

# **INSTRUCTIONS AND DUTIES OF A GUARDIAN (FIDUCIARY) OF A MINOR'S ESTATE**

**IT IS IMPORTANT THAT YOU READ THIS INSTRUCTION PACKET  
AND THE RELEVANT SECTIONS OF THE VIRGINIA CODE  
YOU WILL BE HELD ACCOUNTABLE  
FOR ALL INFORMATION SET FORTH HEREIN**

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These Instructions and Duties of a Guardian (Fiduciary\*) of a Minor’s Estate were prepared by Melinda Hetzel, the Commissioner of Accounts of the County of Loudoun (“Commissioner”), and the Loudoun County Circuit Court Clerk’s Probate Department to assist you in performing the duties you have as a fiduciary. These instructions address only the most commonly asked procedural questions. For a comprehensive statement of your fiduciary duties and responsibilities, please refer to the Virginia Code § 64.2-1001 *et seq.*

Ms. Hetzel is an attorney at law who was appointed by the Circuit Court of the County of Loudoun, Virginia, pursuant to Virginia Code § 64.2-1200; not an employee of the Commonwealth of Virginia or the County of Loudoun. Ms. Hetzel and her staff welcome any questions you have concerning these instructions, via email, to the address below, or, any member of the public is welcome to attend Ms. Hetzel’s monthly public outreach meetings. For specific dates and times, please see the “Commissioner of Accounts Public Seminars Schedule,” which can be found on line at [www.loudoun.gov/probate](http://www.loudoun.gov/probate).

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\*A fiduciary is a person who has control over another person’s property/estate; the term “fiduciary” is used herein interchangeably with “guardian.” Definitions of other key probate terms can be found at [www.loudoun.gov/probate](http://www.loudoun.gov/probate), “Decedent’s Estates,” “General Probate Information.”

## PENALTIES & BOND

**Penalties assessed against the fiduciary personally** - The Code of Virginia provides for certain penalties if a fiduciary does not properly administer an estate in a timely manner. The following penalties are assessed against the fiduciary personally and may NOT be paid from estate funds.

1. **\$30 Late Letter Fee** – Charged when a letter must be prepared and sent to a fiduciary that fails to file an inventory, accounting or supporting documentation in a timely manner.
2. **\$85 Summons** – Charged when a Summons must be prepared and served on a fiduciary that fails to respond to a request for information from the Commissioner.
3. **\$165 Report** – Charged when a Report must be prepared and filed with the Court advising that a fiduciary has failed to properly administer an estate.
4. **\$220 Court Appearance** – Charged when the Commissioner has to appear in court to address the fiduciary’s failure to properly administer the estate.

**NOTES: Virginia Code § 64.2-1217 states that any fiduciary that fails to settle his/her account in a “timely manner” shall forfeit their compensation unless good cause can be shown for the delay.**

**Virginia Code § 64.2-1216 states that any Personal Representative who is a practicing attorney at law and fails to respond to a summons shall be reported to the Virginia State Bar.**

**Change of Address** – Virginia Code § 64.2-1409 requires all fiduciaries to report a change of address or phone number to the Clerk of the Circuit Court and the Commissioner within thirty (30) days of the date of the change(s). Any fiduciary who fails to provide said notice shall be subject to a civil penalty of \$50.

**Bond** – At the time of qualification, each fiduciary must sign a bond contract that represents the amount for which he or she may be personally liable if an estate is improperly administered. In accordance with Virginia Code § 64.2-2009 (A)(vi), the Court Order appointing you as a fiduciary will set the amount of your bond and whether your bond must be secured or unsecured. If secured, the fiduciary must obtain a corporate surety that agrees to pay monies into the Court if a fiduciary breaches his or her duties.

**Bond Increase** – If the value of the assets under a fiduciary’s control exceed the amount of the existing bond, the Probate Department will send a letter directing the fiduciary to obtain a new bond. If the bond is not obtained by the date provided, a fiduciary’s powers may be revoked.

**Bond Reduction** – If the assets under the fiduciary’s control are less than the existing bond, a written bond reduction request may be made to the Probate Department. However, such a request can only be made after an inventory or accounting has been approved by the Commissioner reflecting the lower asset value.

## OVERVIEW

For each estate the fiduciary must file an inventory of the minor's assets with the Commissioner within 4 months from the date of qualification. The first account, reflecting the administration of said assets from the date of qualification through the subsequent 4 months, must be filed no later than 6 months from qualification. Thereafter, accounts are due annually based upon the ending date of the prior account and the filing date may not be changed. For additional information on accounting time periods and filing deadlines, please see the Overview under Account for Minor's Estate (Part A).

### **A. IDENTIFYING ASSETS**

The Certificate of Qualification provided by the Probate Department evidences a Guardian's legal authority to take possession of and administer a minor's assets.

### **B. POSSESSION OF ASSETS:**

A Guardian should immediately take possession of all of the minor's assets and/or take all measures necessary to safeguard said assets and protect them from waste. A fiduciary may be held personally liable for any losses that are incurred when the assets are not properly safeguarded.

The minor's assets must be titled with the fiduciary's name followed by "Guardian for" the name of the minor (i.e. John Brown, Guardian for John Doe). The minor's assets cannot be combined or co-mingled with the fiduciary's personal assets.

### **C. ALLOWABLE EXPENDITURES.**

a. A fiduciary may be reimbursed for out of pocket expenses incurred in the furtherance of his/her fiduciary duties (i.e., mileage, postage etc.) and expend guardianship funds for administrative expenses (i.e. bond premium, taxes, account filing fees, etc.) without prior approval from the Commissioner or the Court.

b. IF A MINOR HAS NO LIVING PARENT, the Court Order appointing the Guardian may set forth how the guardianship funds can be used. If not, after taking into account the minor's other sources of income, support rights and reasonably available resources, the guardianship funds can be used to provide for the minor's health, education, maintenance and support in accordance with *Virginia Code 64.2-1800*. It is strongly recommended that the Guardian contact the Commissioner before expending any Guardianship funds for non-administrative expenses.

### **D. PROHIBITED EXPENDITURES**

a. IF THE MINOR HAS A LIVING PARENT, the Guardian is ***not permitted*** to disburse any guardianship funds, other than for administrative expenses, including for the health, education, maintenance or support of the minor, without ***prior approval*** by

the Commissioner of Accounts or the Court (*Virginia Code 64.2-1801*). The Commissioner is authorized to approve expenditures of no more than \$5,000 per annual accounting period (*Virginia Code 64.2-1802*).

b. Guardianship Hearing: If the minor has a living parent and fiduciary wishes to expend less than \$5,000, during an annual accounting period, on non-administrative expenses, prior to expending any funds, the guardian must request that the Commissioner hold a hearing to determine if the said expenditures would be proper or a petition can be filed with the Court requesting the same. If the minor is 14 years of age or older, he/she must be given written notice of the right to attend the hearing at least 5 days prior thereto. At the hearing, the Commissioner can only approve non-administrative expenditures if the Guardian provides the evidence necessary to prove that:

1. The living parent(s) is unable to completely fulfill the parental duty of the supporting child; or
2. The living parent(s) cannot, for some reason, be required to provide such support; or
3. The proposed expenditure is beyond the scope of parental duty to support.

c. **A Guardian may not lend money to him/herself, family or friends.**

#### **E. INVESTMENT OF FUNDS**

a. A fiduciary has the responsibility to invest the principal funds of the minor, in excess of the amount reasonably necessary for the day-to-day administration of the guardianship, within **4 months** after the assets come under the fiduciary's control. If the fiduciary fails to invest the principal, he/she may be assessed a surcharge equal to the interest that could have been earned on said funds during the accounting period, at the judgment rate of interest, which must be paid by the fiduciary personally (*Virginia Code § 64.2-1501*).

b. Funds may be invested in accordance with *Virginia Code §64.2-1502* or as authorized by Court Order. The standard of care for investments not listed in *§ 64.2-1502* is set forth in the Uniform Prudent Investor Act (*Virginia Code § 64.2-780, et seq.*).

c. If the fiduciary fails to preserve the value of the minor's assets because of negligence or improper conduct, the fiduciary may be personally responsible for the lost principal and interest thereon (*Virginia Code §64.2-1415*).

**NOTE: GUARDIANSHIP ASSETS CANNOT BE COMBINED OR CO-MINGLED WITH THE PERSONAL ASSETS OF THE MINOR, THE FUNDS OF THE GUARDIAN OR A THIRD PARTY.**

**IF A GUARDIANSHIP ORDER INCLUDES MORE THAN 1 CHILD, A SEPARATE INVENTORY AND ACCOUNTING(S) MUST BE FILED FOR EACH MINOR.**

## INVENTORY FOR MINOR'S ESTATE

The inventory is the initial document filed with the Commissioner of Accounts, due no later than 4 months after the date of qualification. The inventory must set forth all estate assets over which the fiduciary can exercise control, including, but not limited to, bank accounts, certificates of deposit, investment accounts, real property, etc.

The inventory form can be found at [www.loudoun.gov/probate](http://www.loudoun.gov/probate).

### **A. VALUATION OF ASSETS**

1. Use the fair market value of each asset ***as of your date of appointment***, not the date the inventory is prepared or filed.
2. The fair market value of each item of tangible personal property is the value of the item if sold "as is," not the replacement value.
3. Each asset should be listed at its gross value without reduction for any debt, mortgage, or lien.

### **B. INVENTORY CONTENT**

#### **Part 1. Minor's personal estate; tangible and intangible**

- a. Household/personal items - Items worth more than \$500 a piece must be listed separately. Items worth less than \$500 can be grouped together.
- b. Un-cashed checks should be listed separately.
- c. Bank accounts should include the bank name, account type and account number (last 4 digits).
- d. Stocks, mutual funds, equities, and similar investments must be listed separately and include name of stock/equity, number of shares, percentage of ownership, price per share and total value.
- e. Bonds and promissory notes must include the account number (last 4 digits), issuer's name, face amount, interest rate, and maturity date.
- f. Assets for which the market value cannot be obtained, such as stock in closely held corporations or legal claims against others, an estimated value, if known, or a nominal value of \$1 may be used until the fair market value is established.

#### **Part 2. Minor's Real Property in Virginia, over which a fiduciary HAS the power of sale.**

- a. The property must be listed by address or tax map ID number at the fair market value based on the most recent tax assessment or the appraised value, if an appraisal was completed within 6 months.
- b. Do NOT include any real property held by right-of-survivorship with another (see Part 5 of the form).

**Part 3. Minor’s Real Property in VA, over a which fiduciary DOES NOT have the power of sale.** Property over which the fiduciary has no power of sale. The property must be listed by address or tax map ID number and the tax assessed or appraised value provided.

**Part 4. Minor’s Non-Virginia Real Property.** Property located outside of Virginia. The property must be listed by address or tax map ID number and the tax assessed or appraised value provided.

**Part 5 - Minor’s legal or equitable ownership in real property or personal property that will pass to another person upon the death of the minor by means other than testate or intestate succession.** Include any real or personal property held with right of survivorship with another person, payable to a named beneficiary or owned with pay or transfer upon death. Checking, savings, certificates of deposit, and other accounts should include the bank name, account type, account number (last 4 digits), any accrued interest, the maturity date, and name of joint holder or beneficiary.

**Part 6 – Minor’s rights to periodic payments from certain agencies of the U.S. government (i.e., Social Security Funds).** If a fiduciary or third party receives social security or supplemental security income, as the designated representative for the minor, the fiduciary does not need to account for said funds unless they are deposited into an account that contains guardianship funds (*Virginia Code 64.2-1312*). **While it is not required, it is suggested that these funds be kept separate from the guardianship assets.**

**Part 7 – Minor’s rights to periodic payments from any other source.**

**SAMPLE INVENTORY ENTRIES**

<b>Misc. Personal items</b>	<b>\$ 200</b>
<b>Computer (worth ≤ \$500)</b>	<b>\$ 2,000</b>
<b>Cardinal Bank Checking Acct #1234</b>	<b>\$ 450</b>
<b>Apple CD #124 2.5% int. – matures 1/18</b>	<b>\$ 5,000</b>
<b>25 Shares XYZ Corp @ \$100 per share</b>	<b>\$ 2,500</b>
<b>ABC Family Partnership – value unknown</b>	<b>\$ 1</b>
<b>4 Cornwall Street, NE, Leesburg VA</b>	<b>\$250,000</b>

**INVENTORY CHECKLIST (EXHIBIT A)– PLEASE COMPLETE AND FILE WITH THE INVENTORY**

**C. AMENDED INVENTORY** - If, after filing the initial inventory, additional assets are discovered, or the original inventory contained errors that increase the total estate value by more than \$25,000, an amended inventory must be filed within 4 months from the date of discovery of the additional assets or the discrepancy. However, if the after-discovered asset(s) or error(s) is less than \$25,000, an adjustment(s) may be made on the accounting.

## ACCOUNT FOR MINOR'S ESTATE

**A. OVERVIEW.** A fiduciary is required by law to file a first account with the Commissioner within 6 months after the date of qualification. The first accounting period must begin on the date of qualification and end 4 months thereafter (*Virginia Code §64.2-1305*). When applicable, second and subsequent accountings are due 16 months after the end date of the prior account and should cover no more than a 12-month period.

**EXAMPLE:**

Date of Qualification:	May 30, 2015
1 <sup>st</sup> Account time period:	May 30, 2015 – September 30, 2015
1 <sup>st</sup> Account due:	November 30, 2015
2 <sup>nd</sup> Account time period:	October 1, 2015 – September 30, 2016
2 <sup>nd</sup> Account due:	January 31, 2017

An account can be prepared using the assets' carrying or fair market values. If using carrying values, the assets are valued at the time of qualification or the date of purchase, if purchased thereafter (i.e. Amazon stock valued or purchased for \$150, remains valued at \$150 until the date of distribution). Unrealized gains and losses due to market fluctuations, are not reported; although relevant for fiduciary and filing fees, they are not relevant to account reporting.

An account prepared based on the assets' market values must reflect unrealized gains or losses incurred during the accounting period (i.e. Amazon stock valued or purchased for \$150, worth \$200 at the end of an accounting period, or on the date of distribution, whichever is earlier). The \$50 unrealized gain must be reflected in the Adjustments section of the account and the stock's fair market value of \$200 in the Distributions section or as an Assets on Hand.

**B. FORMAT** - The Account for Minor Summary form must be typed or computer generated.

**Part 1 Beginning Assets** - Assets listed in Parts 1 and 2 of the inventory, if filing a first account, and total assets on hand at the end of the prior accounting period, if filing a second or subsequent account.

**Part 2 Receipts** - Itemize *chronologically*, by account, all interest, dividends, gross rental income, refunds, and other income received during the accounting period. See example below and note that all dividends must be listed individually.

If Social Security Income ("SSI") is being deposited into a bank account separate and apart from the guardianship funds, the SSI income does not need to be included on the account. Instead, set forth the total SSI income received during the accounting period under the asterisk'ed (\*) section at the bottom of page 1 of the summary form.

RECEIPTS				
ABC Bank Checking	Description	Amt	Subtotal	Total
3-1-09	Interest	\$8		
4-1-09	Child Support	\$800		
5-15-09	IRS 2008 Tax refund	\$1,200		
			\$2,008	
ABC Brokerage	Description			
3-1-09	ABC Investment Int	\$100		
3-5-09	Amazon dividend	\$25		
4-5-09	Pepsi dividend	\$100		
			\$225	
<b>TOTAL RECEIPTS</b>				<b>\$2,233</b>

**Part 3 Gains on Asset Sales** – For sale of any asset in which a gain is realized, the itemized list must reflect the name of the asset sold, date of sale, total number of shares sold (if relevant), gross carrying value, gross sales price and the net gain.

GAIN ON ASSET SALES - STOCK			
3-1-09	ABC Corporation sale 300 shares		
	Carrying value (per inventory or purchase date, if using carrying value, or per prior account, if using fair market value)	\$15,000	
	Sale Price	\$15,500	
	GAIN		\$500

For real property sold, list the sale date, property description, carrying value, gross sales price, and net gain. The costs of sale set forth on the settlement statement (i.e., “closing costs”) will be itemized in the Disbursements section of the account.

GAINS ON ASSET SALES – REAL PROPERTY			
3-1-09	4 Cornwall St. Leesburg, VA		
	Carrying value (per inventory or purchase date, if using carrying value, or per prior account, using fair market value)	\$250,000	
	Gross Sales Price	\$350,000	
	GAIN		\$100,000

For the sale of tangible personal property, list the date of sale, a description of the item sold, the carrying value(s), gross sales price(s), and the net gain(s). Costs of sale, if any, should be reflected in the Disbursements section of the account (i.e. auctioneer's fees).

<b>GAINS ON ASSET SALES – TANGIBLE PERSONAL PROPERTY</b>			
<b>3-1-09</b>	<b>Sale Computer</b>		
	<b>Carrying value</b>	<b>\$750</b>	
	<b>Gross Sales Price</b>	<b>\$1,000</b>	
	<b>GAIN</b>		<b>\$250</b>

**Part 4 Adjustments** – Recently discovered/purchased assets and the correction of previously incorrectly stated asset values, if new asset's value or corrected asset's increase in value is less than \$25,000. If the newly discovered/acquired asset or corrected asset(s) totals more than \$25,000, an amended inventory must be filed.

<b>ADJUSTMENTS</b>			
<b>3-1-09</b>	<b>After-discovered U.S. Savings Bond, # 2555, face \$500, maturity 5/1/20</b>		<b>\$500</b>
<b>3-1-09</b>	<b>Cardinal Check Account #1234</b>		
	<b>Incorrect Inventory Value</b>	<b>\$450</b>	
	<b>Correct value per bank statement</b>	<b>\$500</b>	<b>\$50</b>
	<b>ADJUSTMENT</b>		<b>\$550</b>

If stocks are purchased, an information schedule for that stock must be provided to reflect the new asset value:

<b>INFORMATION SCHEDULE</b>			
<b>3-1-09</b>	<b>Dominion Inc - 200 shares @ \$10/share</b>	<b>\$2,000</b>	
	<b>Commission</b>	<b>\$10</b>	
	<b>Gross Purchase Price</b>		<b>\$2,010</b>

If stocks are sold, an information schedule for that stock must be provided to reflect the change in value:

<b>INFORMATION SCHEDULE</b>			
<b>3-1-09</b>	<b>Dominion Inc -</b>		
	<b>Carrying Value 200 shares @ \$10/share</b>	<b>\$2,000</b>	
	<b>Less sale of 10 shares @ carrying value</b>	<b>\$100</b>	
	<b>New Carrying Value – Assets on Hand</b>		<b>\$1,900</b>

**Part 5 Disbursements for Administrative Expenses** - Itemize **chronologically** all disbursements by date and list check number, payee, and purpose of disbursement, including any expenses for sale of assets.

DISBURSEMENTS				
3/1/09	#100	Clerk of Circuit Court	Qualification Fees	\$500
3/4/09	#101	XYZ Bond Company	Surety Bond	\$100
3/9/09	#102	COA filing fee	Inventory	\$55
5/6/09	#103	Doe CPA's	Tax Returns	\$6,000
5/6/09	#104	IRS	2009 Fed. Tax	\$10
<b>TOTAL</b>				<b>\$6,665</b>

**REIMBURSEMENTS:** *If a reimbursement is made to a 3rd party for an expense(s) he/she paid on behalf of the estate, the expense(s) underlying the reimbursement must be detailed and provided together with a receipt(s) and the third party's cancelled check(s) or credit card statement(s) reflecting the payment(s).*

1/1/16	Mary Johnson	Reimbursement		\$600
		Bond Fee	\$ 500	
		Probate/Qual Fee	\$ 100	

**Part 6 Disbursements for Care of the Minor.** In accordance with *Virginia Code 64.2-1801*, if you are the Guardian of a minor child with a living parent, you are not permitted to disburse any principal or income on behalf of the minor for his/her care. See "Allowable Expenditures" under Overview for more information.

If a minor has no living parent, the Court Order appointing the Guardian may approve the use of the assets for specific expenses such as dental and/or medical care. If no such Order exists, after the fiduciary takes into consideration the minor's other sources of income, support rights and reasonably available resources, the guardianship funds may be used for the minor's health, education, maintenance and support (*Virginia Code 64.2-1800*). It is strongly recommended that the Guardian contact the Commissioner before expending any Guardianship funds for non-administration expenses.

**Part 7 Losses on Asset Sales** – See Gains section above.

**Part 8 Distributions (FINAL ACCOUNT ONLY)** Upon the minor turning the age of distribution, generally eighteen (18), all assets must be distributed to the beneficiary and a final accounting filed covering the period from the end of the prior account through the date of distribution. Itemize each distribution by date, asset description and value.

Distribution	To: Sally J. Doe	
7-6-09	Tangible Personal Property	\$ 200
7-6-09	Computer (worth ≤ \$500)	\$ 2,000
11-01-09	250 Shares XYZ Corp \$100 per share	\$ 25,000
11-01-09	Cardinal Bank Checking Acct #1234	\$5,236.25
<b>TOTAL</b>		<b>\$32,436.25</b>

**Part 9 Assets on Hand** – Itemize each asset on hand at the end of the accounting period together with the market value (and carrying value, if different).

Note: Bank or brokerage statements, copies of promissory notes, Certificate of Deposit statements, titles to vehicles, etc. must be provided to verify the stated values.

ASSETS ON HAND	Carrying value	Market Value
Misc. Personal items	\$200	\$200
Computer (worth ≤ \$500)	\$2,000	\$2,000
Savings Bond, # 2555, face value \$500.00, maturity May 1, 2020	\$500	\$750
Cardinal Bank Checking Acct #1234	\$450	\$450
Apple CD #124 2.5% int. – matures 1/18	\$5,000	\$5,250
25 Shares XYZ Corp \$100 per share	\$2,500	\$3,000
XYZ Bond 6.75% int – Matures 1/18	\$5,000	\$5,520
<b>TOTAL</b>	<b>\$15,650</b>	<b>\$17,170</b>

**C. ACCOUNT CHECKLIST - PLEASE USE AND FILE WITH THE ACCOUNT (EXH B).**

**D. TERMINATION OF ESTATE** - Upon the minor turning the age of distribution, generally eighteen (18) years, the assets must be distributed to the beneficiary and a final account must be filed covering the period from the prior accounting through the date of distribution. (See Part 8 above for additional details). A final accounting must show ZERO assets on hand. No assets may be held in escrow by the Guardian for any reason.

**FIDUCIARY COMPENSATION for GUARDIANS OF MINORS**

See attached Summary of Guidelines for Fiduciary Compensation (Exhibit C).

# EXHIBIT A

## INVENTORY CHECKLIST

- \_\_\_\_\_ Completed Inventory form with original signature(s), together with one copy.
- \_\_\_\_\_ Form is signed by each fiduciary – original signature(s) required. Please sign in blue ink.
- \_\_\_\_\_ Contact information is current, including an email address.
- \_\_\_\_\_ Date of birth for the minor is included.
- \_\_\_\_\_ The name of each bank and/or brokerage account is reflected.
- \_\_\_\_\_ The last 4 digits of each bank and/or brokerage account number is listed (i.e., XXXX-1234).
- \_\_\_\_\_ Each asset in a brokerage account (i.e., name of stock/equity, number of shares and price per share) is listed separately. An additional page may be attached if necessary.
- \_\_\_\_\_ Joint holder(s) name(s) is listed for any account reflected in part 5 of the form, in addition to bank name and last four (4) digits of account number.
- \_\_\_\_\_ Street address or tax ID is reflected for any real property listed in part 2, 3 or 4 of the form.
- \_\_\_\_\_ Filing Fee included. Check should be made payable to the Commissioner of Accounts. We are unable to accept credit cards.

## EXHIBIT B

### ACCOUNT CHECKLIST FOR GUARDIAN

#### Account Summary Form

- \_\_\_ Completed with original signature(s) and one copy. Please sign in blue ink.
- \_\_\_ **Beginning Assets** match the Inventory value (if First Account) or Last Account Assets on Hand figure (if 2<sup>nd</sup> or subsequent account).
- \_\_\_ Grand Totals on pages 1 and 2 must balance to the penny without any forced adjustments.
- \_\_\_ Itemized list provided for each figure on Account Summary Form.
- \_\_\_ **Receipts** listed by date, in chronological order, with description of credit and amount.
- \_\_\_ **Gains on Asset Sales** reflects the inventory/carrying value and gross sale price (number of shares & price per share) for each sale. List any fees in Disbursements.
- \_\_\_ **Adjustments** reflect the inventory/carrying value, the corrected/adjusted value together with the reason for the adjustment.
- \_\_\_ **Disbursements** are listed by date, in chronological order, together with the payee, description of charge, amount paid and check number, if any.
- \_\_\_ **Losses on Asset Sales** reflect the inventory/carrying value and gross sale price (number of shares & price per share) for each sale. List any fees in Disbursements.
- \_\_\_ **Distributions** are listed by date, in chronological order, and include payee and amount. You will only have distributions if this is a final account.
- \_\_\_ **Assets on Hand** reflect the inventory/carrying value and the fair market value for each asset. If it is a final account, there will be zero assets on hand.

#### **ONE (1) set of backup documents to include:**

- \_\_\_ Cancelled check or check image for each disbursement.
- \_\_\_ Bank and/or brokerage statements for all accounts for the duration of the accounting period or closing of the account(s).
- \_\_\_ Invoice, receipt or similar voucher for each disbursement.
- \_\_\_ Cancelled check or check image or a signed statement of receipt from the beneficiary for each distribution (final account only).
- \_\_\_ Settlement Statement, if real estate was sold.
- \_\_\_ Filing Fee – check made payable to the Commissioner of Accounts. We are unable to accept credit cards.

## EXHIBIT C

### SUMMARY OF GUIDELINES FOR FIDUCIARY COMPENSATION for GUARDIANS

#### Fee Schedule Guideline\*

##### Principal Fee (Taken Annually)

1% of first \$500,000 (.01)

$\frac{3}{4}$  of 1% of next \$500,000 (.0075)

$\frac{1}{2}$  of 1% of \$1,000,000 through \$9,999,999 (.005)

Over \$10,000,000 – by agreement with the Commissioner (consultation required)

AND

##### Income Fee (Taken Annually)

5% of non-investment income (shall not include capital gains, dividends, interest, or the like)

**\*The Commissioner of Accounts may deviate from these guidelines on a case-by-case basis if necessary to assure that each fiduciary receives “reasonable compensation” for services provided (Virginia Code § 64.2-1208 (A)).**

- Compensation is allowed on an annual basis, based on the fair market value of the guardianship assets (i.e., principal and undistributed income) at the beginning of the accounting period. If the accounting period is less than one (1) full year, compensation must be pro-rated.
- Fees paid to an attorney, accountant, or other professional employed to perform duties that could and should be performed by the fiduciary, will be deducted from the stated compensation. “Reasonable fees” paid to attorneys, accountants, or other professionals for services reasonably necessary for the proper administration of the estate, that only a professional could provide, i.e. litigation, preparing tax returns, will not be deducted from the fiduciary’s compensation.

#### **SUCCESSOR FIDUCIARIES FOR GUARDIANSHIPS**

Where a fiduciary is succeeded by another, the annual fiduciary fee shall be pro-rated.

#### **CO-FIDUCIARIES FOR GUARDIANSHIPS**

One fee will be divided equally among the co-fiduciaries. The co-fiduciaries may agree among themselves on a different division.