INSTRUCTIONS FOR ACCOUNT FOR TRUST

I. GENERAL
   A. Accounts required by law to be filed must be filed with the Commissioner of Accounts. Ask the Commissioner of Accounts how many copies are required to be filed.
   B. Accounts required by law to be filed must be signed by each of the Trustees.
   C. Unless the Trustee qualified prior to July 1, 1993 or unless one trustee is a corporation under Va. Code § 6.2-1001, then the following rules apply:
      1. The first account must cover the period beginning with the date the Trustee qualified and ending on December 31 of the same year.
      2. Second and later accounts must cover the calendar year.
      3. All trust accounts are due by May 1 of the following year, and no less frequently than annually thereafter.
   D. 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 canceled 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.

II. BEGINNING ASSETS
   A. Use total from Parts 1, 2, 3 and 4 of the Inventory (including Amended or Supplemental Inventory) if this is a First Account.
   B. Use total Assets on Hand from prior account if this is a second or later account.

III. RECEIPTS
   A. PRINCIPAL RECEIPTS
      Itemize in chronological order all principal receipts received during the account period. Generally, principal receipts are capital gains distributions and principal distributions from the estate. You may group principal receipts by payor.
B. INCOME RECEIPTS

1. Itemize in chronological order all income receipts received during the account period. Generally income is interest, dividends, rental income, refunds and income distributions from the estate. You may list all receipts from each payor in the same place, so long as each receipt is separately stated.

2. 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

Show any corrections to items reported on a prior account, e.g. where the value of an asset or the number of shares was incorrectly reported.

VI. PRINCIPAL AND INCOME DISBURSEMENTS FOR EXPENSES

A. List all disbursements from principal in chronological order. You may group principal disbursements by payee.

B. Income taxes on capital gains are generally principal disbursements.

C. List all disbursements from income in chronological order. You may group income disbursements by payee.

D. Trustee fees and filing fees must be allocated between principal and income. Effective January 1, 2000, Virginia law provides that Trustee fees and filing fees shall be allocated one-half to income and one-half to principal, unless the terms of the trust provide otherwise.

E. 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 account.

F. Where a reimbursement is made to the Trustee or another person for expenses paid on behalf of the trust, 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 trust.

NOTE: Instruction VI. does not include all requirements for the allocation of disbursements between principal and income. See Virginia Code Sections 64.2-1024 – 64.2-1029.
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. PRINCIPAL AND INCOME DISTRIBUTIONS TO BENEFICIARIES
   A. All principal distributions should be listed in chronological order stating the name of the beneficiary and the amount paid.
   B. All income distributions should be listed in chronological order stating the name of the beneficiary and the amount paid.
   C. A proper voucher or signed receipt from each beneficiary 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.

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 Sections 64.2-1206 and 64.2-1308.
ACCOUNT FOR TRUST

COMMONWEALTH OF VIRGINIA
VA. CODE §§ 64.2-1206, 64.2-1308, 64.2-1306

Circuit Court of ............................................................................................................................................................................................................................

Name of trust beneficiary(ies) ............................................................................................................................................................................................................................

Name of decedent, if trust under a will ............................................................................................................................................................................................................................

Name of trustee ............................................................................................................................................................................................................................

Mailing address ............................................................................................................................................................................................................................

Name of other trustee ............................................................................................................................................................................................................................

Mailing address ............................................................................................................................................................................................................................

Name of other trustee ............................................................................................................................................................................................................................

Mailing address ............................................................................................................................................................................................................................

This is account number [  ] one  [  ] two  [  ] three or [  ] ................................................ 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, 3 & 4 of the inventory or balance from the prior account) $ 600,000.00

2.  Principal receipts (attach itemized list) $ 100,000.00

3.  Income receipts (attach itemized list) $ 11,087.48

4.  Gains on Asset Sales (attach itemized list) $ 2,117.50

5.  Adjustments (attach itemized list) $ 0.00

6.  Total of 1, 2, 3, 4 & 5 (must equal Total on Line 13) $ 713,204.98

7.  Principal Disbursements (attach itemized list) $ 2,906.50

8.  Income Disbursements (attach itemized list) $ 2,306.50

9.  Losses on Asset Sales (attach itemized list) $ 0.00

10. Principal Distributions (attach itemized list) $ 0.00

11. Income Distributions (attach itemized list) $ 7,500.00

12. Assets on Hand (attach itemized list) $ 700,491.98

13. Total of 7, 8, 9, 10, 11 & 12 (must equal Total on Line 6) $ 713,204.98

Market Value of Assets on Hand $ 730,491.98

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

Date .................................................... Trustee’s signature ___________________________________________________

Date .................................................... Trustee’s signature ___________________________________________________

Date .................................................... Trustee’s signature ___________________________________________________

Note: Virginia law requires that every account be signed by all trustees.
PRINCIPAL RECEIPTS:
Distributions from estate:
09/01/06 Cash 80,000.00
10/15/06 MNO Inc., 400 shares @$50/sh. 20,000.00
TOTAL PRINCIPAL RECEIPTS 100,000.00

INCOME RECEIPTS:
09/01/06 Cash distribution from estate 8,012.59
09/30/06 XYZ dividend 1,025.00
09/30/06 ABC money market interest 235.66
10/31/06 ABC money market interest 242.14
11/30/06 ABC money market interest 258.71
12/31/06 ABC money market interest 263.38
12/31/06 XYZ dividend 1,050.00
TOTAL INCOME RECEIPTS 11,087.48

GAINS ON ASSET SALES:
09/16/06 Proceeds of sale 400 sh. MNO 22,117.50
less carrying value 20,000.00
TOTAL GAINS 2,117.50

ADJUSTMENTS – none 0.00

PRINCIPAL DISBURSEMENTS:
12/31/06 Commissioner of Accounts, ½ of First Account filing fee 306.50
12/31/06 Internal Revenue Service, estimated tax on capital gains 500.00
12/31/06 Virginia Dept. of Taxation, estimated tax on capital gains 100.00
12/31/06 Mary Doe, Trustee commission 1,000.00
12/31/06 Sally Doe, Trustee commission 1,000.00
TOTAL PRINCIPAL DISBURSEMENTS 2,906.50

INCOME DISBURSEMENTS:
12/31/06 Commissioner of Accounts, ½ of First Account filing fee 306.50
12/31/06 Mary Doe, Trustee commission 1,000.00
12/31/06 Sally Doe, Trustee commission 1,000.00
TOTAL INCOME DISBURSEMENTS 2,306.50

LOSSES ON ASSET SALES – none 0.00

PRINCIPAL DISTRIBUTIONS – none 0.00

INCOME DISTRIBUTIONS:
10/01/06 John J. Doe, Jr. 2,500.00
11/01/06 John J. Doe, Jr. 2,500.00
12/01/06 John J. Doe, Jr. 2,500.00
TOTAL INCOME DISTRIBUTIONS 7,500.00

ASSETS ON HAND as of 12/31/06:
ABC Money Market Account #2345678 100,491.98
6,000 Shares XYZ Stock @ carrying value of $100/share (Market value 12/31/06 @ $105/share = $630,000) 600,000.00
TOTAL ASSETS ON HAND 700,491.98