

Instructions - Comprehensive Accounting

Two different reporting forms have been prepared for use by guardians of the estate, the EZ Accounting form, and the Comprehensive Accounting form. If you were appointed as guardian after the publication of these forms in 2014, then the Judgment of Incapacity should specify which form you are required to file, as well as the deadline for filing. If you were appointed as guardian of an incapacitated person's estate prior to 2014, then the Judgment of Incapacity may simply direct the filing of an annual report. To determine whether you must file any report as to the estate of the incapacitated person, look to the Judgment to see if you were appointed as guardian of the person only, or as guardian of the person and estate (or person and property). Unless you were appointed as guardian of the person only, your reporting requirement includes a requirement to report as to the estate of the incapacitated person. The only exception to this rule is if you were appointed as guardian of the person and estate but the Judgment specifies that no letters of guardianship of the estate (or no letters of guardianship of the property) will issue absent further application to the Superior Court. If the Judgment does not specify a type of accounting and you are unsure which form to utilize, you can file the EZ Accounting Form and then wait for any further direction from the Guardianship Monitoring Program and/or court staff.

The Comprehensive Accounting form is an eight-page document to which additional pages may be attached if necessary. This form is more detailed than the EZ Accounting form and requires more attachments to substantiate the figures reported. If the Judgment directs that this form be filed in lieu of the EZ Accounting form, you should consider consulting with an attorney, accountant, or other financial professional for purposes of preparing at least the first report. Reasonable fees for such professional services are allowable from the estate of the incapacitated person.

Item 1 asks if a bond is required, and if so, if one is filed covering the period of this report. If you were appointed as guardian of the estate but the Judgment waived the requirement of bond, then you should select "N/A". Even if no bond was imposed, if your Judgment requires the filing of a report, then you must file the report by the specified deadline.

Item 2 inquires if you have identified, traced and collected all of the incapacitated person's assets since your appointment. If you answer "No" to this question, you must provide further explanation. For example, if you are aware of assets belonging to the incapacitated person but in the custody of someone else, you should explain what steps you have taken to retrieve those assets and bring them into the guardianship estate.

Item 3 addresses the status of the filing of the incapacitated person's past and current state and federal tax returns, as well as tax payments. If no tax returns are delinquent as of the filing of your report, then you should answer yes to this question even if tax returns for a subsequent year will soon be due. For example, if your reporting deadline is in February, then in 2014 you may report that you have filed all past and current returns and made all payments if everything is current through 2013, even though you will shortly be filing the 2014 returns.

The next section, SUMMARY, is designed to provide an overview of the guardianship estate. Part I: Cash is divided into two sections, and the figures for both sections are derived from the schedules on the following pages.

Line 1 is used to report income as calculated by SCHEDULE A: INCOME, shown on page 3. All sources of the incapacitated person's income must be listed, even if a particular source may have been excluded for purposes of setting bond. Note that if the incapacitated person receives more than one type of Social Security income, each type should be specified. In general, income will be received for the full 12-month period covered by a report. If a particular source of income is received for a lesser period of time, then this should be explained

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(i.e., alimony of \$1250/month received from former spouse through July 1, 2014, then terminated due to death of former spouse, so seven (7) months reported for this period, 7 months x \$1250/month = \$8,750).

SCHEDULE B addresses disbursements from the guardianship estate. Schedule B-1, shown on page 3, is reserved for attorney's fees and costs directed to be paid from the assets of the incapacitated person by the Judgment of Incapacity or subsequent Court Order. The Judgment of Incapacity typically awards a specific amount to be paid to court-appointed counsel for the incapacitated person. In some cases, an additional counsel fee award is included in the Judgment for a court-appointed guardian ad litem. If the attorney for the plaintiff in the underlying action sought approval of fees, then that attorney's fee may also be included in the Judgment of Incapacity. Note that Schedule B-1 is limited to attorney fee awards set forth in the Judgment or subsequent Court Order. If you were the plaintiff in the guardianship action but did not seek or did not obtain court approval of fees paid to your attorney at or after final judgment, then any fee you paid to your attorney should not be listed in Schedule B-1. If the court approved payment from the assets of the incapacitated person for less than the full amount paid to your attorney (i.e., if the Judgment approved fees at \$250/hour, but you agreed to pay your attorney \$325/hour), then only the amount awarded pursuant to the Judgment should be listed in Schedule B-1 as only that amount has been approved for payment from the assets of the incapacitated person. If you have retained an attorney to assist you in preparing this report, then unless that attorney's fee has been approved by Court Order, it should not be included in Schedule B-1. Remember to include the date of the Judgment or Court Order for each entry in Schedule B-1. In SUMMARY line 2, list the total attorney fees and costs reflected in Schedule B-1.

Schedule B-2, on page 3, covers guardian fees and reimbursements approved by the Judgment of Incapacity or subsequent Court Order. Like Schedule B-1, entries for this schedule are limited to fees and costs approved by the court. This may include not only your approved fees and costs, but potentially amounts approved as to a temporary guardian. If you are the guardian of the estate only, then be sure to include any fees and/or costs allowed as to the guardian of the person. The date of the Judgment or Order must be listed for each entry, and the total approved guardian fees and reimbursements should be listed in line 3 of SUMMARY.

Schedule B-3, shown on pages 4, should reflect all other fees and costs authorized by the Judgment of Incapacity or subsequent Court Order. Such court-ordered disbursements may include fees allowed to an individual or institution who provided care to the incapacitated person during the pendency of the underlying guardianship action, as well as fees charged by physicians or psychologists who evaluated the incapacitated person as part of the guardianship proceeding.

In some cases, after entry of the initial Judgment, the guardian will be directed or allowed to pursue specific matters such as selling the incapacitated person's former residence because he or she has been relocated to a skilled nursing facility. The Order Authorizing Sale of Real Property might include an award of fees to the realtor retained to list and sell the property, and this court-approved fee would be included in Schedule B-3. Note that if the Order Authorizing Sale of Real Property included an additional counsel fee to an attorney or guardian ad litem appointed for the incapacitated person, then these amounts should be included in Schedule B-1. The total for approved disbursements is then inputted at SUMMARY line 4.

Whereas Schedules B-1 through B-3 are limited to payments specifically approved by the court, Schedule B-4, shown on page 4, covers all other disbursements from the guardianship estate. Some disbursements, like food and utilities, are for regular, recurring expenses. If food is purchased solely for the incapacitated person, then the amount spent will likely vary from month to month. In this situation, the category of disbursements may be reported on a monthly basis, but you must list check numbers and the range for dates of purchase. The following is appropriate:

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Line #	Category	Bank Account #	Check Account #	Payment Date	Payee	Amount
1	Monthly Grocery - January	-6259	101, 105	January - December 2014	ACME / Shoprite	\$293.77
2	Monthly Grocery - February	-6259	121, 124, 125	February 2014	Shoprite	\$301.77

If the incapacitated person resides with the guardian(s) as part of a family unit, then it is permissible for a set amount of the incapacitated person's funds to be utilized each month to cover his or her share of food purchases. In this case, for Schedule B-4, you may report as follows:

Line #	Category	Bank Account #	Check Account #	Payment Date	Payee	Amount
1	Grocery (12 months)	-6018		January - December 2014	ACME / Shoprite	12 x \$225/mo= \$2,700

Other recurring monthly expenses, like a cell phone or cable plan, can also be reported in this manner.

Line #	Category	Bank Account #	Check Account #	Payment Date	Payee	Amount
1	Jitterbug Plus (cell phone basic plan 29)	-6259	Auto-debit	January - December 2014	Sprint	12 x \$29.99/mo= \$359.88

Some disbursements will reflect occasional purchases, such as new clothes at the beginning of a season or for special events. For these items, all fields of Schedule B-4 should be completed, as follows:

Line #	Category	Bank Account #	Check Account #	Payment Date	Payee	Amount
1	Clothing (winter coat, gloves, snow boots)	-6018	103	January 2014	Kohl's	\$304.88
2	Clothing (sister's wedding)	-6018	134	April 2, 2014	David's Bridal	\$126.14

Keep in mind that reports are reviewed through the New Jersey Guardianship Monitoring Program. While the forms are designed for simplicity and ease of use, if the entries are unclear or raise questions in the minds of reviewers, then you may be asked to provide further explanation or substantiation. The B-4 total disbursements should be listed in SUMMARY line 5.

Line 6 of the SUMMARY will state the total disbursements, calculated by adding together the foregoing figures reflected on lines 2, 3, 4 and 5.

SCHEDULE C of the SUMMARY shows cash that has come into the guardianship estate, or cash that has been paid out of the guardianship estate, arising from principal assets. Schedule C-1, provided on page 5, seeks information regarding sales proceeds (cash that has come into the guardianship estate), such as from the sale of a house, car, or shares of stock. The total for C-1 sales proceeds is then given at line 7 of the SUMMARY.

Schedule C-2, on page 5, addresses purchases of principal assets from the guardianship estate. A purchase of a house, car, or shares of stock would be listed in Schedule C-2. Such purchases are different than the disbursements set forth in Schedule B-4. For example, if the incapacitated person owns a home encumbered by a mortgage, monthly mortgage payments would be listed as B-4 disbursements. If the incapacitated person's

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existing house is sold during the guardianship, then the proceeds of that sale would be listed in C-1. If a new house is purchased for the incapacitated person, then the purchase price for that house would be stated in C-2. The total for C-2 purchases is inputted in SUMMARY line 8.

Line 9 of the SUMMARY will reflect the overall increase or decrease in cash for the period covered by the accounting, based upon the figures already determined. The entry for line 9 is calculated by adding line 1 (income into the guardianship estate) and line 7 (sales proceeds into the guardianship estate), and subtracting line 6 (disbursements paid out of the guardianship estate) and line 8 (cash paid for purchases of principal assets).

The next entry in SUMMARY, in Section 2, will show total cash at the beginning of the accounting period. This figure is determined by adding together the amounts of cash (and cash equivalents) maintained in banks or other financial institutions as of the beginning of the reporting period. The total cash holdings in the guardianship estate should be set forth at the bottom of SCHEDULE BC, shown on page 2, in the bold box. The figure from the bold box is restated in the SUMMARY, Section 2, across from the description "Cash at the beginning of the period from Schedule BC". Note that you must not only provide the information identified in the table (institution name, street address, city, state, zip code, bank account number, and amount) but also attach to the accounting copies of each statement from each depository as of the beginning of the period covered by the accounting report. Submission of this back-up documentation is required in order for the accounting to be complete.

There is no separate schedule that accompanies the next field of Section 2. Rather, the amount in Section 1, line 9, is inputted across from the description "Increase (Decrease) in cash (from line 9)".

The third and final field of Section 2 reflects the cash and cash equivalents remaining in the guardianship estate at the end of the reporting period. In SCHEDULE D, on page 6, you will list all cash and cash equivalent holdings, in the same format as SCHEDULE BC, but now as of the end of the accounting period. Again, you must attach to the accounting copies of statements from each depository as of the end of the period covered by this accounting. The total cash holdings in the guardianship estate should be set forth at the bottom of SCHEDULE D, in the bold box, and then this figure restated in the last field of SUMMARY, Part I, Section 2.

This concludes SUMMARY, Part I, Cash. Before turning to Part II, however, you must complete SCHEDULE E, on page 6, and SCHEDULE F, on page 7. These schedules are provided as tools to help check the information being reported to the court in this accounting. By completing these schedules, you can confirm the accuracy of your figures or identify any possible math errors or other discrepancies.

SCHEDULE E is designed to show all bank account transfers during the accounting period. If you have moved funds between accounts, such as by transferring small amounts of money held in various depositories into a single guardianship account, then this table will reflect the movement of such funds. Disclosing this information provides transparency and prevents future questions regarding your handling of cash in the guardianship estate.

In each row, you must provide the bank account number, date when funds were transferred into the account, transfer in amount, date when funds were transferred out of the account, and the transfer out amount. Any fields that do not apply should be left blank, as shown in the below example.

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SCHEDULE E: Bank Transfer Schedule

Bank Account #	Transfer In Date	Transfer In Amount	Transfer Out Date	Transfer Out Amount
xxxxxxx-2359			1/31/2014	\$5,221.76
xxxxxxx-6018	1/31/2014	\$5,221.76		
xxxxxxx-1314			2/1/2014	\$1,088.43
xxxxxxx-6018	2/1/2014	\$1,088.43		
Total Transfer Amounts		\$6,310.19		\$6,310.19

The bolded box at the bottom of the column labeled “Transfer In Amount” should reflect the total funds transferred into accounts. The bolded box at the bottom of the “Transfer Out Amount” column should show the total amount of funds transferred out of accounts. These figures should match if all funds transferred out of accounts have been transferred into other account(s) within the guardianship estate. Any discrepancy should be explained. For example, if you withdrew all funds in one account for the purpose of transferring these funds into a new guardianship account, and the bank at which you opened the new account charged an activation fee that you paid with the cash withdrawn from the prior account, then you should note this fee and also make sure that it is reported as a disbursement in Schedule B-4.

SCHEDULE F provides for reconciliation of each bank account included in the guardianship estate. In each column, you will identify a bank account by number (or last 4 digits of account number), state the beginning balance (as shown on the account statement attached per SCHEDULE BC), plus the transfers into this account (per SCHEDULE E), plus the income (per SCHEDULE A) and sales proceeds (per Schedule C-1) deposited into this account, minus the disbursements (per SCHEDULE B, including all sub-schedules) and purchases (per Schedule C-2), minus the transfers out of this account (per SCHEDULE E), and equaling the ending balance (as shown on the account statement attached per SCHEDULE D). You will repeat this process for each account included in the guardianship estate. Additional pages may be attached if necessary. In the far right column of SCHEDULE F, you should list the totals for each row, starting with beginning balance and continuing through ending balance. If you have attached additional pages showing more accounts, make sure to include the figures from those accounts when calculating the totals column.

Below SCHEDULE F is an optional Account Information Verification Tool that should be used for any account for which there are deposits in transit (not yet credited) and/or outstanding checks (delivered for payment but not cleared). Identifying these pending amounts should clarify any apparent discrepancy as to the ending balance reflected on the most recent bank statement.

You have now completed the portion of the Comprehensive Accounting relating to cash and cash equivalents. In Part II, you will report as to all assets in the guardianship estate other than cash in the bank.

The first field seeks the value of assets, other than cash, as of the beginning of the accounting period. This figure is calculated using SCHEDULE BA, on page 2. SCHEDULE BA is subdivided as to Assets and Liabilities. The top portion, regarding assets, is further divided into categories. The first category is real estate (or real property) in which the incapacitated person has an ownership interest. You should list all interests in real property including real property held in common or jointly with another person or persons. If the property is held jointly, include a description of the incapacitated person's interest. In the far right column, for “Beginning Balance / Value”, report the value of the real property as of the start of the accounting period. This should be the fair market value of the property, not the municipal tax assessed value. Although the value of real

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property included in the guardianship estate must be reported, this does not mean that as guardian you must obtain a formal appraisal of the incapacitated person's real estate each year. Rather, in SCHEDULE BA, you should input a reasonable estimate of the fair market value of each real estate asset in which the incapacitated person has an ownership interest. If an appraisal was performed as part of the guardianship proceeding, or for purposes of preparing an initial inventory, then you may utilize that appraisal value. Otherwise, informal resources may be consulted to determine a reasonable estimate of the fair market value. If the incapacitated person has only a partial ownership interest, then be sure to state the value of the incapacitated person's interest rather than the full value of the real property. Also, note that for purposes of this accounting, you must list all assets, even if the terms of the Judgment of Incapacity and Letters of Guardianship require that you obtain court approval prior to selling or otherwise encumbering real property.

The next subsection of SCHEDULE BA seeks a list of the personal property of the incapacitated person, with values as to each item listed. Personal property may include vehicles, household furnishings, jewelry, artwork, etc. You should include a brief description of each item along with an estimated value (i.e., 2004 Subaru legacy sedan in good condition, Kelley Blue Book value \$5,860).

The last subsection of SCHEDULE BA: ASSETS is intended to capture any assets not included in the prior categories. Examples might include a cash reserve not maintained in a bank (i.e., \$200 emergency funds at house, or \$50 emergency cash kept in wallet).

After completing these sections, add together the values for real estate, personal property, and other assets, and insert the total value in the bolded box. This figure should represent the gross value of all assets excluding cash in the bank, as of the beginning of the reporting period.

The final part of SCHEDULE BA requests a report of liabilities. If any asset listed in the accounting has a secured associated debt, such as a mortgage or a car loan, such debts should be set forth in this section. Any other liabilities, such as credit card debt incurred by the incapacitated person prior to establishment of the guardianship, should also be reported here. Total liabilities should be calculated and stated in the bold box.

Once you have determined the Total Assets and Total Liabilities, you will subtract the liabilities from the assets and report the remainder in the bold box at the very bottom of SCHEDULE BA. This figure will be restated in SUMMARY, in the first field for Part II.

The final schedule to be completed is SCHEDULE G, shown on page 8, which follows the same structure as SCHEDULE BA but reflects the balance or value of assets, other than cash in the bank, as of the end of the accounting period. For purposes of valuation, it is not anticipated that you will obtain a formal appraisal of any real property as of the start date and end date of the accounting period. However, it may be appropriate in certain situations to address a substantial change in the value of real estate or other non-cash assets. For example, if funds were expended to renovate the incapacitated person's house by widening doorways and installing a chair lift, then you may wish to indicate the resulting increase or decrease in value. Similarly, you are not expected to calculate annual depreciation of the vehicle used by the incapacitated person, but if the car was totaled in an accident then this should be reflected in SCHEDULE G (note that any insurance proceeds arising from loss of a principal asset should also be reported). In most guardianships, a side-by-side comparison of SCHEDULE BA and SCHEDULE G will show most if not all of the same assets (unless a house or car has been sold during the accounting period), with the same or similar values, and most if not all of the same liabilities, presumably reduced over the accounting period.

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Although supporting documentation is not required as to liabilities, you may wish to submit records substantiating any liabilities that may seem questionable to someone reviewing the accounting. For example, it is possible that prior to the institution of the guardianship, the incapacitated person borrowed funds from his roommate at an assisted living facility, gradually incurring a total debt of \$1,000, all of which was spent for trips to Atlantic City. After you qualified as guardian, you confirmed the existence of this debt and negotiated with the creditor to pay back the amount owed at the rate of \$50/month. In this situation, you might attach to the accounting a document reflecting this agreement and signed by the creditor, along with records showing payments of \$600 made during this accounting period, resulting in a remaining debt of \$400.

As with SCHEDULE BA, you will subtract the Total Liabilities from the Total Assets and then input the remainder in the bold box at the bottom of SCHEDULE G. Then, restate this figure in SUMMARY, in the second field for Part II.

To conclude Part II, subtract the Ending Assets (from SCHEDULE G) from the Beginning Assets (from SCHEDULE BA), and input the result in the third field for Increase (Decrease) in assets for accounting period.

The last section of the Comprehensive Accounting is a certification of service in which you as guardian must specify when and how the report was served on the parties in interest. As noted at the beginning of the Report of Guardian Cover Page, you must file the original report with the Surrogate and serve copies of the report on the interested parties. Remember that there is a fee of \$5/page for all documents filed with the Surrogate, including the Cover Page. In terms of service, you should consult the Judgment to see if any particular method of service is required (i.e., by certified mail). If nothing is stated in the Judgment, then use your discretion as to the method of service.

Note: Interested Parties

The term "Interested Parties" (or parties-in-interest) includes the nearest of kin of the incapacitated person, meaning those relatives served with notice of the underlying guardianship action, including any relatives identified or located after the filing of the complaint and prior to entry of the judgment. Note that a child of an incapacitated person need not be served during minority but must be served upon reaching the age of eighteen (18) years, even if such child was a minor at the time of the guardianship proceeding and therefore not listed as an interested party in the verified complaint. Interested parties may also include any agent(s) appointed pursuant to a power of attorney or advance directive, as well as the director of a residential care facility having custody of the incapacitated person, and/or the attorney appointed for the incapacitated person in the guardianship action. If an interested party is under a guardianship or has died, then this should be noted in the certification of service section.

Note: Reporting Period

Most guardians are directed to report annually, at or before the anniversary date of the Judgment of Incapacity, so most reports will cover a 12-month period. Strict adherence to this time period may be difficult depending on the timing of the guardianship judgment and the nature of the guardianship reporting. For example, a guardian appointed on April 13th and required to file the Comprehensive Accounting must submit bank statements showing balances at the beginning and ending of the accounting period, but banks may issue statements as of the first day of the month, not the 13th. A guardian in this situation might decide to file her first accounting for the period of April 13th - March 31st, and then start the next accounting as of the following April 1st. Even though the first accounting covers less than 12 months, this is acceptable. After the first accounting, the guardian will file reports for a full 12-month period, with bank account statements as of the beginning (April 1st) and end (March 31st) of each yearly period.