The California Trust Funding Checklist

A trust only controls what it actually owns.

Signing your living trust felt like the finish line. It was not. A trust only controls what it actually owns, and the single most common failure we see in California estate planning is a beautifully drafted trust that was never funded. The family finds the binder, feels relieved, and then discovers the house is still titled in mom's name alone.

Funding simply means moving your assets into the trust. For most assets that means changing the title. For a few, it means updating a beneficiary form instead. And for a handful, the right move is to leave them exactly where they are. This checklist walks all three.

WHY AN UNFUNDED TRUST COSTS YOUR FAMILY

The numbers that decide whether your family sees a courtroom

- An asset left outside the trust generally passes through probate, and California statutory fees are calculated on the gross value of the asset, not your equity in it. A home worth $900,000 with a $600,000 mortgage is a $900,000 asset for fee purposes.
- For deaths on or after April 1, 2026, an estate's qualifying California personal property has to total $239,700 or less to use the small estate affidavit under Probate Code section 13100. One overlooked brokerage account can blow past that.
- A separate streamlined procedure under Probate Code section 13151 covers a primary residence worth up to $750,000. It is still a court petition, and it does not cover a second property.
- If an asset was clearly meant for the trust but never retitled, your successor trustee may be able to fix it with a Heggstad petition under Probate Code section 850. That is a real court proceeding with real attorney fees and months of delay, all to correct paperwork that took fifteen minutes to do correctly the first time.

1 Before you move anything

- [ ] **Write down the exact legal name and date of your trust.**
  Every institution will ask for it, and it has to match character for character. It usually reads something like “The Smith Family Trust dated March 14, 2026.” Keep this on a card in your wallet or in your phone notes. You will use it a dozen times.

- [ ] **Get a Certification of Trust from your attorney.**
  Under California Probate Code section 18100.5, this short document proves the trust exists and proves you have authority to act, without handing over your entire trust and letting a bank teller read who inherits what. Banks and brokerages accept it routinely. Ask for several signed originals.

- [ ] **Use your Social Security number, not a new tax ID.**
  While you are alive, a revocable living trust is not a separate taxpayer. You do not need an EIN, and you do not file a separate trust return. If the trust is joint, either spouse's Social Security number works. Institutions occasionally ask for an EIN out of habit, and they are wrong.

- [ ] **Start a funding log and keep it with the trust binder.**
  One page listing every account and property, whether it is in the trust, and the date it was confirmed. This is the document your successor trustee will thank you for, and it is the evidence that makes a Heggstad petition winnable if something ever slips through. A blank log is at the back of this checklist.

2 Real estate

- [ ] **Sign a deed transferring each California property into the trust.**
  Usually a grant deed from you individually to yourself as trustee. Include the full legal description from your existing deed, not the street address and not the parcel number alone. A defective legal description is the most common reason a deed has to be redone.

- [ ] **Record the deed with the county recorder where the property sits.**
  Signing is not enough. An unrecorded deed sitting in a drawer invites exactly the dispute the trust was meant to prevent. If you own property in more than one county, each deed is recorded in its own county.

- [ ] **File the Preliminary Change of Ownership Report with the deed.**
  The PCOR goes to the county assessor at recording. On it you check the box indicating the transfer is to a revocable trust in which you are the beneficiary. Skip this form and the assessor may open a reassessment inquiry you then have to answer.

- [ ] **Claim the documentary transfer tax exemption.**
  A deed transferring property to a revocable trust for your own benefit is exempt under Revenue and Taxation Code section 11930. The exemption has to be stated on the face of the deed. If it is not, the recorder will charge the tax.

- [ ] **Confirm your property taxes did not change.**
  Transferring to your own revocable trust is not a change in ownership and does not trigger Proposition 13 reassessment. Watch for the assessor's notice anyway, and respond promptly if one arrives. Note that Proposition 19 still applies later, when the property passes from the trust to your children.

- [ ] **Do not worry about your mortgage, but do tell your insurer.**
  Federal law bars a lender from calling a loan due when you transfer your own residence into your revocable trust, so the due on sale clause is not a threat here. Separately, call your homeowner's insurance agent and add the trust as an additional insured. A claim paid to an owner who no longer holds title is a headache nobody needs.

- [ ] **After any refinance, check the title again.**
  This is the trap. Lenders routinely require you to deed the property out of the trust to close, and then nobody deeds it back. Put a reminder in your calendar for thirty days after every refinance, and pull the recorded document to confirm the property is back in the trust's name.

- [ ] **Handle out of state property and timeshares deliberately.**
  Property outside California is the reason families end up in a second probate in a second state, called ancillary probate. Each out of state parcel needs a deed that satisfies that state's rules. Timeshares are frequently forgotten and often have their own transfer process and fee.

3 Bank accounts

- [ ] **Retitle checking, savings, money market accounts, and CDs.**
  Bring the Certification of Trust and your ID to the branch. In most cases the account number, the direct deposits, and the automatic payments all stay exactly the same. Ask specifically for a retitle rather than a new account so nothing breaks.
- [ ] **Ask about CD penalties before you move one.**
  Some institutions treat a retitle as an early withdrawal. Usually they will waive it, and occasionally it is cleaner to wait for maturity. Ask first rather than finding out on the statement.
- [ ] **Verify the new statement actually says the trust name.**
  Branch staff make errors on this constantly. When the next statement arrives, read the account title line. If it still shows only your name, it was never done.
- [ ] **Decide what to do with the safe deposit box.**
  Retitle the box to the trust, or at minimum make sure your successor trustee is on the signature card. A sealed box nobody can open is its own small crisis, and it is often where the original trust document is sitting.

4 Investment and brokerage accounts

- [ ] **Retitle taxable brokerage and mutual fund accounts.**
  Your broker has a standard form. This changes the registration only, not the holdings, and it is not a sale, so it is not a taxable event. Your cost basis carries over untouched.
- [ ] **Track down stock held in certificate form or directly with the company.**
  Paper certificates in a drawer, shares held through a transfer agent, and old employer stock plans all need separate attention. These are easy to miss precisely because there is no monthly statement reminding you they exist.
- [ ] **Handle savings bonds and Treasury holdings on their own track.**
  Paper savings bonds and TreasuryDirect accounts have their own reissue procedures and forms. Neither follows the brokerage process.
- [ ] **Confirm margin, options, and automatic investment settings survived.**
  Retitling occasionally resets account features and standing instructions. Check that recurring transfers and dividend reinvestment are still running the way you set them.

5 Retirement accounts: do not retitle these

Warning. Moving an IRA, 401(k), 403(b), or similar retirement account into your trust is generally treated as a full distribution, and the entire balance can become taxable income in one year. This is the most expensive funding mistake there is. Use beneficiary designations instead.

- [ ] **Leave the account itself in your own name.**
  The account stays exactly as it is. Nothing about the title changes.
- [ ] **Review the primary and contingent beneficiaries on every account.**
  Pull up each one and actually read it. Stale designations naming an ex-spouse, a deceased parent, or nobody at all are extremely common, and the beneficiary form beats your trust and your will every time.
- [ ] **Talk to your attorney before naming the trust as beneficiary.**
  Sometimes it is exactly right, for example when a beneficiary is a minor, has creditor problems, or receives needs based benefits. Sometimes it accelerates the payout schedule and costs the family money. The trust language has to be drafted for it. Do not guess on this one.
- [ ] **Do the same review for HSAs and 529 plans.**
  These also stay out of the trust. An HSA uses a beneficiary designation. A 529 uses a successor account owner, which is a different field and is frequently left blank.

6 Life insurance and annuities

- [ ] **Review the beneficiary on every policy, including the one through work.**
  Employer provided group life is the policy people forget. It often still names whoever you wrote down on your first day on the job.
- [ ] **Consider naming the trust as beneficiary when children are involved.**
  A life insurance company will not pay a minor directly. Without a trust or other arrangement in place, the money can end up in a court supervised guardianship of the estate until the child turns eighteen, and then it is handed over in full on their birthday.
- [ ] **Ask about an irrevocable life insurance trust only if your estate is large.**
  For most families the revocable trust is enough. If your total estate is approaching the federal estate tax exemption, an ILIT is a different structure worth a separate conversation.

7 Business interests

- [ ] **Assign your LLC membership interest to the trust.**
  This takes a written assignment, and it usually also takes an amendment to the operating agreement plus written consent from the other members. Read the transfer restrictions before you sign anything. Many operating agreements restrict transfers and some require a right of first refusal.

- [ ] **Transfer corporate stock and update the stock ledger.**
  New certificate, updated ledger, and a note in the corporate minute book. If you skip the ledger, the transfer is hard to prove later.

- [ ] **If your corporation is an S corporation, confirm the trust qualifies to hold the shares.**
  Only certain trusts may own S corporation stock. A standard revocable living trust qualifies while you are alive, but the rules tighten after death and the trust may need specific language to preserve the election. Losing S corporation status is expensive and difficult to undo.

- [ ] **Get advice first if you hold a professional practice.**
  California restricts who may own shares in a professional corporation such as a law, medical, dental, or accounting practice. Trust ownership is often not permitted, and these entities usually need a buy sell agreement instead.

- [ ] **Update the Statement of Information and check licenses and DBAs.**
  File an updated Statement of Information with the Secretary of State if ownership details changed, and confirm any licenses, permits, or fictitious business name filings still line up.

8 Vehicles, boats, and other titled property

- [ ] **For ordinary cars, you can usually leave the title alone.**
  California lets a surviving family member transfer a vehicle after death using DMV form REG 5, the Affidavit for Transfer Without Probate, without a court proceeding. Retitling every car into the trust is often unnecessary paperwork and can complicate insurance.

- [ ] **Do consider titling high value, collector, or classic vehicles to the trust.**
  When the value is substantial, the trust gives your successor trustee clean authority to sell or transfer without argument.

- [ ] **Call your auto insurer before you change any vehicle title.**
  Some carriers handle trust owned vehicles differently, and a mismatch between the registered owner and the named insured can create a coverage dispute at the worst possible moment.

- [ ] **Address aircraft, vessels, and anything else with a registered title.**
  Documented vessels and aircraft have federal registration systems with their own transfer requirements. Handle each separately.

9 Personal property, jewelry, and collectibles

- [ ] **Sign a general assignment of personal property to the trust.**
  One document sweeps your untitled belongings, furniture, art, tools, household goods, into the trust without listing every spoon. Your attorney prepares this alongside the trust.
- [ ] **List the valuable and the sentimental items specifically.**
  Jewelry, art, firearms, and collections deserve to be named. Firearms in particular may need specific handling depending on the type and who is receiving them.
- [ ] **Use a separate personal property memorandum for the small things.**
  If your trust allows it, this is a handwritten or typed list you can update yourself, without a lawyer, whenever you change your mind about who gets the ring. Ask whether your trust includes this provision.

10 Digital assets and online accounts

- [ ] **Give your trustee written authority over digital assets.**
  California has adopted the Revised Uniform Fiduciary Access to Digital Assets Act. Without express authority in your documents, your trustee can be locked out of email, cloud storage, and photo libraries by the provider's terms of service, no matter what your family wants.
- [ ] **Use the tools the platforms already provide.**
  Google has Inactive Account Manager and Apple has Legacy Contact. These settings override a lot of friction and take about five minutes each.
- [ ] **Set up a password manager with an emergency access contact.**
  This is the practical solution to a problem that otherwise has no good answer. Do not put passwords in the trust document itself, because the trust may become a public court record.
- [ ] **Plan for cryptocurrency separately and carefully.**
  Crypto held in self custody is lost forever if nobody can reach the keys, and it is the one asset class where a mistake is truly irreversible. Never write a seed phrase into the trust document. Talk to your attorney about a secure custody and access plan.

11 The beneficiary designation audit

Beneficiary designations override your trust and your will. This is the step that quietly undoes good planning, and it takes one afternoon.

- [ ] **Pull up every account with a beneficiary field and read it out loud.**
  Retirement accounts, life insurance, annuities, HSAs, 529 plans, pensions, and any payable on death or transfer on death account.
- [ ] **Name a contingent beneficiary on each one.**
  The primary beneficiary may not survive you. A blank contingent line sends the asset to your estate, which means probate, which is the whole thing you were trying to avoid.
- [ ] **Check for an ex-spouse, and check after every divorce and remarriage.**
  This is not rare. It is one of the most common and most painful discoveries families make.
- [ ] **Get written confirmation and file it.**
  A phone call is not a record. Save the confirmation page or letter in the trust binder with the funding log.

12 Keep it funded

- [ ] **Title new assets in the trust's name from day one.**
  When you buy the next property or open the next account, put it in the trust at the moment of purchase. Doing it right the first time takes minutes. Fixing it later takes a deed, or a court.
- [ ] **Re-check funding after every major life event.**
  Marriage, divorce, a death in the family, a new child or grandchild, a business sale, a move to or from California, or an inheritance. Each one can change what belongs where.
- [ ] **Review the whole plan every three to five years.**
  Laws change, and California has changed several rules that matter recently. A short review is far cheaper than a probate.
- [ ] **Tell your successor trustee where everything is.**
  They do not need the dollar amounts today. They need to know the trust exists, where the binder lives, and who to call. Give them our number.

Your Funding Log

Keep this page in the front of your trust binder. This is the single most useful document you can leave your successor trustee, and it is the evidence that protects your family if an asset is ever questioned.

Asset or account	Institution	In trust?	Beneficiary	Confirmed

NOT SURE WHETHER YOUR TRUST IS ACTUALLY FUNDED?

We will check it with you

Bring your trust binder and a list of your accounts. In one sitting we can tell you what is in, what is out, and what it would take to fix. If we drafted your trust, this conversation is part of the service. If someone else drafted it, we are glad to review it. Call (818) 788-7881 or visit mvplawgroupla.com. English, Spanish, and Russian.