

INSTRUCTIONS FOR ACCOUNT FOR DECEDENT'S ESTATE

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 of the executors, administrators or curators.
- C. An account must be filed within 16 months of qualification or the date of the last account period, covering a period not exceeding 12 months. You may end the account on any day of a month. Note: A Curator must file the First Account within six months of qualification covering a period not to exceed four months.
- D. Although your First Account will begin with the date of your qualification, nonetheless, your Inventory will reflect date of death values and hence you must also account for income received between the date of death and the date of qualification.
- 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 Va. 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 beneficiaries or distributees.

II. BEGINNING ASSETS

- A. Use total from Parts 1 and 3 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. Itemize in chronological order all interest, dividends, rental income, refunds and any other income received during the accounting period. You may list all receipts from each payor in the same place, so long as each receipt is separately stated.
- B. 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 was incorrectly reported or the number of shares was incorrectly reported.

VI. DISBURSEMENTS FOR DEBTS AND EXPENSES

- A. All disbursements made from estate funds should be listed in chronological order. You may group disbursements by payee. If you group disbursements, you must also group your proper vouchers and receipts in the same order as shown on your account.
- B. A proper voucher or a signed invoice or receipt from each payee must be provided in support of each disbursement and they must be organized in the same order as they appear on the accounting. The Commissioner may also require evidence that the obligation paid was a debt or expense of the estate.
- C. Where a reimbursement is made to the fiduciary or another person for expenses paid on behalf of the estate, evidence of the expenses paid must be provided. The Commissioner may also require further evidence that the obligation paid was a debt or expense of the estate.

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 TO BENEFICIARIES

- A. All distributions should be listed in chronological order stating the beneficiary's name, description of asset delivered and its value.
- B. A proper voucher or signed receipt from each recipient of a specific bequest or distribution of residue must be provided. Canceled checks must be endorsed on the back by the beneficiary.

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.

X. CAUTION

In some special cases, e.g. where the will creates a trust, where a life estate is created, or where a federal estate tax return is required, the receipts and disbursements must be characterized as either principal or income.

XI. 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 26-17.3.
- C. However, you may be eligible to file a short form account entitled "Statement in Lieu of Account for Decedent's Estate," but only if all of the residual beneficiaries of the estate are also fiduciaries. See Va. Code Section 26-20.1 and Form CC-1681 for further information.

XII. COPIES OF THE ACCOUNT

- A. Every administrator or executor filing an account with the Commissioner of Accounts, or any document making changes to an account, is required by law to send a copy of it by first class mail to every entitled person from whom a written request has been received.
- B. The entitled persons whose request must be honored are the same persons to whom the administrator or executor was required to send Notice of Probate with two exceptions: (1) persons who would take only as heirs at law in a case where all of the decedent's probate estate is disposed of by will, and (2) beneficiaries whose gifts have been satisfied in full prior to such filing.
- C. An entitled person may make a proper request to an administrator or executor at any time, it may relate to one specific filing or to all filings to be made, but it is not effective for filings made prior to receipt of the written request.
- D. The Commissioner of Accounts is prohibited by law from approving an account unless it contains a statement that any copies requested pursuant to Virginia Code Section 26-12.4 have been mailed, and shows the names and addresses of the persons to whom they were mailed, and the date of such mailings. Check-boxes are provided on Page 1 of the Account Form for use in certifying to the Commissioner that copies were sent, or that no copies were requested. If copies were sent, the persons to whom they were sent, their addresses, and the dates of mailing, must be shown on Page 2.