

## INSTRUCTIONS FOR ANNUAL ACCOUNTING

The following basis for the treatment of assets and liabilities of the ward is in conformity with the American Institute of Certified Public Accountants Industry Audit Guide, Audits of Personal Financial Statements, "Accounting and Reporting for Personal Financial Statements." Issued October 1, 1982. Statement of Position 82-1. The treatment for the basis of assets is current estimated fair market value.

### Joint Ownership of Assets or Estate

If assets or an estate are jointly owned by the ward and other parties, then the value of additional assets on Sch C and assets recorded on Sch D-2 is the ward's percentage of ownership of the assets.

#### Example (most common):

Husband and wife jointly own an estate, 50% of the assets belong to the husband and 50% of the assets belong to the wife. If the guardianship is for the husband only, then 50% of the value of the estate or assets are recorded on schedule D-2 for the guardianship. Only the value of the percentage of assets owned by the ward are recorded on the annual accounting.

A 50% joint ownership of assets and estate are most common, however, different percentages of ownership are possible. Please refer to this paragraph when completing the annual accounting of the ward when it is jointly held with other parties.

If a mortgage, loan or note is associated with an asset that is jointly owned, then record only the percentage that belongs to the ward.

**Schedule A** List all income sources and amounts with a brief description on Schedule A.

#### Examples:

\$300 per month x 12 months = \$3,600.00

\$100 per quarter = \$400

Income that is received on behalf of the ward for the accounting period.

- a. Interest Income
- b. Dividend Income
- c. Social Security
- d. Pension

d. Investment Income other than interest or dividends.

e. Annuities

f. Any source of income not described above.

Any disbursement from any bank account (other than transfers, see Schedule E) must be recorded on Schedules B-1, B-2, B-3 or B-4. There are no exceptions.

**Schedule B-1** Court Ordered Attorneys Fees & Costs disbursed on behalf of the ward are recorded on Schedule B-1. Provide detail as described on Schedule B-1.  
"Period Covered" means the period covered by the fee petition.

**Schedule B-2** Court Ordered Guardian Fees & Reimbursements disbursed on behalf of the ward are recorded on Schedule B-2. Provide detail as described on Schedule B-2.  
"Period Covered" means the period covered by the fee petition.

**Schedule B-3** Any disbursements SPECIFICALLY ordered by the Court other than Attorney Fees & Costs and Guardian Fees & Reimbursements are recorded on Schedule B-3. Provide detail as described on Schedule B-3.

**Schedule B-4** All Other Disbursements, this would include disbursements from a standing court order to pay for living expenses from an unrestricted bank account.

If your county requires you to submit a detailed check register, list individual disbursements by category and include the check number, date and payee.

Otherwise, summarize the disbursements by category.

The guardian must obtain a receipt or canceled check for all expenditures and disbursements made on behalf of the ward. The guardian must preserve the receipts and canceled checks, along with substantiating papers, for a period of three (3) years after his or her discharge. The receipts, checks and substantiating papers need not be filed with the court but shall be made available for inspection and review at such time and in such place and before such persons as the court may from time to time order. F.S. 744.3678(3).

**Schedule C** Schedule C is to record the Gains and Losses to estate value and found assets not previously recorded as of the end of the accounting period.

**Include a full description of the current market value and sale price of sold assets.**

**If a closing statement exists, please attach.**

**Gains and Additions to Estate Value Include:**

- A. The purchase of real estate, personal property and intangible assets. These include but are not limited to household furnishings, personal residence, vehicles, real estate/real property stocks and securities.**
- B. The gain from the sale of an asset. A gain occurs when an asset is sold for more than the the previously recorded value.**
- C. A found asset is an asset that is discovered subsequent to the filing of the Initial inventory or the Annual Accounting and has not been previously recorded.**
- D. An increase in the estimated fair market value of an asset (Adjustment to Estate Value).**

**Example: Adjustment to Estate Value (Gain/Addition)**

- 1. The current estimated fair market value of a personal residence (real estate) is adjusted to reflect an increase in the valuation of the property. The previous estimated fair market value of the residence was \$100,000, the current fair market value of the residence is \$150,000. The fair market value of the residence, \$150,000 would be recorded on Schedule D-2 (A) or (B). The \$ 50,000 increase in the value of the residence would be recorded on Schedule C as an adjusted gain in the value of the residence.**
- 2. The increase in the value of stocks and securities are shown on Schedule C. The market value of stocks and securities at the end of the accounting period are recorded on Schedule D-2 (D).**

**The purchase of assets are recorded on Schedule C, disbursements related to the purchase of the asset are recorded on Schedule B-3 or B-4 and the liability, (if any), associated with the purchase of the asset is recorded on Schedule D-3 (Mortgage, Loan or Note Payable).**

**Losses and Reductions to Estate Value Include:**

- A. Losses occurring from the sale of assets. A loss occurs when an asset is sold for an amount less than the previously recorded value.
- B. Losses occurring from damage or theft.
- C. A decrease in the estimated fair market value of an asset. (Adjustment to Estate Value).
- D. The removal or disposal of an asset from the estate value.

Adjustments to the fair market value of assets occurs to assets that were previously recorded on the Initial Inventory or prior year Annual Accounting. An adjustment reflects the current estimated fair market value.

**Example: Adjustment to Estate Value (Loss/Reduction)**

1. The current estimated fair market value of a personal residence (real estate) is adjusted to reflect a decrease in the valuation of the property. The previous estimated fair market value of the residence was \$100,000, the current fair market value of the residence is \$50,000. The fair market value of the residence, \$50,000 would be recorded on Schedule D-2 (A) or (B). The \$ 50,000 decrease in the value of the residence would be recorded on Schedule C as an adjusted decrease in the value of the residence.
2. The decrease in the value of stocks and securities are shown on Schedule C. The market value of stocks and securities at the end of the accounting period are recorded on Schedule D-2 (D).

The sale of assets are recorded on Schedule C in the loss/reduction column, receipts related to the sale of an asset are also recorded on Schedule C in the gain/addition column. A loss or gain from the sale of the asset will result in a total net gain or loss on Schedule C.

**Mortgage, Loan and Note Payments**

Mortgage, Loan and Note Payments are recorded on Schedule B-3 or B-4 as a disbursement. The amount of the mortgage payment allocated to the principal is recorded on Schedule C in the gain column. These amounts can be determined from account statements from the lending institution.

**Schedule D-1**

**Cash Assets are recorded on Schedule D-1. Each bank account must be documented by attaching a copy of the bank statement or other documentary evidence of the ward's cash assets covering the period ending date of your accounting. The balance reported on the statement or documentary evidence must agree with the balance shown on your accounting. When there is an active checking account, a bank reconciliation will be required.**

**It is not customary for financial institutions to provide monthly statements for those cash assets held in the form of a Certificate of Deposit (CD). It will be necessary to obtain a signed letter from an officer of the bank asserting the balance of the Certificate of Deposit as of the period ending date. A copy of this letter must be attached to your accounting.**

**Schedule D-2**

**Real Estate is recorded on Schedule D-2 (A) and (B). Personal Property is recorded at the current estimated fair market value on Schedule D-2 (C) and Intangible Assets are recorded at market value on Schedule D-2 (D). Any change in the value of assets in relation to the prior year inventory or accounting will be shown as an adjusted addition or reduction in value on Schedule C.**

**Fair market value may remain the same from year to year, if no adjustments to the value of the asset are made, it will be assumed that the fair market value is the same as the previous accounting or initial inventory.**

**Examples of Real Estate/Real Property: Houses, condominiums, buildings, rental property, cooperatives, mobile homes, vacant land, personal primary and secondary residences.**

**Examples of Personal Property Assets: Vehicles, jewelry, artwork, other personal effects.**

**On Schedule D-2 (C), certain items may be classified in group dollar amounts such as:**

- 1. Household furnishings**
- 2. Jewelry**
- 3. Clothing**

**Examples of Intangible Assets on Schedule D-2 (D) include:**

- 1. Marketable securities (debt and equity securities for which market quotations are available.) Disclose the number of shares owned and the value per share.**

For mutual fund and brokerage accounts, a statement from the period ending month or quarter must be provided. This statement must be dated at least through the end of the accounting period. The accounting valuation of the mutual fund should agree with the appropriate balance asserted on the statement at the close of the accounting period. It may be necessary to obtain a signed letter from a bank or financial institution officer asserting the balance of the account at the close of the accounting period.

2. The estimated current value of an investment in life insurance (Cash value of the policy less the amount of any loans against it.) The face amount of the life insurance policy must be disclosed.
3. Investments in closely held business: Show the net estimated current value if the entity is marketable as a going concern. A current income statement and balance sheet of the entity must be provided.
4. Mortgages receivable, loans receivable, notes receivable and accounts receivable.
5. A Trust established subsequent to the Guardianship Inception Date with assets of the ward.

**Schedule D-3**

Mortgages, Liabilities and Notes Payable associated with Assets are recorded on schedule D-3. Liabilities are shown at their current amount from statements provided by the institution or lender. Liabilities must be clearly identified in relation to the asset, including description, street address and any other information needed to identify the asset associated with the liability. Type in the corresponding number from Schedule D-2.

**Schedule E**

Bank transfers are recorded on this schedule. The bank account number, transfer in amount, transfer in date, transfer out amount and transfer out date. Total transfer amounts in and out should be equal.

The Total Amount on Line 13 of the Summary page should equal the Total on Line 9.

**Schedule F**

Double click on the Date of Receipt of Assets into RESTRICTED depository.

A pop up calendar will appear and fill in the date the assets were deposited into the RESTRICTED depository. This date should agree with your deposit ticket.

**Bond Requirements: Fill out items 1-3.**

**Schedule F-1**

**Sale of Real Property: Fill in a description, address and sale price of real property sold during the accounting period.**

**Schedule F-2**

**Sale of Personal Property: Fill in a description, address and sale price of personal property sold during the accounting period.**