

# The Butler Bulletin

Butler Wills and Estates

11/1/2016

Edition 2, Volume 2

## What is business succession planning?

*And what happens if you don't do it?*

In a nutshell, business succession planning is deciding on a plan of action for when the time comes for a business owner to pass on his or her business, whether it because they are retiring, selling, or starting a new business.

We all know that planning ahead for your personal life is important, but many business owners don't plan ahead for their businesses. Part of this comes from not knowing where to start, but it is also because many business owners love their jobs and don't want to think about giving it up, they feel they are too young to need a plan, or they aren't sure what the options are for having someone take over for them.

Not having a succession plan can lead to several outcomes, none of which are desirable. Possible situations include:

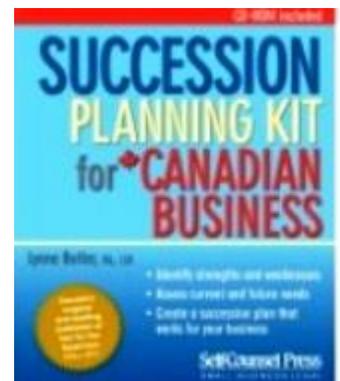
- Less money for retirement than you had expected
- Paying higher amounts in taxes
- Your business being sold a lower price than it is worth
- Your children missing the opportunity to continue the business

The first step to avoid these scenarios is to visit an estate planning lawyer to discuss your options for handing over your business when the time comes. Part of your plan should include appointing someone in your will and Enduring Power of Attorney specifically to handle the business.

Be sure to discuss your family dynamics, financing options for potential successors, and potential tax issues. It's also a good idea to consult your financial advisor and accountant to make sure the financial side of your business will be taken care of.

This book will help Canadian business owners deal with financial issues such as tax and the sale of a business, but also with "soft" issues such as training one of your children to take over for you. It contains several useful checklists that will get you organized and moving.

68 pp + CD The CD-ROM included with the book contains resources and forms in Word and/or PDF formats, for use on a Windows-based PC.



**25% off at**

[www.butlerwillsandestates.com](http://www.butlerwillsandestates.com)

## Clients with limited mobility

Most professionals don't do house calls anymore, but just about every week we get a call from someone who needs help with a wills and estates issue but isn't able to travel to visit a lawyer.

Quite often this is due to illness or physical disability, but we've also heard from adult children calling for a parent who has Alzheimer's and is more comfortable in his or her own home.

When this happens we are happy to accommodate the needs of our clients. We visit clients in their homes or in the hospital for no additional charges. There are no extra fees for travel or for a home visit. If you would like to talk to a lawyer about a wills and estates question but have difficulty travelling, let us know. We'd be happy to talk to you about your options.

## MEMORANDUM TO TRUSTEE

Every now and then a client will ask about leaving personal messages in his or her estate planning documents. Often these messages are intended to be given to a spouse or child. No matter who it is for, writing a personal letter is a great option for leaving last words for your loved ones.

When these letters are for an executor, they are referred to as a "Memorandum to Trustee", and usually include particular things you would like your Executor to do, such as continuing to pay for specific things for your children while their inheritance is in trust, or providing an explanation to your beneficiaries in your own words as to how you selected specific gifts.

It's best to discuss the contents of these kinds of letters with your wills and estates lawyer before you write one. Without the advice of a lawyer, there can be unintended consequences, such as:

- Contradicting your will;
- Confusing your executor as to what he or she is supposed to do;
- Accidentally making the letter into a will, thereby invalidating the will the letter is meant to accompany.

Letters that contain only personal sentiments, such as expressions of love or appreciation, can be written without the input of your lawyer. These letters are a wonderful way to express yourself to your friends and family.

## November 3 Executor Boot Camp

\$50 per person

What's required for being an executor? What do you need to do and keep track of? What happens if you make a mistake, and how do you fix it? Executor Boot Camp answers all of these questions and more. This two-hour seminar will provide you with the information you need to act as an efficient, accountable, and effective executor. The topics covered include whether or not you need to get probate, tips and traps, how to stay out of trouble (including personal liability), where to start, and common errors executors make.

*Space is limited as this seminar has an interactive component.*

## Wills Week Was a Success!



Our second annual Wills Week was even better than the first. We'd like to say a great big "thank you" to Gregory Youden and CIBC for providing the space for the seminar and the refreshments, as well as handing out a ton of information about using a trust company in your estate planning.

If you have a suggestion for next year's event, let us know!

## WHAT SHOULD BE INCLUDED IN AN EXECUTOR'S ACCOUNTING?

When the executor is ready to wrap up an estate, he or she provides the residuary beneficiaries with a written summary of every financial transaction related to the estate.

Since there is no standard format for an accounting, what should be included?

### 1- The inventory.

The inventory is meant to be a snapshot of everything the deceased person owned at the time they passed away, and is one of the first things the executor needs to do.

Without the inventory, nobody knows what is in the estate or what it was worth when the person passed.

### 2- Everything that was paid out.

This includes dollar amounts for things like bills the deceased person had, expenses incurred by the executor, and what is to be paid to the beneficiaries and the executor.

The expenses should clearly indicate how much was paid to whom, and when.

### 3- Everything that came in.

Money can come from several sources, including the sale of the house or vehicle, bank accounts, cashing in investments, etc.

Just like the money going out, this should include details such as a description of what was sold, when, which account was closed, and so on.

The majority of executors don't provide copies of every invoice and receipt automatically. However, any residuary beneficiary has the right to see them since it directly impacts how much their inheritance will be.

*LISTEN FOR US ON VOXM  
WEEKDAYS AT 1:30!*

### *Did you know...?*

Chelsea recently opened Orchid & Oak Boutique, an online retailer of clothing designed for curvy and plus size women. To celebrate, we're offering **\$25 off** every purchase of \$50 or more until November 30.

Enter coupon code **CELEBRATE25** at the checkout.

Visit <http://www.orchidoak.com> to shop now and save on shipping in Newfoundland and Labrador.

### Question from a Reader

*"I saw the article about holographic wills. Is a videotaped will the same thing?"*

The short answer is "no".

In order for a will to be valid, it must be written down. It doesn't matter what it is written on as long as it is written. For holographic wills this means 100% in your own handwriting.

While a videotaped will might be 100% in your own voice or your own words, it isn't valid since it is not written down.

Do you belong to a social group that has guest speakers?

If you belong to a group that would like to have Lynne Butler present a seminar, let us know! Group seminars for non-profit groups (such as church groups and social clubs) are provided free of charge. We'll come to you at no cost and customize the topic to fit your group.

Popular topics include:

- Top 10 Estate Planning Mistakes
- Estate Planning for Seniors
  - Executor in an Hour
  - Basics of Estate Planning

We can also put together a presentation based on the interests of your group.

Call 221 5511 or email

[chelsea@butlerwillsandestates.com](mailto:chelsea@butlerwillsandestates.com) for more information.

*Please feel free to share this newsletter with others.*

*If you have any questions, comments, would like to suggest a topic, or to **unsubscribe**, please email us at **[chelsea@butlerwillsandestates.com](mailto:chelsea@butlerwillsandestates.com)***

