

Probate estate administration is the legal process that occurs when an individual passes away with outstanding assets, obligations, or debts.

Step 1: Determine Whether Probate is Necessary

Before diving into probate, it is important to determine whether probate is necessary. In Michigan, certain assets may not need to go through probate, such as jointly owned property with a right of survivorship, assets held in a living trust, or those with named beneficiaries, like life insurance policies or retirement accounts.

Step 2: Open the Estate

If probate is required, the next step is to file either an *Application* or *Petition* with the probate court. Additionally, Michigan offers two types of probate processes: informal and formal. Informal probate is typically faster and more straightforward, while formal probate involves more court oversight and may be necessary in certain situations.

Step 3: Notify Interested Parties

The personal representative appointed by the court must notify all interested parties, including heirs, beneficiaries, and creditors. This notice informs them of the probate proceedings and their rights within the process.

Step 4: Receive Letters of Authority

The personal representative will require an order from the probate court verifying their authority - called the executor's Letters of Authority. The personal representative's letters of authority detail their rights and restrictions in estate administration. In some cases, a bond may be required to be posted by the executor before the letters are released.

Step 5: Publish for Creditors

If the Decedent passed less than three years ago, the personal representative will be required to publish for creditors with the local legal news. This Notice to Creditors starts the four-month waiting period

in which creditors can submit claims against an estate.

Step 6: Inventory and Appraise Assets

Within 91 days of appointment unless otherwise directed the personal representative must compile an inventory of the deceased person's assets, including real estate, personal property, and financial accounts. Some assets may have to be appraised to determine their value as of the date of death.

Step 7: Pay Debts and Taxes

During probate, the personal representative is responsible for identifying and paying the deceased person's outstanding debts. Note that administrative expenses and certain estate elections may get priority over others so it's best to wait until the end of the creditor period to ensure there are sufficient assets to cover all claims.

Step 8: Distribute Assets to Beneficiaries

Once all debts and taxes are settled, the remaining assets are distributed to the beneficiaries named in the will or determined by Michigan's intestate succession laws. The court may have to approve this distribution depending on the type of estate or the restrictions on your Letters of Authority.

Step 9: File a Final Account and Close the Estate

Depending on the estate, the personal representative may be required to file a final accounting with the court. This account should detail all financial transactions that occurred during the probate process. Once the court approves any final account, the estate can be closed, and the personal representative is discharged from their duties. Court approval should be sought for the payment of fiduciary fees.

Probate estate administration in Michigan can be a complex and time-consuming process, but it's a necessary step to ensure the orderly distribution of a deceased person's assets and the payment of their debts. Seeking legal guidance from an experienced probate attorney can help simplify the process and ensure compliance.