

## Accountant checklist

You should seek the advice of an accountant experienced in the establishment and management of testamentary trusts before making your decision. This checklist is helpful for both you and your accountant to ensure they are able to provide all the information required to make an informed decision:

- Understand the difference between an inter vivos trust and a testamentary trust**

It's important your accountant understands you are not considering setting up an inter vivos trust (ie family trust) and as such they need to be able to explain the advantages and disadvantages of creating a testamentary trust.
- Explain the process for establishing and governing a testamentary trust**

Your accountant should be able to provide information about the steps required to set up a testamentary trust as well as what is required to properly govern and manage the trust moving forward.

Further information can be found at the ATO website ([click here](#)).
- Understand and explain the capital gains and tax advantages**

Your accountant should be able to provide information about how a testamentary trust benefits you in terms of tax and capital gains savings and distribution.
- Review trust documents**

Your accountant should review and interpret the trust documents provided by us (including the trust terms included in the will and the trust constitution).
- Outline the role & responsibility of the trustee**

Your accountant should be able to explain both the initial requirements of setting up the trust as well as the role & responsibilities of the trustee (aka boss of the trust).
- Advise on which assets should be held by the trust**

Based on your personal circumstances and long term goals your accountant should provide advice around which assets should be held by the trust.
- Advise on trustee & beneficiaries of the trust**

Your accountant should provide advice around who is best placed to act as the trustee for your trust (you, another person, or a corporate trustee) and who you should add as beneficiaries (people able to receive income from the trust) to ensure you're that tax outcomes are achieved, and more importantly, potential family or legal disputes can be avoided.
- Name the trust & apply for a tax file number**

Your accountant will provide advice on naming conventions for the trust and apply for a tax file number for the trust on your behalf through the Australian Business Register (<https://www.abr.gov.au/>).

## Accountant checklist continued

### **Submit minutes to establish the trust**

Your accountant will prepare and submit appropriate minutes to establish your testamentary trust.

### **Prepare annual tax return & assist in ongoing management**

A testamentary trust is a financial entity and as such is required to file a tax return each year it's in existence. Your accountant will be able to do this for you.

Your accountant will also be required to

- Maintain proper trust account records (including detailed financial statements and reconciliations, and trustee resolutions)
- Fully document capital gains events, rollovers and other concessions claimed
- Understand the tax profile of potential beneficiaries to meet intended tax outcomes

### **Provide next steps and an outline of costs**

In assessing whether or not you wish to receive your inheritance within a testamentary trust your accountant should provide you with formal instructions detailing what your obligations and next steps are if you move ahead, together with an outline of ongoing costs associated with setting up and managing the trust.

Whilst the costs to establish the trust are covered within the terms of the will (ie the will makers estate covers pays these expenses) any ongoing accounting fees are the responsibility of the trustee of the trust.