

## INSTRUCTIONS FOR ACCOUNT FOR INCAPACITATED ADULT

### I. GENERAL

- A. Accounts must be filed with the Commissioner of Accounts. Ask the Commissioner how many copies are required to be filed.
- B. Accounts must be signed by each fiduciary.
- C. The first account must cover the period from the date of qualification through the next four months. It must be filed within six months from the date of qualification.
- D. Second and subsequent accounts are due within 16 months from the ending date of the prior account, and should cover no more than 12 months. You may end the account on any day of a month.
- E. Appropriate documentation to prove the account (as set forth below) must accompany the account. Whenever these instructions refer to a receipt, statement, invoice, etc., you must furnish the original of the document in question to the Commissioner. If you seek to use a photocopy of a check as a voucher or receipt, a copy of both sides of the canceled check shall be sufficient, or a copy of the front side of the check, and the periodic statement from the financial institution showing the check number and amount that coincides with the copy shall be sufficient, provided such copy was made in the regular course of business in accordance with the admissibility requirements of Virginia Code Section 8.01-391, and provided further that the Commissioner of Accounts may require a fiduciary to exhibit a proper voucher for a specific payment or for distributions to the incapacitated adult's personal representative, spouse, heirs or distributees.

### II. BEGINNING ASSETS

- A. Use total from Parts 1, 2 and 5 of the Inventory (including Amended or Supplemental Inventory) if this is a First Account.
- B. Use total Assets on Hand (at carrying value) from prior account if this is a Second or later account.

### III. RECEIPTS

- A. A conservator is required to account to the Commissioner of Accounts regarding the incapacitated person's income and property that the conservator has received or become chargeable with. If certain federal benefits (Social Security, Supplemental Security Income, Veterans Affairs and Black Lung benefits) are paid to a designated representative (whether the conservator or another) on behalf of an incapacitated adult, and *if* (i) the designated representative is required to report to a federal agency for the use of such benefits *and* (ii) the benefits are kept in a separate account and not commingled with other conservatorship assets, the conservator does not have to account to the Commissioner of Accounts for the use of such benefits. However, the amount received must be listed on the line marked with "\*\*". If such benefits are kept in the same account as other conservatorship assets, then these benefits are included under Part 2 and accounted for in the same manner as the incapacitated adult's other income. Any federal benefits paid to a conservator on behalf of the incapacitated adult for which the conservator is not required to report to a federal

agency for their use must be disclosed in Part 2 and accounted for in the same manner as the incapacitated adult's other income.

- B. Itemize in chronological order in Part 2 all receipts (interest, dividends, periodic payments, etc., but not Social Security, Supplemental Security Income, Veterans Affairs and Black Lung benefits except as discussed in III.A. above) brought in during the account period. You may list all receipts from each payor in the same place, so long as each receipt is separately stated.
- C. Show each item of income separately. For example, show each quarterly dividend from XYZ stock rather than showing a lump sum for the year.

#### IV. GAINS ON ASSET SALES

- A. For securities sold by a broker, show net proceeds less carrying value of asset sold. In all other cases show total sales proceeds less costs of sale and less carrying value of asset sold.
- B. Provide original broker's statement or signed settlement sheet as verification.

#### V. ADJUSTMENTS

- A. If you received permission from the Commissioner of Accounts not to file a Supplemental Inventory, itemize any additional assets discovered that were not reported previously.
- B. Show any corrections to items reported on the Inventory or prior account, e.g. where the value of an asset or the number of shares was incorrectly reported.

#### VI. DISBURSEMENTS

- A. Do not include any disbursements from U.S. government benefits unless the amount of these benefits has to be included in Part 2 as explained in III.A. above.
- B. Disbursements should be listed in chronological order; however, you may group together disbursements made to the same payee, e.g. monthly nursing home payments and/or telephone, gas, and electric bills. If you group disbursements you must also group your proper vouchers and receipts in the same order as shown on the account.
- C. A proper voucher or a signed invoice or receipt must be provided in support of each disbursement and they must be organized in the same order as they appear on the accounting.
- D. Where a reimbursement is made to the fiduciary or another person for expenses paid on behalf of the incapacitated adult, evidence of the expenses paid must be provided. The Commissioner may also require evidence that the obligation paid was a debt or expense of the conservatorship.

#### VII. LOSSES ON ASSET SALES

- A. Show carrying value of assets sold less total sales proceeds.
- B. Provide copy of broker's statement or signed settlement sheet as verification.

## VIII. DISTRIBUTIONS

- A. A conservatorship comes to an end upon the death of the incapacitated adult, or when the incapacitated adult is declared competent by the Circuit Court.
- B. Your powers as Conservator cease when the conservatorship comes to an end. You should thereafter write no conservatorship checks; when an Administrator or Executor qualifies, then transfer all remaining assets to that fiduciary. The Administrator or Executor will pay all unsettled Conservatorship debts and expenses, including the filing fee for the Final Conservatorship Account and your final fee for serving as Conservator.
- C. Itemize all assets delivered to the Administrator or Executor, or to the formerly incapacitated adult.
- D. A proper voucher or signed receipt from the formerly incapacitated adult (if competency was restored) or from the Executor or Administrator must be provided.

## IX. ASSETS ON HAND

- A. Itemize each asset remaining on hand at its carrying value as of the ending date of this account.
- B. Where the market value of the asset is not equal to its carrying value, show the market value in parentheses within the asset description, or attach a separate itemized list.
- C. Provide verification of the existence of each asset, i.e., bank statements (reconciled to agree with your account balance), broker's statements or original stock certificates, original notes, copies of K-1 forms, titles to cars or boats. To verify jewelry and furnishings a statement from a disinterested third party certifying the existence and location of said items will be acceptable.
- D. Where the market value of the total assets on hand is not equal to their carrying values, show the total market value of assets on hand on the line marked "\*\*\*".

## X. FORMAT

- A. The use of the Account Summary form is strongly encouraged. If this format is not used, the information required by this form must be summarized on one page.
- B. The itemized lists attached to the Account Summary form must comply with these Instructions and the accompanying Sample Account, or else you must make a complete accounting that complies with the provisions of Virginia Code Section 64.2-1206 and 64.2-1308.

**SAMPLE ACCOUNT FOR INCAPACITATED ADULT**  
**COMMONWEALTH OF VIRGINIA**  
 VA. CODE §§ 64.2-1206, 64.2-1308, 64.2-1305

Court File No. ....

Circuit Court of .....

Estate of ....., an incapacitated adult

Residence of incapacitated person: .....

Type of Fiduciary:  Conservator  Guardian  Committee  
 Trustee for ex-service person  Limited Conservator

Name of fiduciary ..... Day telephone .....

Mailing address .....

Name of other fiduciary ..... Day telephone .....

Mailing address .....

This is account number  one  two  three  ..... Is this a final account?  yes  no.  
 From ..... (date of qualification or end of last account) to ..... (end of this account)

**ACCOUNT SUMMARY**

1. Beginning Assets (from Parts 1, 2 and 5 of the inventory or from the prior account)	\$ 102,306.65
2. Receipts*	\$ 37,328.08
3. Gains on Asset Sales (attach itemized list)	\$ 1,125.00
4. Adjustments (attach itemized list)	\$ 4,375.00
5. Total of 1, 2, 3 and 4 (must equal Total on Line 10)	\$ 145,134.73
6. Disbursements (attach itemized list)	\$ 34,085.00
7. Losses on Asset Sales (attach itemized list)	\$ 0.00
8. Distributions (final account only) (attach itemized list)	\$ 0.00
9. Assets on Hand (attach itemized list) (carrying value)	\$ 111,049.73
10. Total of 6, 7, 8 and 9 (must equal Total on Line 5)	\$ 145,134.73
* Any amounts received as Designed Representative but not included in 2 above. (See Va. Code Section 64.2-1312; Instruction III.A.)	\$ 3,000.00
** Market Value of Assets on Hand (See Instruction IX.D.)	\$ 111,799.73

I (We) certify that this is a true and accurate accounting of the assets of this estate for the period described and that to the best of my/our knowledge all taxes have been paid or provided for.

Date ..... Fiduciary's signature .....

Date ..... Fiduciary' signature .....

**NOTE:** Virginia law requires that every account be signed by all fiduciaries.

RECEIPTS:

LMN Bank interest

6/25/06	53.51
7/25/06	54.17
8/25/06	55.73
9/25/06	56.59
10/25/06	56.82
11/25/06	57.80
12/25/06	58.99
1/25/07	59.40
2/25/07	60.10
3/25/07	60.95
4/25/07	61.44
5/25/07	62.30

STU Corporation, dividends

6/30/06	50.00
9/30/06	50.00
12/31/06	65.00
3/31/07	65.00

Employer's disability payments – 10 months @ \$490	4,900.00
2 months @ \$510	1,020.00
	5,920.00

CDO Annuity – 12 months @ \$2,400	28,800.00
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ABC Bank, interest

6/30/06	415.10
9/30/06	418.55
12/31/06	420.92
3/31/07	425.71

TOTAL RECEIPTS	37,328.08
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GAINS ON ASSET SALES:

6/14/06 Net Proceeds of sale of 80 shares of NOP Company	5,125.00
less carrying value of	4,000.00
TOTAL GAINS	1,125.00

ADJUSTMENTS:

Correct 500 shares of STU Corp. from \$119.75 per share on Inventory to true Inventory value of \$128.50/share	59,875.00	
	<u>64,250.00</u>	
TOTAL ADJUSTMENTS:	4,375.00	

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DISBURSEMENTS:

Check #		
#008 ABC Agency, bond premium Sunshine Nursing Home 6/06-5/07, 12 months @ \$2,785/month	490.00	
#009 Dr. John Doe	33,420.00	
#015 Dr. John Doe	50.00	
#024 Dr. Mary Roe	<u>50.00</u>	
	<u>75.00</u>	
TOTAL DISBURSEMENTS:	34,085.00	

LOSSES ON ASSET SALES – none		0.00
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DISTRIBUTIONS – none		0.00
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ASSETS ON HAND:

Fifth National Bank, Money Market Acct. #123789	20,907.73	
500 shares of STU Corp. at carrying value of \$128.50/share (5/31/07 market value of \$130/share = \$65,000)	64,250.00	
Third National Bank, Savings Acct.	25,892.00	
TOTAL ASSETS ON HAND		111,049.73