EBay: Search closed auction sales; don't look at what someone is asking, or what the bidding is at, at the moment. There are also increasing #'s of buy-it-now items on EBay & that only means one person decided to buy at that price. It's not a good way to achieve an appropriate value.

Collectibles web sites: Search not for what someone is asking, but what someone has actually paid recently

Make sure it is actually the same item you are seeing online. Many people see something similar that is actually an antique while the item they own is a reproduction or not exactly the same model as shown on a TV show.

Online auctions are a good source of recent sales in many categories, but keep in mind they may not provide the information for your use and the item may not have actually changed ownership if a reserve amount (minimum) was not met. An estimate of value in an auction doesn't give you an accurate sense of the true value; a closed sale does. If there is an item you are interested in the value of, you can go online and watch the auction close out. Again, some auctions have reserves on higher value items.

Good about auctions: Provides a well-advertised offering, large audience of interested buyers, professional handling, cataloging and photography. The sky is the limit on price. Another note about the auction method: A well-advertised public auction will frequently be accepted by the IRS for estate valuation where there is no formal

appraisal, or in place of it. A private sale will generally be looked at as to whether it was an “arms-length” transaction by IRS. That means: not between two friends or family members just coming up with a value, for example.

Other online sources of data on sales:

AskArt: pd subscription, can possible do a one day or short subscr.

AbeBooks.com-great for old and first edition books-can determine if there is value.

LiveAuctioneers.com-an online only auction venue

Invaluable.com-online-only auction company

Who else can help?

Antique dealers, recyclers, auction firms, organizers, housekeepers, clean-out specialists, and moving companies are available to help. All should be experienced, have training, and recommended by others.

Dealers in boats, automobiles, RV's, travel trailers, & motorcycles are also available when needed.

Appraisals: The appraiser should charge by the hour or by the job, not a % of the estimated value of the goods. This includes real estate.

Just because someone is a collector or dealer of a commodity, it doesn't automatically make them an appraiser. In an estate situation their estimate of value may not be accepted by IRS as fair market value for estate purposes.

A quick note on contracts: Old saying: “An oral agreement isn’t worth the paper it isn’t written on”. Chance of misinformation & forgetfulness.

I’m sure many of you know this, but some may not. There are a few requirements for a contract to be enforceable (and I hope you never have to get into a dispute with someone you contract with):

- 1) **the offer**, proposal, estimate, etc.-any document you are asked to sign, read it before signing & ask questions!
- 2) **Acceptance**-your signature signifies agreement with the offer
- 3) **Consideration**-amount you will pay, deposit made at signing, etc
- 4) **Mutuality of obligation**- what are the responsibilities of each party-inventory, delivery, removal, sales, payment timing, advertising of items for sale, cleaning, repair, etc
- 5) **Competency and capacity**- are the parties signing able to make this agreement-18 yrs of age, dementia, mental incapacity of any type, coercion: (Resident with real estate agent on Union St., Pok. telling her the neighborhood was deteriorating)

Get reputable companies to give an opinion and get references before signing an agreement, check the references. Read what you sign, and ask questions before finalizing an agreement-is it clear to you?

If items are being removed, keep a copy of the inventory and have the contractor sign off as having received them. Have an agreement that has an ending date, how and when you will be paid, any costs you will be charged, and what will happen to any unsold items. Have a date by which the work needs to be completed and what will be the consequences if it is not completed in time. If items are being kept until sold, what is the address where they will be housed.

Again-Get references or work with companies others you know have successfully worked with. Check out their web site and FaceBook page to be sure they are experienced at what you want them to do.

Get everything in writing. In many cases the law requires it. Other costs may include making an inventory, packing and trucking, cataloging & photography for an online event, shipping items where it's needed, meetings with family, cleaning and polishing items for sale, appraisal fees, etc. Ask-& this is important!: "Is there anything else I should know about?" Then wait for their answer.

Another topic is how to dispose of or donate items of low \$ value but that may be useful to others. There is a document we will be posting for your use that discusses what to do with clothing, shoes and coats, paperback books, recyclables such as cardboard, newspapers, plastic, and metal; housewares, and many more items you may have to deal with depending on the situation.

We might think everyone knows these things, but it is amazing how many don't, and sometimes they are dealing with these situations for the first time, or when they are least capable of asking the right questions, or dealing with the needed decisions-as in when their family member is in the hospital or when grieving. There are honest, capable professionals who can easily help, and it would be best to work on this before it is too difficult, or you are in a time crunch. Don't leave difficult decisions to your family!

Thank you for your attention this morning. It has been my pleasure preparing this session and speaking with you today. Please remain muted so that all can hear the questions & answers. I believe that only our host can see the questions in the format that has been set up.