



FIDUCIARY ACCOUNTING SERVICES, LLC

SPECIALIZED ACCOUNTINGS FOR TRUSTS, ESTATES, AND CONSERVATORSHIPS
A NON-CPA FIRM

Record-Keeping Tips for Trustees/Executors/Conservators

Trustees/Executors/Conservators are required to keep detailed, accurate and complete records. These documents become the foundation of a comprehensive fiduciary accounting. After working with thousands of clients, we have put together some record-keeping tips to ensure you have the information needed to prepare a fiduciary accounting.

Asset List

Make a complete list of assets as of the date of your appointment or decedent's date of death. This should include all bank accounts, brokerage accounts, real estate, annuity or life insurance policies, and personal property such as autos, furniture, jewelry, or valuable collections. List the institution, account number, title of the account, and estimated value (where applicable). (See our *Getting Started Checklist*)

The asset list will help you remember each individual account by title. Although, banks or brokerage firms may require that you close accounts and transfer the assets into new accounts, you may be required to include the original accounts on your report.

Organization

Maintain a separate binder or filing system for your documents separate from your personal documents. This will allow you to locate a specific document as needed. Filing systems may include the monthly bank or brokerage statements, appraisals, escrow documents, invoices paid, payment stubs for refunds, correspondence, and legal documents.

Bank and Brokerage Statements

Request that physical statements be sent (via mail or email) to you from the bank or broker monthly and save these in your files. If you are not receiving the physical statement, make sure that you access and download and/or print the statements monthly. To prepare an accounting, *complete monthly statements* will be required.

Brokers will often provide a year end statement, tax statement, or quarterly summary. These documents will not have enough information to complete a fiduciary accounting.

Additionally, banks will not maintain records beyond seven (7) years. In the event you need an accounting to cover a historical period, the records may not be available.

Record Transactions

Document every transaction on a check register and deposit list.

Each payment made from an account requires a payee and purpose for the payment. If you are relying on the check copies with your statement, you need to note the purpose on the memo line. However, we recommend that you maintain a separate check register to ensure the necessary detailed information is available. As a best practice, you may want to keep the invoice paid with a notation of the date and check number that was used to pay the invoice.

Sample Check Register

Account #8675309

DATE	CHECK #	PAYEE	PURPOSE	AMOUNT	NOTES
2/5/20	122	USPS	Postage	\$9.80	
2/6/20	123	Joe's Roofing	Roof Repair	\$4,900.00	456 Sunshine Street
2/7/20	124	Chase Card Services	credit card payment	\$523.62	debt of decedent

Furthermore, it is important to keep a deposit list too. The fiduciary accounting reports the source of each deposit. Banks often report a lump sum deposit, while the accounting reports an itemized list of each deposit. The deposit list provides you with the details when needed.

Sample Deposit List

Account #8675309

DATE	SOURCE	PURPOSE	AMOUNT	DEPOSIT TOTAL	NOTES
2/7/20	Sunrise Rest Home	Refund of overpayment	\$2,230.00		
2/7/20	AAA Insurance	Refund of renters insurance	\$234.00		canceled on 02/01/20
2/7/20				\$2,464.00	
2/9/20	Nancy Jones	rent	\$1,500.00		987 Anywhere Way #2
2/9/20	Susie Smith	rent	\$3,500.00		321 San Francisco Drive
2/9/20				\$5,000.00	

Debit Cards

Debit cards and automatic payments for recurring expenses are great. The bank will capture the payee and report it on the statement. However, the bank will not capture the purpose of the payment. To gather this information, you will need to record the payments on the check register, maintain the invoices paid with a notation of the date paid, or write the purpose on the statement for future reference.

Credit Cards

Avoid the use of a credit card, if possible. Credit cards are not issued in the name of a trust or estate, they are issued in the name of the individual. These obligations become your personal debt until reimbursed by the Trust/Estate/Conservatorship.

If you must use a credit card, we recommend that the credit card be solely used for the Trust/Estate/Conservatorship expenses. You will need to provide the monthly credit card statements to itemize the expenses paid on behalf of the Trust/Estate/Conservatorship. If the statement reports your personal expenses as well, additional explanation will be required to match reimbursements to the credit card statements.

Reimbursements

Maintain a list of payments, with a copy of the receipts, that you have made personally on behalf of the Trust/Estate/Conservatorship. If there are other individuals making payments on behalf of the Trust/Estate/Conservatorship, request that they maintain a similar list with receipt copies. When you make reimbursement payments, you will need to identify the exact expense by payee, purpose, date, and amount.

Other Debts and Obligations

In addition to bank and brokerage statements, you will need to keep a copy of mortgage statements, equity line statements, and auto loan statements. These statements will report the principal and interest accrued and paid during your administration.

Keep A Notebook/Calendar

Finally, we recommend that Trustees/Executors/Conservators maintain a notebook and/or calendar to record your administrative activities. This is helpful to provide an understanding of the time and activities required for the administration and may be shared with your attorney and accountant. This record becomes a valuable reference over an extended period, allowing you to recall the dates and commitment required for specific administrative activities and specific events.

Questions?

While this provides an outline of best practices, it does not address unusual assets that may require some additional documentation. Please feel free to contact us with any questions.

Contact Us

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