



The Complete Guide to Valuing Estate Assets: What Every Executor Needs to Know

When you're serving as an executor, one of your most critical responsibilities is determining the value of all estate assets. This isn't just paperwork – these valuations directly impact probate proceedings, tax obligations, and how assets are distributed to beneficiaries. Let me walk you through everything you need to know to handle this complex process with confidence.

Why Asset Valuation Matters More Than You Think

Getting asset values right affects four crucial areas of estate settlement:

Probate Strategy: The total value determines which probate process you'll use and what court oversight you'll face.

Fair Distribution: Accurate valuations ensure beneficiaries receive their rightful inheritance without disputes.

Tax Implications: Both estate taxes and future capital gains depend on proper valuation.

Future Planning: These values establish cost basis for heirs when they eventually sell inherited assets.

Understanding Different Valuation Dates

Here's where it gets tricky – you'll need different values for different purposes:

Value at Death

This is your primary valuation date. For most estates, you'll use the asset's fair market value on the date your loved one passed away. For very large estates facing federal estate tax (we're talking estates over \$13.61 million in 2024), you have the option to use values from six months after death if that reduces the tax burden.

Value at Disposition



Fast-forward to when you actually sell or distribute assets. Estate settlement takes time – often months or years – and values change. You'll need current market values when you transfer assets to beneficiaries or sell them outright.

Carry Value (Missouri-Specific)

Some states, including Missouri in certain circumstances, require tracking the value when you first took control of assets. This creates a paper trail if you later sell at a different price.

Gross vs. Net Value: A Critical Distinction

Understanding this difference will save you headaches:

Gross Value: The total value of all assets before considering debts **Net Value:** Gross value minus estate debts – the actual worth to beneficiaries

For most assets, these are the same. But consider a home worth \$300,000 with a \$150,000 mortgage. You'd record the gross value as \$300,000 and separately list the \$150,000 debt.

Probate Value: What the Court Needs

Not every asset goes through probate. Items like 401(k)s with named beneficiaries typically bypass the court process entirely. Missouri looks at gross estate value for probate purposes, though specific rules vary for small estates.

Remember: even if your estate avoids formal probate, you might still face challenges on valuations from the IRS, beneficiaries, or creditors. Always be prepared to defend your numbers.

How to Value Different Types of Assets

The Easy Ones

- **Bank accounts:** Simply use the balance on the date of death
- **Publicly traded stocks:** Average the high and low selling prices on the death date (or the trading days immediately before and after if markets were closed)
- **Mutual funds:** Use the closing price on the date of death

The Moderate Challenges



- **Vehicles:** Use resources like Kelly Blue Book or Edmunds, but adjust for actual condition
- **Real estate:** Start with tax assessor values, then consult local real estate professionals for comparable sales
- **Collectibles:** Online price guides provide starting points, but condition matters enormously

The Difficult Ones

These typically require professional appraisers:

- Artwork and antiques
- Jewelry
- Private business interests
- Unique real estate

When to Hire Professional Appraisers

If an asset is potentially valuable and you can't easily research its worth, invest in professional appraisal. Appraisers typically charge \$125-\$400 per hour, depending on expertise and location.

Red flags: Avoid appraisers who charge based on asset value percentage – this violates professional ethics standards.

Where to find qualified appraisers:

- American Society of Appraisers (ASA)
- International Society of Appraisers (ISA)
- Appraisers Association of America

Always verify credentials and ask for written fee estimates upfront.

Handling Household Contents

Most executors group everyday items like furniture, clothing, and appliances under "household contents" with a single estimated value. Remember: value these items at what a buyer would pay "as is" – not what they cost new or what replacement would cost.

Pro tip: Consider holding an estate sale to establish actual market value, but work with reputable estate sale companies to ensure fair pricing.



The Reality Check: True Market Value

Here's the uncomfortable truth: an asset's real value is what someone will actually pay for it. This becomes challenging when appraised values don't match market reality.

If you must sell a substantial asset below its estimated value, document everything. Keep records of your marketing efforts, price reductions, and market conditions. This protection is essential if beneficiaries question your decisions or if tax authorities challenge significant losses.

Your Next Steps

Asset valuation doesn't have to be overwhelming when you approach it systematically:

1. **Start with the easy wins:** Bank accounts, publicly traded investments, and obvious items
2. **Research moderate challenges:** Use online resources for vehicles and collectibles
3. **Identify appraisal needs early:** Don't wait to engage professionals for complex assets
4. **Document everything:** Keep records of how you determined each value
5. **Stay flexible:** Be prepared to adjust values as you learn more about specific assets

Remember: You're Not Alone

The probate process involves complex decisions that impact families for years to come. While you're ultimately responsible for these valuations, you don't have to figure everything out in isolation. Working with experienced professionals – whether real estate specialists, appraisers, or probate attorneys – ensures you're making informed decisions that protect everyone's interests.

Every family's situation is unique, and the stakes are too high to guess. When in doubt, seek qualified guidance to ensure you're honoring your loved one's legacy while protecting the family's future.

Need help navigating estate asset valuation in the St. Louis area? As a Certified Probate Expert, I specialize in helping families through these complex transitions. Let's discuss how specialized expertise can simplify this process for you.



Download eBook - The Essential
Guide To Navigating The Probate
Process And Settling An Estate



Schedule a Consultation

Feel free to call or email:
Office (314) 018-5151
Cell (314) 484-1384
Terry@StLouisFamilyResources.com