

# Instructions for Conservator Account Form 5 (Conservatorship Estate Budget)

If the court issued letters appointing you as conservator *before September 1, 2012*, you do not have to complete Form 5. If you are not certain about which form to use, contact the court which appointed you as conservator.

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## General Instructions

### Purpose

As a court-appointed conservator, you are required to file reports with the court which provide an account of the protected person's finances. Your responsibilities and duties as a conservator begin on first date of your appointment, whether it is a temporary or permanent appointment. The following instructions will assist you in completing the required conservator forms, schedules and worksheets.

### Authority

You may refer to several sources which outline your authority as the conservator and the requirement to file periodic reports/accounts with the court. These sources include: the court order you received, state law (Arizona Revised Statutes §§ 14-5418, 5419), the Arizona Rules of Probate Procedure (Rule 38), and the Arizona Code of Judicial Administration (ACJA), section § 3-302 (Forms). The forms, schedules and worksheets listed in the ACJA are the required forms pursuant to Rule 38(B) Arizona Rules of Probate Procedure.

### Where to Find the Forms

If you have access to a computer, you can access the forms on the Arizona Judicial Branch website at: [www.azcourts.gov/probate](http://www.azcourts.gov/probate).

You can complete the form on a computer, but you will need to save and print the form to file it with the court by the required due date. If you do not have access to a computer, contact the court and request a printed version you can complete manually. *Please keep in mind that if you need printed copies of the forms or instructions from the court, there may be a printing charge.*

### Which Form to Use

Refer to the chart below to determine which form you need to file. If you need further assistance determining the appropriate form, contact the court which appointed you as conservator.

**Conservatorship Account Forms**

Form	Title	Description
5 and Inventory	Conservatorship Estate Budget	The first estimate of anticipated receipts and disbursements for the protected person during the first 9 months of the appointment. The account reporting period starts on the day following the date the letters were issued. <b>Due 90 calendar days after letters were issued, unless otherwise ordered by the court.</b> <i>Rule 30.3, Rules of Probate Procedure</i>
6	First Conservator's Account	Reflects all financial activity related to the conservatorship during the first nine months after the letters of conservator were issued and the anticipated receipts and disbursements in the next 12 months. <b>Due on the first anniversary of the date the letters were issued, unless otherwise ordered by the court.</b> <i>Rule 30B(1), Rules of Probate Procedure</i>
7	Conservator's Account	Reflects financial activity during each account reporting period after the First Conservator's Account. Note: 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. <b>Due on the second and subsequent anniversary of the date the letters were issued, unless otherwise ordered by the court.</b> <i>Rule 30B(2), Rules of Probate Procedure</i>
8	Final Conservator's Account	Covers the final account of the conservatorship. You must file a Statement of Asset Distribution with the Final Conservator's Account. <b>Due 90 days after the conservatorship ends, unless otherwise ordered by the court.</b> <i>Rule 30B(3), Rules of Probate Procedure</i>
9	Simplified Conservator's Account	Used throughout the conservatorship, <b>only</b> if the court issues an order authorizing the conservator to file a simplified account. <b>Due on the anniversary of the date the letters were issued, unless otherwise ordered by the court.</b> <i>Rule 30B(1) and Rule 30B(2), Rules of Probate Procedure</i>

**Required Schedules and Worksheets**

For each of the above-noted forms, you will be required to file three schedules and up to three supplemental worksheets (unless otherwise directed by the court). Generally, the schedules and worksheets are the same for each form. A brief description of the schedules and worksheets is as follows:

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.”
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.
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 in 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 days of identifying the projected change in expenses. The conservator should use the Schedule 1 format to complete the amended budget.

**Other Optional Worksheets**

While the conservator is required to file the above-noted mandatory schedules and worksheets, other worksheets are available (on the Judicial Branch website: [www.azcourts.gov/probate](http://www.azcourts.gov/probate)) to assist the conservator in completing the account forms:

Inventory	The conservator must also file an inventory with Form 5 at the beginning of the conservatorship (due 90 days after the letters of conservator are issued). The Inventory provides a listing of all the protected person’s assets and liabilities and serves as the opening balance for the conservatorship. While an inventory is required, the format the conservator uses to list the inventory items is not mandated. However, an optional format is available on the judicial branch website.
Transaction Log	While the conservator is required to file a <b>Transaction Log</b> (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:

Statement of Asset Distribution	At the time of the final conservator's account, the conservator must also file a statement of asset distribution describing what happened to any remaining assets that were in the conservator's care at the conclusion of the conservatorship.
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**Note:** In addition to the above noted schedules and worksheets, you may need to provide additional supporting documents requested by the court.

### Steps to Complete and File Forms

**Step 1** Identify the appropriate form to complete. If you are uncertain as to which form to use, please contact the court that appointed you as conservator for further direction. Once you identify the appropriate form, you may want to review the form (and instructions) to familiarize yourself with the information you will be required to report.

**Note:** If this conservatorship consists of a small estate or has very little activity, you can ask the court to simplify your filing requirements such as:

- Filing only an Inventory rather than a complete Form 5, or
- Filing a Simplified Conservator's Account (Form 9).

**Step 2** Gather all the documentation you will need to complete the forms including bank statements, receipts, bills, investment account statements, property information, etc.

**Note:** It is most helpful to capture the financial information throughout the account reporting period rather than waiting to compile all the information just prior to completing and filing the account form(s). If you have just been appointed as conservator, you should start documenting financial transactions on the first day after your letters were issued. 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.

**Step 3** Complete the required schedules and supporting worksheets for the form you are preparing. 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.

**Note:** The instructions for all the forms assume the conservator will complete the schedules and worksheets manually; however, if the conservator completes the form electronically, certain lines will automatically calculate and other lines will automatically populate, based on prior entries.

While the instructions contained 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 your tax advisor or finance officer.

- Step 4 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 period information in future account reporting forms.
- Step 5 Review the form cover sheet to make sure you have completed all the required schedules, worksheets and attachments. Sign and date the form cover sheet only after you have reviewed the completed schedules and worksheets.
- Step 6 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.

### **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).

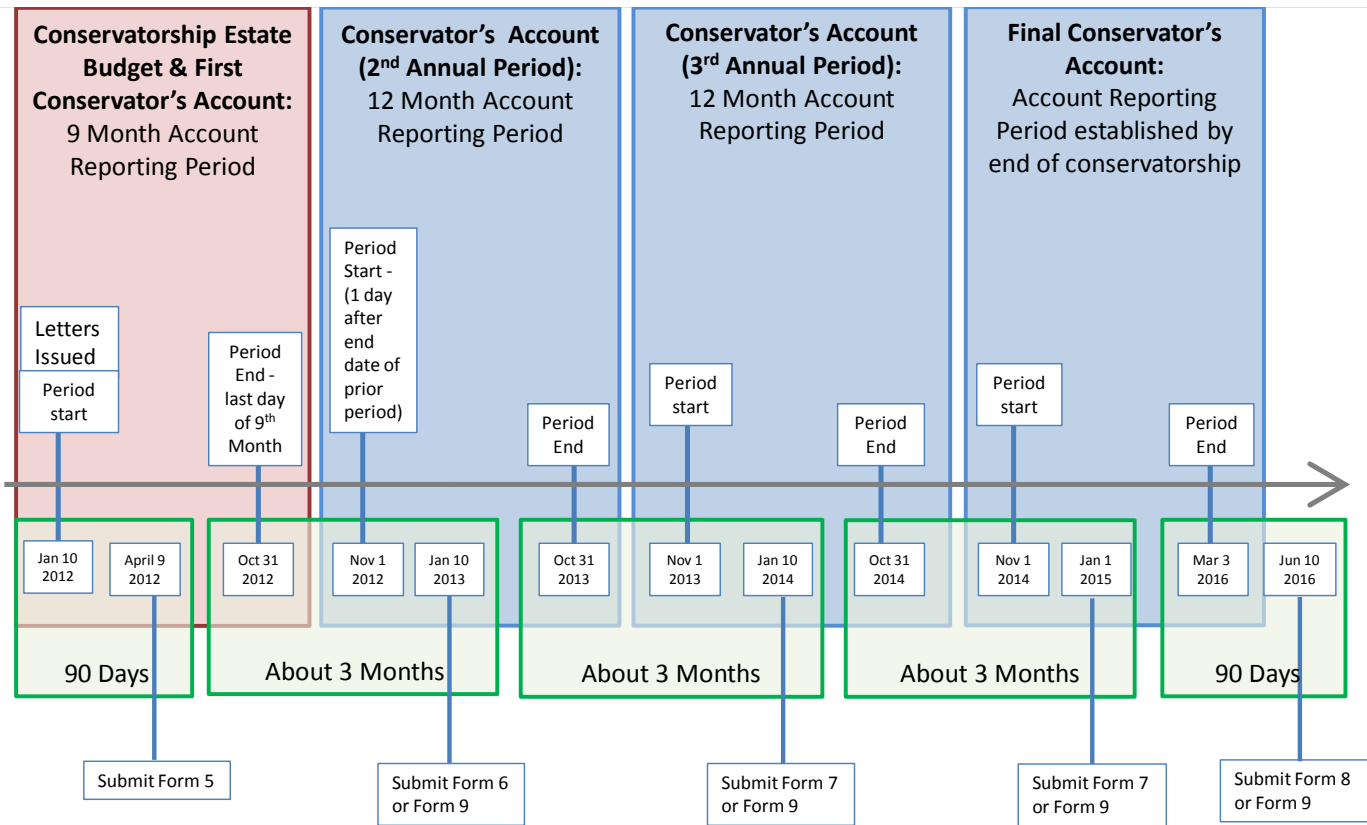
If you complete the schedules electronically, it is important to save them on your computer for use in compiling future conservator accounts.

### **Form Filing Due Dates and Account Reporting Periods**

Except for Form 5, the filing dates for each form are generally the anniversary date of when the letters of conservator were issued; however, the court may determine different dates. The general filing dates for each form are as follows:

Form	Description	Filing Due Date
5	Conservatorship Estate Budget	Due 90 calendar days after letters are issued ( <i>starting on the day following the date the letters were issued</i> ).
6	First Conservator's Account	Due on the first anniversary of the date the letters were issued.
7	Conservator's Account	Due on the second and subsequent anniversary of the date the letters were issued.
8	Final Conservator's Account	Due 90 days after the conservatorship ends.
9	Simplified Conservator's Account	Due on the anniversary of the date the letters were issued.

**Account Reporting Periods and Filing Due Date Example** - The diagram below illustrates how the conservator would determine the start and end date for each conservator account form. The diagram also illustrates when the conservator should file the account with the court.





## Confidentiality

All attachments, not including the form cover sheet, are confidential documents and are not available to the public for public inspection. Pursuant to *Arizona Rules of Probate Procedure*, Rule 7(C)(2), 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." The following are documents 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."

## Successor Conservator

If you were appointed as a successor conservator to an existing conservatorship and this is your first 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. Please 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.

## Definitions

Absolute value	The numerical value of a number without regard to whether it is a positive or negative number. For example, the absolute value of five (5) is five (5) and the absolute value of negative five (-5) is also five (5).
Account	Detailed record of the conservatorship's financial activity.
Annuity	A series of fixed-amount payments paid at regular intervals over a period of time.
Asset	Any item of economic value owned by an individual or corporation, especially that which could be converted to cash. Examples include cash, real estate, vehicles, and other personal property.
Bearer bond	An unregistered, negotiable bond on which interest and principal are payable to the holder, regardless of whom it was originally issued to. The coupons are attached to the bond, and each coupon represents a single

interest payment. The holder submits a coupon, usually semi-annually, to the issuer or paying agent to receive payment. Bearer bonds are typically issued by a business entity, such as a corporation, or by a government.

Budget	A projected list of all anticipated disbursements and receipts.
Conservator	A person who is appointed by a court to manage the estate of a protected person.
Conservatorship	The legal responsibility over a protected person's estate.
Court	The superior court of each county.
Debt	A financial obligation requiring repayment.
Deplete	To use up, reduce or exhaust.
Discretionary expense	A cost which is not essential. Discretionary expenses are most often defined as things that are "wants" rather than "needs."
Dividend	Amount paid to shareholders for each share they own, which is usually based on the number of shares of stock in a corporation and the rate of payout approved by the board of directors or management.
Earned income	Income an individual receives for their efforts, including all the taxable income, wages, salaries, tips and net earnings a person receives from working, either through one's own business or by working for another entity (business, government, non-profit organization, etc.).
Estate	An estate is the net worth of a person at any point in time, including the person's property, entitlements and obligations.
Expense	Money paid to another person, business or organization to pay for an item or service.
Fair market value	The amount for which property would sell on the open market if offered for sale in the ordinary course of business. Fair market value should represent an accurate valuation or assessment of its worth.
Fiduciary	A person who serves as a court-appointed guardian or conservator.
Interest	The money paid by someone else for the use of a person's money, as on a loan or debt, on a checking account in a bank, on a certificate of deposit, promissory note or the amount due on a judgment.

Interested parties	Any person who has appeared before the court in the conservatorship case including, but not limited to, court appointed counsel.
Inventory	A detailed, itemized list, report or record of things and the value of such items, in one's possession.
Letters	Letters testamentary, letters of guardianship, letters of administration, and letters of conservatorship, as provided in Arizona Revised Statutes §14-1201(32). Letters of conservatorship provide evidence of transfer of all assets of a protected person to the conservator to provide the conservator authority to conduct business on behalf of the protected person. Note: A court may not always issue Letters of Conservatorship on the same date it appoints a conservator.
Liabilities	An obligation that legally binds an individual or company to repay a debt.
Liquidating	Converting assets into cash or equivalents by selling them on the open market.
Marketable securities	Securities that can be converted into cash quickly at a reasonable price, including commercial paper (unsecured, short-term <u>debt</u> instrument issued by a corporation), bankers acceptances (short-term debt instrument issued by a firm as part of a commercial transaction and is guaranteed by a commercial bank), and treasury bills (a government debt obligation).
Net worth	The value of assets, including cash, minus all liabilities.
Notes	Unsecured or secured payment in installments (payments paid at regular intervals), or on demand, as well as made with or without interest.
Payables	The unpaid bills of a business or the money owed to suppliers and other creditors.
Protected person	A minor or any other person for whom a conservator has been appointed or any other protective order has been made, as provided in Arizona Revised Statutes § 14-5101(4).
Rent	An agreed amount paid at fixed intervals by a tenant to a landlord for possession and use of real property.
Restricted account	A bank account the conservator is prohibited from withdrawing or transferring funds without a court order.
Royalty income	A payment received for the use and exploitation of artistic or literary works, patents and mineral rights.

Schedule	The summary document which captures financial information required in the conservator's account.
Secured	To grant a seller or lender security interest in personal or real property. A security interest allows a creditor to repossess and sell the collateral of a debtor if a debtor fails to pay a secured debt.
Structured settlement	An agreement entered in a lawsuit by which specific payments are made over a period of time.
Successor conservator	A conservator who is appointed to a conservatorship in which a different conservator was previously appointed.
Tax-deferred	Income, assets, or investments in which taxes are not paid until a future date.
Transaction log	A detailed list of financial transactions to document money received and money spent.
Trust	Includes an express trust, private or charitable, with any additions, wherever and however created. Trust also includes a trust created or determined by judgment or decree under which the trust is to be administered in the manner of an express trust...., as provided in Arizona Revised Statutes § 14-1202(58).
Worksheet	A list or table which serves as supporting detail to a specific schedule.

## SCHEDULE 1 (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. "P1300GC201201234."*

### Column Instructions

For Form 5, you only need to complete one column (Column F) of Schedule 1; the other columns are shaded and will not be required until later accounts.

Column F This is where you present a budget for the current year. Since Form 5 represents the initial estimated receipts and disbursements for the conservatorship, your estimates will be based on only the first nine months of the conservatorship beginning on the date the letters of conservator were issued and ending on the last day of the ninth month. *(The examples below provide further instruction on how to determine start and end dates as well as how to calculate budgeted receipts and disbursements for the account reporting period).*

### Line Instructions

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

Enter the date the letters of conservator were issued. *Example:* If your letters were issued on 1/10/2012, you would enter 1/10/2012 in Column F.

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

Enter the last day of the 9<sup>th</sup> month after the letters of conservator were issued. *Example:*



### 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 reporting period. **DO NOT** account for a receipt on two different lines.

Unless otherwise ordered by the court, when reporting budgeted receipts on Form 5, enter the projected amount for the first 9 months of the conservatorship, beginning on the date the letters were issued. For example, you would calculate a \$1,000 monthly retirement income as follows:  $\$1,000 \times 9 = \$9,000$  (enter 9,000 in Column F on the line for Retirement and Disability Income).

✓ 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.*

**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 budgeted 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**

Unless otherwise ordered by the court, when reporting budgeted disbursements on Form 5, complete only Column F by entering the projected disbursement for the first 9 months of the conservatorship, beginning on the date the letters were issued. For example, you would multiply a \$500 monthly mortgage payment by 9 for a total budgeted mortgage disbursement of \$4,500. If a disbursement will occur less than monthly, such as a quarterly or biannually, multiply the amount by the number of times the payment will be paid within the account period. For example, you would multiply a quarterly disbursement by 3, as that particular expense will be paid 3 times in the 9-month period.

✓ 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 budgeted medical costs 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 you plan to provide directly to the protected person as a spending allowance.

**Line 14 (Payments on Debt)**

Enter the amount budgeted for payments on 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).

**Line 15 (Discretionary Expenses)**

Enter the amount budgeted for discretionary (optional) expenses. Discretionary expenses 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 for Protected Person)**

Enter other disbursements that are expected for the protected person but 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 dependent of the protected person.

Use Worksheet A to list other budgeted disbursements that are not included in lines 11 through 15. Add all other budgeted 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 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**

Unless otherwise ordered by the court, when reporting budgeted conservatorship administrative costs and fees on Form 5, complete only Column F by entering the projected administrative costs and fees for the first 9 months of the conservatorship, beginning on the date the letters were issued.

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

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

Enter the amount of fiduciary fees and costs you expect to pay during 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 you expect to pay during the account reporting period.

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

Enter the fees and costs you expect to pay during the account reporting period for the person's attorney, 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 you expect to pay during 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 any other budgeted administrative fees and costs that are not included on lines 18 through 20. Add all other budgeted 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 a 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).

**Amended Budget**

Pursuant to *Rules of Probate Procedure* 30.3(D), the conservator shall file an amendment to the budget and provide notice in the same manner as the initial budget within thirty days after reasonably projecting that the expenditures for any specific category will exceed the approved budget by ten percent (10%) or \$2,000, whichever is greater. It should be noted however, the criteria requiring an amended budget is subject to change. Therefore, you should check with the court to verify the current requirement for filing an amended budget.

Remember to use the amended budget information for the account reporting period just ended when completing Column B on Schedule 1.

## 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. "P1300GC201201234."

### **Column Instructions**

For Form 5, you only need to complete one column (Column B) of Schedule 2; the other columns are shaded and will not be required until later accounts.

**Column B** Enter a summary of the conservatorship Inventory.

### **Line Instructions**

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

**Line 1 (Inventory Value Report Date)** Enter the date you completed the Inventory.

#### **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, 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. 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 electronically, 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 electronically, 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 electronically, 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 electronically, 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 either -5,000 or (5,000).

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

For Form 5, you do not need to complete Section 2 (Reconciliation of Conservator's Account).

## **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. "P12300GC201201234."

### **Column Instructions**

For Form 5, you only need to complete two columns in Schedule 3; the other columns are shaded and will not be required until later accounts.

**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 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.

### **Line Instructions**

**Line 1 (Report Date of Sustainability Estimate)** Enter the date of the report of sustainability. For Form 5, this is the date you complete this schedule.



**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, Column B, line 19. *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 electronically, 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 amount 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 number 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 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 F. 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 disbursements 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 disbursement 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.*
- ✓ Once any other adjustments are first determined, it is important for the sustainability estimate calculation that you convert what remains as a nine month budget into an annual figure.
  - **Example:** *If the protected person now receives a regular and recurring disability payment of \$1,000 per month, and only the first three months of benefits was included in the net income or net expenses for the year just ended (as reported on line 27 of Schedule 1), you must include a positive adjustment of 9,000. This adjustment amount recognizes the additional receipts that will be received in a typical year (since three months was already recognized).*
  - **Example:** *If after making all the adjustments, you calculate that the budgeted net expenses are approximately \$9,000 over nine months, this should equate to annual expenses of about \$12,000 (determined by dividing the nine month figure, \$9,000 for example, by nine and then multiplying it by 12).*

Use Worksheet C to provide a description and amount of the adjustment. Note: if adjustment is an 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. 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 electronically, 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 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. *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 the estimated 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)**

Since Form 5 is the first conservator's account form you are filing, you do not need to complete the first box at the bottom of the schedule. If you entered "No" on line 11, Column B, indicate your 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.