

Accounting Procedures

I. **All** accounts shall be **reviewed** by court staff. The review shall consist of the first seven items from the SCAO Court Conservatorship Practices section entitled Reviewing Accounts. Court staff shall do the following:

A. Confirm that the accounting period is correct.

B. Confirm that the beginning balance of the current account matches the ending balance of the last account or inventory.

C. Confirm that the totals shown in all categories are correct by checking the addition.

D. Confirm that the totals shown in Schedules A, B, C, D match the totals shown in the "Summary" section (form PC 584).

E. Ensure that fiduciary fees or attorney fees incurred during the reporting period are stated in items 7 and 8 (forms PC 583 and 584). When fees are charged, they must be supported by a written description of the services performed to include:

1. Date of service.
2. Description of service.
3. Amount of time spent on that service.
4. Amount charged for that service.
5. Total billed (MCR 5.310(C)(2)(c))

F. Ensure that conservators complete all sections of the annual account form. Account forms submitted with incomplete or missing information are not accepted for filing. Bank statements showing the current balance shall be attached to the account, as well as verifications of restricted deposit for all restricted accounts. Accounts will not be accepted without bank statements and verifications of restricted deposit.

G. Verify that an account review has been completed by having the reviewer affix their signature or initials and the date completed on the account form.

H. Accounts will be randomly chosen by the auditors for a full audit that will require the conservator to produce receipts, cancelled checks, or other proof of all expenditures within 28 days. If proof of expenditures is not provided within 28 days the matter shall be set for a show cause hearing or a special fiduciary may be appointed.

II. Upon request, **all** conservators shall be expected to provide receipts, cancelled checks, or other proof for all expenditures within 28 days. If proof of expenditures is not

III. All accounts shall be **scheduled for a hearing** to allow the account at least **every three years (MCR 5.409(C)(6))**.

IV. All guardians for adults appointed on or after March 1, 2007 shall be ordered to file annual accountings unless the court grants a waiver of the requirement to file annual accountings. If the Court grants a waiver, it shall be noted on the order appointing guardian. The Court may order guardians appointed prior to March 1, 2007 to file annual accountings on a case by case basis.

V. Bonds or restricted accounts shall be ordered in all adult conservatorship cases where liquid assets exceed \$10,000. Bonds or restricted accounts shall be ordered in all minor conservatorship cases.

VI. Files shall be assigned to the auditor when the inventory is filed. The auditor shall review the inventory to make sure that it is fully completed and that supporting documentation is included. Supporting documentation includes SEV or an appraisal for real property, and bank statements for accounts.

VII. Conservators shall file a proof of service showing that the inventory has been served on all interested persons.

VIII. Business cards shall be used by all Deputy Registers and Senior Deputy Registers to improve communication between the conservator and the auditor.

IX. Conservators for minors shall file a proof of restricted account form (PC 669) each year. If there are expenditure(s) in a minor conservatorship, the conservator shall provide receipts for the expenditure(s) within 28 days after the date of the Order to Use Funds. Annual accountings shall not be required in minor conservatorship cases unless ordered by the Probate Judge (MCR 5.409(C)(4)).

X. Court staff shall send a pre-notice to the conservator 30 days prior to the due date for filing an inventory or an account. For the first account, court staff shall send necessary forms.

XI. If the account or inventory is not filed within 56 days after the due date, court staff shall generate a **Notice of Deficiency and a Notice to Appear** with a date and time set for a conference with the Probate Register.

XII. Failure to appear at a conference shall result in court staff scheduling a show cause hearing before the Probate Judge.

XIII. All conservators and guardians required to file annual accountings shall be ordered to attend a seminar with the Probate Register within 60 days of appointment. Seminars will be held at noon every Tuesday in Room 506 of the Genesee County Courthouse. If a conservator fails to attend a seminar, the conservator shall be ordered to attend a show cause hearing.

XIV. Each seminar participant will receive a "Conservatorship Handbook" that contains instructions and examples of completed inventories, accounts, and petitions to allow accounts.