

## CONSERVATORSHIP

### INSTRUCTIONS for the CONSERVATOR'S ACCOUNT FORM 7

#### I. GENERAL INFORMATION

Form 7 reflects financial activity during each account reporting period after the Conservator's Account. Please note that you will use Form 7 starting with the 2<sup>nd</sup> Conservator's Account and for as long as you remain appointed as conservator – until the final account. Form 7 is due on the second and succeeding anniversary of the date the letters were issued, unless otherwise ordered by the court.

It is most helpful to capture the financial information throughout the account reporting period rather than waiting to compile all the information just before completing and filing the account form(s). Also, keep in mind the specific dates of the account reporting periods so that you start and end recording the financial transactions during the correct reporting period.

The instructions for Form 7 and worksheets assume the conservator will complete the schedules and worksheets manually. However, if the conservator completes the form electronically (electronic access may be found at website at the Arizona Court's website under their Probate Law section) certain lines will automatically calculate and other lines will automatically populate, based on prior entries.

Note: If this conservatorship consists of a small estate or has very little activity, ***you may ask the court*** to simplify your filing requirements such as filing a Simplified Conservator's Account (Form 9). You may simplify your filing requirements however, ***only if the court approves your request***.

Depending on which form in the packet you are preparing, certain columns on the schedules will be shaded. A shaded column means you do not include any information in those columns.

While the instructions in this document provide detailed guidance for completing each line and column in the required schedules, they may not cover all circumstances associated with your case. If you have questions regarding how to account for certain transactions, assets or liabilities, you may want to consult a tax advisor or financial officer.

#### II. Required Schedules and Worksheets

**Schedule 1:** Provides a summary statement of receipts and disbursements of the protected person's estate. Note: The conservator is also required to file supporting detail for Schedule 1 which provides an itemized listing of each receipt and disbursement. See Schedule 1 instructions for further detail.

**Worksheet A:** Required if your conservatorship budget includes "other receipts," "other disbursements," and "other administrative fees and costs."

**Amended Budget:** Although the amended budget is not a document the conservator must file with each account, it is required if the conservator projects any expense category in the most recently completed Schedule 1 to exceed either ten percent (10%) or \$2,000, whichever is greater. The conservator is required to file the amended budget within thirty (30) days of identifying the projected change in expenses. The conservator should use the Schedule 1 format to complete the amended budget.

**Schedule 2:** Provides a summary of the value of the protected person's estate.

**Worksheet B:** Required if you need to report "other general assets," "other money-denominated assets, and "other debts" in Schedule 2.

**Schedule 3:** Provides the court with an estimate as to whether the conservatorship can meet the expenses of the protected person for the duration of time the protected person is expected to need care and fiduciary services.

**Worksheet C:** Required if you need to report adjustments in Schedule 3.

**Transaction Log:** While the conservator is required to file a **Transaction Log** (detailing all receipts and disbursements during the account reporting period), the specific format for the transaction log is not mandated. However, an optional format is available on the judicial branch website, which provides assistance to the conservator in tracking receipts and disbursements on an ongoing basis.

**Financial Statements:** For each financial account, attach a financial statement which includes the account balance at the end of the accounting report period.

Note: In addition to the above noted schedules and worksheets, you may need to provide additional supporting documents requested by the court.

### III. General Tips

#### 1. Prepare:

- **Review** Form 7 and its worksheets to familiarize yourself with the information you are required to report. Identify the appropriate forms to complete.
- **Assess** what records from the protected person you will need to complete the forms.
- **Gather** all the documentation you will need to complete the forms including bank statements, receipts, bills, investment account statements, property information, etc.

#### 2. Fill in the Correct Columns:

- Depending on the form you complete, certain columns on the schedules will be shaded, which indicates you **do not include any information** in those columns.

### 3. Save your work for the next report:

- Save and print the form cover sheet, schedules, worksheets, and any other supporting documentation. Saving the account reporting forms will assist the conservator with providing prior account information in future account reporting forms.

### 4. Review:

- Carefully examine all the required schedules, worksheets and attachments to be sure they are complete.

### 5. Form 7 Cover sheet and Copies:

- Sign and date the form cover sheet only after you have reviewed the completed schedules and worksheets
- Photocopy all original Form 7 documents plus the cover sheet. Make at least three (3) copies of the entire original document stack plus as many as needed to provide to all interested persons.

### 6. Confidential Documents

- All Form 7 attachments, not including the form cover sheet, are confidential documents and are not available to the public for public inspection.
- When filing confidential documents with the Clerk's Office, place the original document in an envelope that bears the case name and number, the name of the document being filed, the name of the party filing the document, and the label "Confidential Document." (Rule 7(C)(2) Arizona Rules of Probate Procedure). The following documents are defined as "Confidential:"
  - Probate information form
  - Medical reports and records
  - Inventories and appraisements
  - Accounts
  - Credit reports
  - Any other document ordered by the court to be "confidential."

### 7. Take to the Clerk of Court, Probate Division

- File the form cover sheet, schedules, worksheets, and any other supporting documentation with the Probate Registrar or Clerk of the Court at the court that appointed you as conservator. Organize all required attachments in the same order as shown on the form cover sheet. Note: As indicated in your appointing order, you must also provide copies of the account to all interested persons.

### 8. Form Filing Due Dates and Account Reporting Periods

- **Form 7** and all associated documents are **due on the second (and succeeding) anniversary of the date the Letters of Appointment were issued.** However, the court may determine different dates.

## 9. Keep Your Records

- As conservator, you must maintain complete records of money received (i.e. income, social security benefits, retirement or pension income, etc.), money spent for the protected person (i.e. house payment or rent, utility bills, household expenses, food, clothing, medical care, etc.), and the current value of assets (such as bank accounts, investment accounts, vehicles, etc.) and liabilities or debts (such as the amount still owed on the protected person's house, credit card debt, and vehicle or other loans).
- If you complete the schedules electronically, it is important to save them on your computer for use in compiling future conservator accounts.

**10. Successor Conservator:** If you were appointed as a successor conservator to an existing conservatorship and this is your Conservator's account, you must include the prior conservator's information. You are not responsible for verifying the activity by the prior conservator or the accuracy of the information the prior conservator previously filed.

- Note that as successor conservator, you are also required to file an inventory within 90 days after the conservator's letters are first issued. The inventory serves as the beginning balance for the conservatorship; therefore, the successor conservator's inventory should reflect all assets still belonging to the protected person at the time the successor conservator is appointed.

## IV. SPECIFIC INSTRUCTIONS

### A. SCHEDULE 1 INSTRUCTIONS (Statement of Receipts and Disbursements)

**Schedule 1 Heading** At the top of Schedule 1, insert the name of the protected person after it states, **In the matter of:** and insert the case number after it states, **Case No.** *Example: In the matter of "JANE DOE" and Case No. "PB-2000-123456."*

**Column Instructions** For Form 7, you are required to complete all the columns in Schedule 1:

**Column A** Enter the actual results from the prior period.  
a. If you are completing Form 7 for the first time, you can copy this amount directly from Form 6, Schedule 1, Column C.  
b. If you are completing Form 7 for the second or subsequent time, you can copy the amount from last year's Form 7, Schedule 1, Column C.

**Column B** Enter the budget amount for the year just ended.  
a. If you are completing Form 7 for the first time, you can copy this amount from Form 6, Schedule 1, Column F.  
b. If you are completing Form 7 for the second or subsequent time, you can copy the amount from last year's Form 7, Schedule 1, Column F.

**Column C** Enter the actual amount for the year just ended. The actual amount should reflect the detail you have recorded on the Transaction Log throughout the year. (**See the Note box on the next page for further information about the Transaction Log**)

Column D Column D shows the difference (deviation) between the budget and the actual results. To calculate, subtract the amount in Column C from the amount in Column B. *If completing the form electronically, the amount will automatically calculate.*

Note: If the conservatorship experienced any unusual or significant activity that caused large differences between the budgeted amount and actual results, provide an explanation as an attachment to the account.

Column E Column E shows the percentage difference (deviation) between the budget and the actual results. To calculate, divide Column D by Column B and multiply that amount by 100. *If completing the form electronically, the amount will automatically calculate.*

**Note:** In the Transaction Log, the conservator must provide an itemized list of all financial transactions (money received and money spent) that occurred in all financial accounts throughout the account reporting period. At a minimum, the information contained in the Transaction Log should include:

- ✓ Date of receipt or payment,
- ✓ Financial account where money was received or spent,
- ✓ Check number (if applicable)
- ✓ Payer (if money received) or payee (if payment was made),
- ✓ Purpose or description of the transaction, and
- ✓ Amount (money received or payment made).

***The Transaction Log is a key document, as it provides the supporting detail for the receipts, disbursements, and administrative fee and cost totals reported in Schedule 1.*** Therefore, it is important to track income/receipts and expenses/disbursements using the same categories listed in Schedule 1. The subtotals for each category on the Transaction Log should include a line reference to show which line the amount corresponds with on Schedule 1.

**DO NOT** include transfers between cash or bank accounts on the Transaction Log, as a transfer into an account is not considered a receipt nor is a transfer from an account considered a disbursement.

Column F This is where you present a budget for the coming year, using a 12-month period. **Example:** Monthly receipts will be multiplied by 12 (i.e. \$1,000 per month in retirement income X 12 months = \$12,000 budgeted retirement income). *If completing the form electronically, the annual amount **will not** automatically calculate.*

Column G This column will reflect the difference between the budgeted amounts for the current year and the actual results in the period just ended. This will allow the court to see where anticipated changes in amounts will impact the estate budget overall. To calculate, subtract Column C from Column F.

If you are using Form 7 for the first time, and you have filed no prior Conservator's account using the new forms, you will only complete columns C and F in Schedule 1. You will complete columns A and B when you use Form 7 to file subsequent accounts.

**Line Instructions**

**Line 1 (Start Date of Account Reporting Period)**

Three start dates are required:

1. Column A (Actual Results, Prior Period): Enter the start of the prior period.

a. If this is the first time you are completing Form 7, you can find the start date from the prior period on Form 6, Schedule 1, Column B & C, Line 1. **Example:**

Start Date (Form 6, Col. B & C)	Start Date (Form 7)
1/10/2012	<b>1/10/2012</b>

b. If you are completing Form 7 for the second or subsequent time, you can find the start date on last year's Form 7, Schedule 1, Column B & C, Line 1. **Example:**

Start Date (Prior Form 7, Col. B & C)	Start Date (Current Form 7)
11/1/2012	<b>11/1/2012</b>

2. Columns B & C (Budget and Actual Results, Period Just Ended): Enter the start date of the period just ended.

a. If you are completing Form 7 for the first time, you can find the start date for the Budget & Actual Results on Form 6, Schedule 1, Column F, Line 1. **Example:**

Start Date (Form 6, Schedule 1, Col. F, Line 1)	Start Date (Form 7)
11/1/2012	<b>11/1/2012</b>

b. If you are completing Form 7 for the second or subsequent time, you can find the start date for the Budget & Actual Results on the prior Form 7, Schedule 1, Column F, Line 1. **Example:**

Start Date (Prior Form 7, Col. F, Line 1)	Start Date (Current Form 7)
11/1/2013	<b>11/1/2013</b>

3. Column F (Budget Current Year): Enter the start date of the period just beginning.

a. If you are completing Form 7 for the first time, the start date for the current year budget is one day after the end date for the Budget &

Actual Results for the Period Just Ended (which can be found on this same Form 7, Schedule 1, Column B & C, Line 1). **Example:**

End Date (Col. B & C, Line 2)	Start Date (Col. F, Line 1)
10/31/2013	<b>11/1/2013</b>

- b. If you are completing Form 7 for the second or subsequent time, the start date for the current year budget is one day after the end date for the Budget & Actual Results on this same form (Columns B & C, Line 2). **Example:**

End Date (Col. B & C, Line 2)	Start Date (Col. F, Line 1)
10/31/2014	<b>11/1/2015</b>

**Line 2 (End Date of Account Reporting Period)**

Three end dates are required for Form 7:

1. Column A (Actual Results, Prior Period): Enter the end date of the prior period.

- a. If this is the first time you are completing Form 7, you can find the end date from the prior period on Form 6, Schedule 1, Column B & C, Line 2. For example:

Start Date (Form 6, Schedule 1, Col. B & C, Line 2)	Start Date (Form 7, Col. A)
10/31/2012	<b>10/31/2012</b>

- b. If you are completing Form 7 for the second or subsequent time, you can find the end date on last year's Form 7, Schedule 1, Column B & C, Line 2. For example:

Start Date (Prior Form 7, Schedule 1, Col. B & C, Line 2)	End Date (Current Form 7, Col. A)
10/31/2013	<b>10/31/2013</b>

2. Columns B & C (Budget and Actual Results, Period Just Ended): Enter the end date of the period just ended.

- a. If you are completing Form 7 for the first time, you can find the end date for the Budget & Actual Results on Form 6, Schedule 1, Column F, Line 2. For example:

End Date (Form 6, Schedule 1, Col. F, Line 2)	End Date (Form 7)
10/31/2013	<b>10/31/2013</b>

- b. If you are completing Form 7 for the second or subsequent time, you can find the end date for the Budget & Actual Results on the prior Form 7, Schedule 1, Column F, Line 2.

End Date  
(Prior Form 7,  
Col. F, Line 2)

End Date  
(Current Form 7)

10/31/2014

**10/31/2014**

3. Column F (Budget Current Year): Enter the end date of the period just beginning. The current year budget end date is one year after the end date you entered in Columns B & C, Line 2 of this same form. For example:

End Date  
(Form 7, Schedule 1,  
Col. B & C, Line 2)

End Date  
(Current Form 7)

10/31/2013

**10/31/2014**

*If completing the form electronically, once you enter the start and end dates for the period just ended (Columns B and C, line 2), the end date for the prior period (Column A, line 1) and the start date for the current year (Column F, line 1) will be automatically populated.*

### **Receipts (Money Received): Lines 3 through 10**

Receipts include any money received, whether income, sale of any general estate asset, or money received from any loan to the estate. Include only the money the estate actually received or is expected to receive during the account period. **DO NOT** account for a receipt on two different lines.

- ✓ If there is no information to report for a receipt category, indicate by placing "0" in that line.

### **Line 3 (Retirement and Disability Income)**

Enter all regular retirement or disability income. **Examples:** Social Security, Railroad Retirement, pension benefits, Social Security Disability, Supplemental Security Income, and worker's compensation benefits. **DO NOT** include payments received from tax-deferred investments, such as 401K and IRA funds; include these receipt sources on line 7.

### **Line 4 (Annuities, Structured Settlements, and Trust Income)**

Enter all income from annuities, structured settlements or trusts. *Note: These terms are defined in the Definitions section of the General Instructions at*

<http://www.azcourts.gov/Portals/151/Forms/Form8Instructions.pdf>

**Line 5 (Wages and Earned Income)**

Enter all wages and earned income of the protected person.

**Line 6 (Investment and Business Income)**

Enter all investment and business income. **Examples:** Interest, dividend, rent, and royalty income. Note: if interest earned on an investment or retirement account is returned to the fund balance, rather than as a separate amount paid to the protected person, **DO NOT** include as income (this information will be reported in Schedule 2).

**Line 7 (Other Receipts)**

Enter other receipts that are not already included on lines 3 through 6. **Examples:** Any distributions from tax-deferred investments, such as 401K or IRA funds, any amount from selling an asset, or the proceeds from any new loan to the protected person's estate.

Use Worksheet A to list and enter budgeted amounts for other receipts (Column F). Add all other receipts and place the totals for the account period in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 7, Schedule 1. *If completing the form electronically, the total will be automatically calculated and entered on line 7, Schedule 1.*

**Line 8 (Total Receipts)**

Add lines 3 through 7. *If completing the form electronically, the total will automatically calculate.*

**Line 9 (Assets/Liabilities as Receipts)**

Enter the amount of money you expect the conservatorship to receive that is already included in line 8 that will come from selling or liquidating an asset or from a new debt or liability. **Examples:**

- When selling or liquidating an asset, such as a home for the protected person, the amount received for the sale is entered on line 7 and on line 9.
- When borrowing money to pay bills for the protected person, the amount of the new loan is entered on line 7 and on line 9 in Schedule 1 and included as a liability on Schedule 2, line 17.
- If you expect a required minimum distribution from an IRA fund which pays out the earnings as well as some amount of the principal, enter the total distribution on line 7 and enter the amount of the principal expected on line 9.
- If you expect the proceeds from an installment sale over a period of years, and this year you expect interest on the unpaid balance plus a payment on the balance due, enter the total payment expected this year on line 7 and enter the principal portion of the amount received on line 9.

It is important for the court to know whether the conservatorship can meet the future needs of the protected person for as long as he or she needs fiduciary care and services. Therefore, the court needs to know how much of the budgeted receipts already reported will result from selling or liquidating assets or from borrowing money. By subtracting these receipts from the total receipts reported in lines 3 through 7, the court will have a better picture of how long the protected person's estate can last to cover all expenses.

**Line 10 (Total Income Included in Receipts)**

Subtract line 9 from line 8 (i.e. line 8 minus line 9). *If completing the form electronically, the total will automatically calculate.*

**Disbursements (Money Spent for Protected Person): Lines 11 through 17**

✓ If there is no information to report for a disbursement category, indicate by placing "0" in that line.

**Line 11 (Food, Clothing, and Shelter)**

Enter the amount of disbursements for food, clothing and shelter (comprised of household expenses, care facility costs and personal care expenses) for the protected person. Items in this disbursement category include, but are not limited to, the following examples:

- *Food and Clothing* – groceries, clothing, and toiletries.
- *Household Expenses* – home mortgage payments, utilities (including electric, gas, water, telephone and cable), and homeowners association fees.
- *Care Facility* – regular fees to a care facility.
- *Personal Care* – companion care, home care, and transportation.

Payments made for food, clothing and shelter are those considered essential for survival even if there are less expensive alternatives.

**Line 12 (Medical Costs)**

Enter the amount of medical expenses for the protected person, which includes medical, dental, vision and hearing. **Examples:** *Medical equipment and supplies (including incontinent supplies, or adult diapers), prescription and non-prescription medicines, medical insurance premiums and co-pays.*

**Line 13 (Personal Allowance)**

Enter the amount of money provided directly to the protected person as a spending allowance. You **DO NOT** have to report how the protected person spent the money, as the money is no longer considered part of the conservatorship estate once you provide it to the protected person.

**Line 14 (Payments on Debt)**

Enter the amount of payments for the protected person's debts, such as loans and personal debts. **Examples:** *Payments on an outstanding car loan, payments on outstanding credit card debt, payments on loans taken out to cover the care and payments for care services of the protected person.* **DO NOT** include payments on the protected person's home mortgage here; those payments should be reported on line 11 (food, clothing and shelter).

Note: Payments on debt should not include money owed in the current account reporting period for services received in the prior account reporting period. For example, if the fiduciary earned a fee in one period, but the fee is paid in a later period, the fee is reported as an expense paid on line 18 (fiduciary fees and costs) when expected to be paid. Any operating bills of the conservatorship are treated in the same manner, such as fees to care providers that are incurred but not paid until a later year.

**Line 15 (Discretionary Expenses)**

Enter the amount of discretionary (optional) expenses. Expenses in this category include all goods and services provided to the protected person that are not essential for survival but are meant to improve or prolong the quality and enjoyment of life. **Examples:** Entertainment, dining out, and vacation costs.

**Line 16 (Other Disbursements)**

Enter other disbursements that are not already included on lines 11 through 15. **Examples:** The purchase of an asset (such as a vehicle, computer or a cash down payment on a residence), tax payments, or stock or mutual fund purchases. You should also include in other disbursements payments that are made for any dependent(s) of the protected person.

Use Worksheet A to list and enter budgeted amounts for other disbursements. Add all other disbursements and place the totals for the account period in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 16, Schedule 1. *If you are completing the form electronically, the total will be automatically calculated and entered on line 16, Schedule 1.*

**Line 17 (Total Disbursements For Protected Person)**

Add lines 11 through 16. *If completing the form electronically, the total will automatically calculate.*

**Disbursements (Money Spent for Administrative Fees and Costs): Lines 18 through 22**

✓ If there is no information to report for a disbursement category, indicate by placing "0" in that line.

**Line 18 (Fiduciary Fees And Costs)**

Enter the amount of fiduciary fees and costs for the account reporting period. Fees are compensation paid to the fiduciary. Costs include administrative charges that are authorized in the Statewide Fee Guidelines, such as filing fees and postage.

**Line 19 (Fiduciary's Attorney Fees and Costs)**

Enter the amount of fiduciary's attorney fees and costs for the account reporting period.

**Line 20 (Protected Person's Attorney Fees and Costs)**

Enter the fees and costs for the protected person's attorney, for the account reporting period, including court-appointed counsel and guardian ad litem, if paid by the protected person's estate.

**Line 21 (Other Administrative Fees and Costs)**

Enter other administrative fees and costs for the account reporting period that are not already included on lines 18 through 20. **Examples:** Payments made to an appraiser, financial advisor, court investigator, or accountant.

Use Worksheet A to list and enter budgeted amounts for other administrative fees and costs. Add all other administrative fees and costs and place the totals for the account period in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 21, Schedule 1. *If completing the form electronically, the total will be automatically calculated and entered on line 21, Schedule 1.*

**Line 22 (Total Administrative Fees and Costs)**

Add lines 18 through 21. *If completing the form electronically, the total will automatically calculate.*

**Line 23 (Total Disbursements)**

Add line 17 and line 22. *If completing the form electronically, the subtotal will automatically calculate.*

**Line 24 (Assets/Liabilities as Disbursements)**

Identify the amount of money you expect to spend from the estate to purchase assets or to reduce the principal balance of the protected person's debts. Since these expenses are not ongoing and regular expenses, they need to be subtracted from the total expense amount indicated on line 23. **Examples:**

- When buying an asset, such as a home for the protected person: the down payment is entered on line 16 and on line 24.
- As another example, if the conservatorship previously borrowed money to pay the bills of the protected person, enter the loan payment on line 14 (including principal and interest), and enter the principal amount paid (but not interest) on line 24.
- If you will make payments on an installment purchase over a period of years, and this year you pay interest on the unpaid balance plus a payment on the balance due, enter the total amount (interest and principal) on line 14 and enter the principal amount on line 23.

**Line 25 (Total Expenses in Disbursements)**

Subtract line 24 from line 23 (i.e. line 23 minus line 24).  
*If completing the form electronically, the total will automatically calculate.*

**Line 26 [Total Surplus/ (Total Shortfall)]**

Subtract line 23 from line 8 (i.e. line 8 minus line 23).  
*If completing the form electronically, the total will automatically calculate.*

If the amount is a positive number, this means there is a surplus of cash flow in the estate. If the amount is a negative number, this means there is cash flow shortfall for the estate (or the estate does not have enough receipts to cover all disbursements). Please note: to indicate a negative number, place parenthesis around the number or a minus sign in front of the number, if completing the PDF version of the form. **Example:** Negative \$1,000 is shown as -1,000 or (1,000).

**Line 27 [Net Income/ (Net Expenses)]**

Subtract line 25 from line 10 (i.e. line 10 minus line 25).  
*If completing the form electronically, the amount will automatically calculate.* If the amount is positive, this means income exceeds expenses. If the amount is negative, this means expenses exceed income. Please note: to indicate a negative number, place parenthesis around the number or a minus sign in front of the number, if completing the PDF version of the form. **Example:** A net expense of \$1,000 would be shown as -1,000 or (\$1,000).

## SCHEDULE 2 (Statement of Net Assets and Reconciliation)

### **Schedule 2 Heading**

At the top of Schedule 2, insert the name of the protected person after it states, "In the matter of:" and insert the case number after it states, "Case No." **Example:** In the matter of "JANE DOE" and Case No. "PB-2000-123456."

### **Column Instructions**

Complete **Columns A through E** for Form 7:

**Column A** Enter the Inventory Summary amount reported in the prior account reporting period account, Schedule 2, Column B.

**Column B** Enter the Updated Valuations for the Period Just ended. The updated valuation will reflect any additions, deletions, and changes in value of net assets. The conservator is not expected to provide updated valuations for general asset items, unless significant changes occurred in those estate assets during the account reporting period.

**Column C** Subtract Column A from Column B. This will show the Change from Prior Schedule 2 in the dollar amount of the net assets from the last account period to the current account period. If completing the form electronically, the amount will automatically calculate.

**Column D** Column D shows the percentage difference between the value of net assets from the prior account period to the current account period. Calculate by dividing Column C by Column A and multiplying that amount by 100. If you are completing the form electronically, the amount will automatically calculate.

**Column E** Complete Column E to provide an Explanation of Change in the value, additions, or deletions of the net assets or debts. If more space is required, include supporting detail on a separate document. Make sure to include the protected person's name, the case number, start date and end date of the account periods, and the form number (i.e. Form 7). The explanation should provide sufficient detail for the court to understand the change(s) that occurred, particularly when there are multiple changes within the same category.

If you are using Form 7 for the first time, and you have filed no prior conservator's account using the new forms, you will obtain information for Column A from your previously filed Inventory and complete Column B with any updated inventory values since you filed the initial inventory.

### **Section 1: Net Assets (Inventory)**

#### **Line 1 (Inventory Value Report Date)**

Two dates are required:

1. **Column A** (Inventory Summary): The date of the inventory (found on last year's Schedule 2, Column B, line 1).

2. Column B (Updated Valuations for Period Just Ended): The end date of your current conservator's account (found on Schedule 1, Column C, line 2). *If completing the form electronically, the date is automatically entered.*

**General Assets, Excluding Cash and Bank Accounts: Lines 2 through 9**

When reporting the value of all general assets, **DO NOT** deduct any liens or mortgages; the protected person's debts will be separately reported on line 17.

✓ If there is no information to report for an expense category, indicate by placing "0" in that line.

**Line 2 (Real Estate)**

Enter the value of real estate owned by the estate. **Examples:** *The protected person's residence, rental or vacation real estate, and cemetery plots.* Remember to enter the fair market value of the real estate without deducting any amount still owed on the real estate, such as liens or mortgage balance; the amount owed on real estate will be entered on line 17.

**Line 3 (Vehicle(s))**

Enter the value of vehicles owned by the estate. **Examples:** *Personal automobile(s), motorcycle, golf cart, watercraft, airplane, or recreational vehicle.*

**Line 4 (Business Ownership Interests)**

Enter the value of any business ownership interests, such as a family business. **DO NOT** list shares (i.e. stocks and mutual funds) in a publicly traded corporation; this information will be included on line 6 (or line 7, if tax-deferred).

**Line 5 (Household Items and Personal Effects)**

Enter the value of household items and personal effects owned by the protected person. **Examples:** *Items within the protected person's primary residence, such as furniture, televisions, computers, clothing, costume jewelry, and displayed collectible items.* However, **DO NOT** include on line 5 any household or personal effects that are of significant value, such as precious jewelry and valuable collections, that might be sold to provide additional funding for the protected person's care; these items will be listed in Worksheet B and included in the total value on line 8.

**Line 6 (Stocks, Bonds, and Mutual Funds - Not Tax-Deferred)**

Enter the present value of stocks, bonds, mutual funds, and other marketable securities. **Examples:** *Savings bonds and bearer bonds.*

**Line 7 (Tax-Deferred Assets)**

Enter the present value of tax-deferred assets. **Examples:** *IRA and 401(K) accounts, tax-deferred cash accounts, certificates of deposit, savings accounts, and brokerage accounts.*

**Line 8 (Other General Assets)**

Enter the present value of all other assets that are not already listed in lines 2 through 7. **Examples:** *Valuable collections (including coin collections), precious jewelry, the cash value of insurance policies or*

prepaid benefits such as prepaid funeral plans. **DO NOT** include cash and regular bank accounts; this information will be accounted for on lines 10 through 15.

Use Worksheet B to provide an itemized list and the total amount of the protected person's other general assets that are not included in lines 2 through 7. You will report other general assets in Column B for the Updated Valuations of the inventory. Add all other general assets and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 8, Schedule 2. *If completing the form using Excel, the total will be automatically calculated and entered on line 8, Schedule 2.*

**Line 9 (Total General Assets)**

Add lines 2 through 8. *If completing the form electronically, the total will automatically calculate.*

**Cash and Regular Bank Accounts: Lines 10 through 14**

✓ If there is no information to report for an expense category, indicate by placing "0" in that line.

**Line 10 (Bank Accounts- Restricted Access)**

Enter the total cash balance of bank accounts that are court-restricted; this means funds may not be withdrawn without a court order. **Examples:** *Checking, savings, certificates of deposit, money market accounts, and all other similar accounts, whether in a bank, credit union, savings and loan, or other similar financial institution. DO NOT include any tax-deferred accounts that were listed on line 7.*

**Line 11 (Bank Accounts- Unrestricted Access)**

Enter the total cash balance of bank accounts that are NOT court-restricted; this means funds may be withdrawn without a court order. **Examples:** *Checking, savings, certificates of deposit, money market accounts, and all other similar accounts, whether in a bank, credit union, savings and loan, or other similar financial institution.*

**Line 12 (Cash on Hand)**

Enter the amount of currency that you have on behalf of the estate. *Remember, any coin collection with value above the face value of the coins should be reported as an "Other General Asset" on line 8.*

**Line 13 (Other Money-Denominated Assets)**

Enter the present value of other money-denominated assets with a cash value that are not already listed in lines 10 through 12. **Examples:** *Cash card or gift card. These assets are similar to money in a bank account or cash on hand and do not change in value by market fluctuation, except by receipt of a dividend or interest.*

Use Worksheet B to provide a description and the total amount of the protected person's other money-denominated assets that are not included in lines 10 through 12. Add all other money-denominated assets and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 13, Schedule 2. *If completing the form using Excel, the total will be automatically calculated and entered on line 13, Schedule 2.*

**Line 14 (Total Cash and Bank Accounts)**

Add lines 10 through 13. *If completing the form electronically, the total will automatically calculate.*

**Line 15 (Total Available Assets)**

Add line 9 and line 14. *If completing the form electronically, the total will automatically calculate.*

**Liabilities (Debt): Lines 16 through 18**

**Line 16 (Bills & Payables More Than 30 Days Old)**

Enter the amount of past-due bills and payables more than 30 days old plus ALL fiduciary and attorney fees and costs for services already provided but not yet paid, as of the end of the account period.

Use Worksheet B to provide an itemized list and total amount of the protected person's bills and payables more than 30 days old at the end of the account period. Add all bills and payables and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 16, Schedule 2. *If completing the form using Excel, the total will be automatically calculated and entered on line 16, Schedule 2.*

**Line 17 (Other Debts)**

Enter the amount of other debts not already included on line 16. Other debts include bills and payables less than 30 days old. **Examples:** *Notes, mortgages, credit cards and personal loans.*

Use Worksheet B to provide a description and total balance amount of the protected person's other debts. Add all other debts and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 17, Schedule 2. *If completing the form using Excel, the total will be automatically calculated and entered on line 16, Schedule 2.*

**Line 18 (Total Liabilities)**

Add line 16 and line 17. *If completing the form electronically, the total will automatically calculate.*

**Line 19 (Net Assets)**

Subtract line 18 from line 15 (i.e. line 15 minus line 18). *If completing the form electronically, the amount will automatically calculate.*

If the amount of total liabilities (line 18) is greater than the amount of total available assets (line 15), indicate the value of net assets as a negative value by placing parenthesis around the number or a minus sign in front of the number, if completing the PDF version of the form. **Example:** negative \$5,000 is indicated as -5,000 or (5,000).

**Section 2: Reconciliation of Conservator's Account**

This reconciliation helps verify that the estate value at the end of the account period accurately reflects additions (receipts) and subtractions (disbursements) and changes in value of estate assets.

**Line 20 (Starting Cash Balance)**

Enter the starting cash balance amount from Schedule 2, Column A, line 14. *If completing the form electronically, the amount will automatically be entered on this line.*

- Line 21 (Total Receipts)** Enter the total receipts from Schedule 1, Column C, line 8.  
*If completing the form electronically, the amount will automatically be entered on this line.*
- Line 22 (Available Funds)** Add line 20 and line 21. *If completing the form electronically, the amount will automatically calculate.*
- Line 23 (Total Disbursements)** Enter the total disbursements from Schedule 1, Column C, line 23.  
*If completing the form electronically, the amount will automatically be entered on this line.*
- Line 24 (Ending Cash Balance)** Subtract line 23 from line 22 (i.e. line 22 minus line 23). The ending cash balance on line 24 should equal the total cash and bank accounts on Schedule 2, Column B, line 14. **If these amounts do not match, there is an error in the report.** *If completing the form electronically, the amount will automatically calculate.*

### SCHEDULE 3 (Statement of Sustainability of Conservatorship)

The information provided on this schedule is a good faith estimate based upon the information that is reasonably available to you. This schedule requires you to share what you believe to be true in this particular case for this particular protected person, not what you can prove to be true.

- ✓ The objective of the conservator must always focus on the protected person's best interests, while respecting the protected person's wishes to the extent they are not inconsistent with the protected person's best interest.

**Schedule 3 Heading** At the top of Schedule 3, insert the name of the protected person after it states, "In the matter of:" and insert the case number after it states, "Case No." **Example:** In the matter of "JANE DOE" and Case No. "PB-2000-123456."

#### **Column Instructions**

Complete **Columns A through E** for Form 7:

**Column A** Provides the sustainability estimate from the prior account reporting period. Copy the information directly from Column B of last year's Schedule 3, including the start and end dates.

**Column B** Complete Column B to provide an estimated sustainability of the conservatorship. Your estimate should be based upon the most recent information that is reasonably available to you and should include any significant change of circumstances for the protected person (such as a medical deterioration which requires a different level of care), even if the change occurred after the end of the account period but before the Schedule 3 filing date.

Column C Subtract Column A from Column B. This calculation provides a dollar amount of change from last year's sustainability estimate to this year's sustainability estimate. If completing the form electronically, the amount will automatically calculate.

Column D Divide Column C by Column A and multiply by 100. This calculation provides the percent of change from last year's sustainability estimate to this year's sustainability estimate. If completing the form electronically, the amount will automatically calculate.

Column E Complete Column E to provide an Explanation of Adjustment to net assets and/or net income/net expenses in Column B. If more space is required, include supporting detail on a separate document. Make sure to include the protected person's name, the case number, start date and end date of the account periods, and the form number (i.e. Form 7). The explanation should provide sufficient detail for the court to understand the adjustment(s), particularly when there are multiple adjustments within the same category.

If you are using Form 7 for the first time, and you have filed no prior conservator's account using the new forms, you will only complete Column B in Schedule 3. You will complete Columns A and Columns C through E when you use Form 7 to file subsequent accounts.

### **Line Instructions**

#### **Line 1 (Report Date of Sustainability Estimate)**

Enter the date of each report of sustainability, which is the end date of the account reporting period. Two dates are required on Line 1:

1. Column A (Sustainability Estimated in Form 6 or prior Form 7): Enter the date of the prior estimate (found on Schedule 1, Column A, line 2).
2. Column B (Updated Sustainability Estimated): Enter the date of your new estimate of sustainability (found on Schedule 1, Columns B & C, Line 2). *If completing the form electronically, the date is automatically inserted.*

#### **Net Assets Available to Conservatorship: Lines 2 through 4**

In Schedule 2, you calculated the net assets of the conservatorship, however, there may be additional factors that may impact the protected person's estate going forward, such as money received from an inheritance or a personal injury claim. Also, some assets may be needed for known one-time expenditures, such as a major medical expense or the startup costs for the conservatorship. Once these adjustments are made, if any, the remaining net assets should be available to meet the typical or recurring needs of the protected person from this point forward.

#### **Line 2 (Net Assets)**

Enter the value of the Net Assets available to the estate, found on Schedule 2, line 19, Column A and B, respectively. *If completing the form electronically, the amount is entered automatically.*

#### **Line 3 (Adjustments)**

Enter zero, unless an adjustment to the available Net Assets is required. Adjustments would include any expected new and significant receipts or disbursements. If adjustments are necessary:

- ✓ Enter as a positive value any new and significant receipts/assets you expect to come into the conservatorship, such as an inheritance or a personal injury award.

- ✓ Enter as a negative value any assets that need to be used to satisfy any planned, one-time, significant expenditures. **Examples:** *One-time medical costs, large repairs, or the cost to stabilize the conservatorship.* If the adjustment amount is negative, place parenthesis around the number or a minus sign in front of the number, if completing the PDF version of the form. **Example:** A negative adjustment of \$5,000 would be entered as -5,000 or (5,000).
- ✓ Enter as a negative value any assets that are not considered assets you can liquidate to provide additional funding for the estate. **Example:** Prepaid funeral plans must be accounted for on the inventory, but should be subtracted from net assets to determine sustainability, as they are considered irrevocable and cannot be sold for cash.

Use Worksheet C to provide a description and amount of the adjustment(s) to the net assets. Add all of the adjustment amounts and place the total in the upper right corner of the worksheet. Copy the total onto line 3, Column B, Schedule 3. *If completing the form using Excel, the total will be automatically calculated and entered on line 3, Column B, Schedule 3.* Remember to also complete Column E in Schedule 3 to provide a brief explanation of the adjustment.

**Line 4 (Adjusted Net Assets)**

This is your estimate of the assets that will be available to meet the ongoing needs of the protected person. If the adjustment in line 3 is a positive value, add line 2 and line 3. If the adjustment amount in line 3 is a negative value, subtract line 3 from line 2 (i.e. line 2 minus line 3). Remember to indicate a negative value by placing parenthesis around the number or a minus sign in front of the number, if completing the PDF version of the form, such as a negative \$5,000 would be shown as -5,000 or (5,000). *If completing the form electronically, the amount is automatically calculated.*

**Example:** If the net asset value on line 2 has a positive value of \$100,000, and line 3 has a positive value of \$5,000, add both numbers and place 105,000 on line 4. However, if line 3 has a negative value of (\$8,000), you would subtract the \$8,000 on line 3 from the \$100,000 on line 2 to get an adjusted net asset amount of 92,000.

**Recurring Net Income/(Net Expenses): Lines 5 through 7**

In Schedule 1, you calculated the actual and budgeted net income or net expenses of the conservatorship, however, there may be additional factors that may change the ongoing and typical receipts and disbursements going forward.

**Line 5 [Net Income/ (Net Expenses)]**

Enter the value of net income or net expenses for the estate as calculated on Schedule 1, line 27, Column A and C, respectively. If the amount on line 27 is a positive number (net income), enter the amount as a positive number. If the amount on line 27 is a negative number (net expense), indicate a negative number by placing parenthesis around the number or a minus sign in front of the number, if completing the PDF version of the form. *If completing the form electronically, the amount will automatically calculate.*

**Line 6 (Adjustments)**

Enter zero, unless an adjustment is required. If an adjustment is necessary:

- ✓ Enter as a positive value any significant or recurring receipts that were not recognized (or not fully recognized) when calculating the net income or net expenses for the year just ended, such as a new source of income like disability benefits.
- ✓ Enter as a positive value any significant one-time expenses that were recognized as an expense when calculating the net income or net expenses for the year just ended. **Examples:** *One-time medical costs, large repairs, or the cost to stabilize the conservatorship.*
- ✓ Enter as a negative value any significant and recurring expense that was not recognized (or not fully recognized) when calculating the net income or net expenses for the year just ended. **Example:** *New or increased expenses for the protected person's care.*

Use Worksheet C to provide a description and amount of the adjustment. Note: if the adjustment is an expense, remember to indicate the negative number by placing parenthesis around the number or a minus sign in front of the number, if completing the PDF version of the form. Add all of the adjustment amounts and place the total in the upper right corner of the worksheet (Remember any negative value should be subtracted from any positive value for the net result). Copy the total onto line 6, Column B, Schedule 3. *If completing the form using Excel, the total will be automatically calculated and entered on line 6, Column B, Schedule 3.* Remember to also complete Column E in Schedule 3 to provide a brief explanation of the adjustment.

**Line 7 [Adjusted Net Income/(Net Expenses)]**

The amount on this line provides an estimate of the net income or net expenses the conservatorship expects on a regular and ongoing basis. If the adjustment amount in line 6 is a positive value, add line 5 and line 6. If the adjustment amount in line 6 is a negative value, subtract line 6 from line 5. *If completing the form electronically, the amount is automatically calculated.*

If line 7 is a positive value, you are estimating that the conservatorship is sustainable because the conservatorship is expected to produce more income than it spends.

**Line 8 (Enter Adjusted Net Assets)**

Enter the amount calculated on line 4 here. *If completing the form electronically, the amount is automatically entered.*

**Line 9 [Enter Adjusted Net Income/ (Net Expenses)]**

Enter the absolute value of the amount calculated on line 7 here. This means you will enter a positive number for the value that is shown on line 7, even if it is a negative number. **Example:** Enter 5,000 for negative \$5,000. *If completing the form electronically, the amount is automatically entered.*

**Line 10 (Estimated Years of Sustainability)**

This is an estimate of the number of years the conservatorship can fund the protected person's regular and ongoing expenses before the entire net estate is depleted. To calculate, divide line 8 by line 9. *If completing the form electronically, the estimate will automatically calculate.*

**Line 11**  
**(Is Conservatorship**  
**Sustainable?)**

Enter "Yes" if the Years of Sustainability, as indicated on line 10 is equal to or greater than the number of years the protected person is expected to need care or fiduciary services. Otherwise, enter "No."

**Line 12 (Management Plan**  
**from Prior Period and**  
**Going Forward)**

If you entered "No" on line 11, Column A, copy your management plan from the prior account reporting period (found in Schedule 3 of Form 6) into the first management plan box at the bottom of the schedule. If you entered "No" on line 11, Column B, indicate the management plan for the conservatorship going forward in the second box at the bottom of the schedule. Since the estate is not expected to last the entire length of time the protected person needs care or fiduciary services, the plan shall include how the future care and needs of the protected person will be met. **Example:** There may be a need to adjust the protected person's standard of living or a future need for public assistance.

NOTE: Once you have double checked your documentation, complete the Form 7 cover sheet and sign the conservator's certification at the bottom of the cover sheet page. By signing the certification, you are acknowledging to the court that you have read and reviewed the accompanying schedules, worksheets and any other supporting details you are providing, and that you have a good faith belief the information is true, accurate and complete to the best of your knowledge.