

## What if I am asked to Produce a Short Certificate?

By Karen S. Timko, CELA  
May, 2016

Your loved one has recently died and you are now undertaking the task of transferring the title of property from the decedent to a beneficiary. You contact the company where the decedent owned stock or investments and in response, you are asked to produce a short certificate. So what is a "short certificate"?

A short certificate is the informal term for the certification issued by the Court of the county where the decedent resided granting a person authority to administer the assets of the decedent. Usually, the short certificate is issued to the person designated as the Personal Representative, or Executor, under the Last Will and Testament of the decedent. A short certificate is required by financial entities to verify that the person requesting information about or access to property of the decedent has authority to administer the property of the decedent. Without this certification, there is no one authorized to access or control property that the decedent owned in his individual name at his death. A frequent misperception is that the Agent under a financial power of attorney has authority to access assets of the decedent. However, the Agent's authority under a POA is extinguished upon the death of the decedent.

You obtain a short certificate by filing the original Last Will and Testament with the Court of the county where the decedent resided. This filing initiates the process whereby the Court oversees the administration of the decedent's estate, or "probate of the estate". Upon the issuance of the short certificate, the Executor thereafter must comply with court rules to advertise the death of the decedent in newspapers, file an Inventory identifying and valuing all estate property, pay all estate expenses, gather and preserve all estate assets during administration, settle the administration of the estate with the beneficiaries, distribute estate assets to the beneficiaries, and ultimately close the administration of the estate with the Court. Usually the assistance of an attorney is required to ensure the proper administration of the estate.

There are multiple lifetime planning techniques that can be used to avoid the requirement of providing a short certificate. You can establish a revocable living trust to hold ownership of property, while still allowing you full access to the property held in the trust. You can create trusts for other purposes as well, such as asset protection from the costs of long term care; the control of distributions to beneficiaries who are minors, disabled or who are unable to properly manage trust distributions; and the protection of beneficiaries' trust assets from claims of creditors, divorce and bankruptcy. These trusts provide benefits to you in addition to the avoidance of probate and the specific purposes listed above. Through the use of all of these trusts, you organize your estate during your lifetime, streamline the administration of your assets during your lifetime and upon your death, maintain privacy of your estate property, and avoid attorneys' fees and other costs associated with probate of your estate.

If you desire to avoid probate but wish to pass your estate directly to your beneficiaries, you may alternatively avoid the requirement of a short certificate by naming a co-owner of your property to be held jointly with right of survivorship or by designating a beneficiary for the asset. Property that is owned jointly with right of survivorship

or that names a beneficiary will pass directly to the co-owner or beneficiary without the need for probate by operation of Pennsylvania law.

Through advance planning, you can organize your assets for effective management during your lifetime and the transfer of your assets according to your wishes at your death, taking comfort in knowing that upon your death, your family will not be asked to produce a short certificate.