

# Sale Proceeds

## for Trusts, Estates and LLCs



When selling property, proceeds from the sale may be disbursed in various forms such as a Trust Account Check, Cashiers Check, or Federal Wire Transfer. It is important to discuss your preference in receiving proceeds with your closer, and note that proceeds are issued in the name of the seller(s) as they hold title. Often a Proceeds Authorization form must be signed by the seller(s) to confirm such preference.

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**Trusts:** Colorado statute requires that Trustees execute a Statement of Authority for the closing, or that a current and valid copy of a Statement of Authority is in place and recorded in the appropriate county. The closing agent may request a copy of the Trust Agreement to confirm Trustee(s) and the powers they have regarding property conveyance. All sale proceeds will be issued in the name of the Trust as it holds title, and NOT the name of the individuals acting on behalf of the Trust.

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**Estates:** If title is held in the name of an Estate, the closing agent will require an original or certified copy of the Letters Testamentary from the Probate Court identifying the Personal Representative(s) with authority to sign on behalf of the Estate. These Letters must be recorded in the county in which the property is located. All sale proceeds will be issued in the name of the Estate.

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**Limited Liability Companies (LLC):** When title is held in the name of an LLC, the closing agent may request a copy of the Operating Agreement to identify who has authority to convey property on behalf of the company. Colorado statute requires a Statement of Authority be executed for the closing, and such Statement of Authority is recorded in the county in which the property is located. All sale proceeds will be issued in the name of the LLC as it is vested in title.

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To avoid delays after closing, make sure you have a open bank account in the name of your Trust, the Estate, or LLC as needed. Your bank otherwise may not accept a deposit of proceeds into an account under a different name. Be proactive, talk with your bank in advance of closing to determine what documentation they may need to move forward.



This material is intended for informational purposes only. Before making any decisions dealing with subject matter, our Company recommends that you seek professional advice from financial or legal counsel at your discretion.