



# ACCOUNTING 101

**BY: YORDANOS HAILE**



# AGENDA

- Introduction
- Stages of Accounting:
  - Inventory & Appraisal
  - First Account and Report & subsequent Accountings
  - Final Account and Report
  - Waiver of Account & Report
- Importance of Schedule A
- Importance of Schedule C
- Final tips & takeaways



# THE PURPOSE OF ACCOUNTING'S



## INVENTORY & APPRAISAL: PROBATE CODE 2610

1. Probate Referee: Appraises all property in estate, except for “cash” type items. Note: Conservator can appraise the “cash” items.
2. Inventory and Appraisal is a complete listing of the assets as of date of appointment. Note, for estate cases, it’s the date of death.
3. The Inventory and Appraisal are listed in two attachments: Attachment #1—valued by the conservator and Attachment #2-valued by the Referee.
4. For each inventory and appraisal filed, there should be a corresponding *Notice of Filing Inventory & Appraisal and How to Object to the Inventory or the Appraised Value of Property (GC-042)*

\*\*Inventory & Appraisal must be filed 90 days.

<https://cpra.wildapricot.org/resources/Documents/Probate%20Referee%20Guide%2002020.pdf>

**DE-160/GC-040**

<p><small>ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address):</small>  <b>JOHN DOE</b>          1212 N. EVERGREEN DRIVE          REDLANDS, CALIFORNIA 92373          TELEPHONE NO. (951) 555-1100 FAX NO. (Optional)  <small>Name, address &amp; other contact info of Attorney or Representative if Pro Per</small></p> <p><small>EMAIL ADDRESS (Optional):</small> johndoe@aol.com  <small>ATTORNEY FOR (Name):</small> PRO PER</p> <p><b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF</b> <small>Insert County of Court</small></p> <p><small>STREET ADDRESS:</small>  <small>CITY AND ZIP CODE:</small> <small>Insert address of Court &amp; name of the Court Branch</small>  <small>BRANCH NAME:</small></p> <p><small>ESTATE OF (Name):</small> <b>JOYCE DOE, AKA JOYCE DOE WILLIAMS</b> <small>Name of Conservatee / Decedent / Minor &amp; any aliases used</small>  <small>Date appointed Conservator / Date of Death</small></p> <p><small>Check Appropriate box:</small> <input type="checkbox"/> DECEDENT <input type="checkbox"/> CONSERVATEE <input type="checkbox"/> MINOR</p> <p style="text-align: center;"><b>INVENTORY AND APPRAISAL</b></p> <p><input type="checkbox"/> Partial No.: <input type="checkbox"/> Corrected  <input checked="" type="checkbox"/> Final <input type="checkbox"/> Reappraisal for Sale  <input type="checkbox"/> Supplemental <input type="checkbox"/> Property Tax Certificate</p> <p><small>CASE NUMBER:</small>          PROPS 0000001  <small>Date of Death of Decedent or of Appointment of Guardian or Conservator:</small>          08/25/2004</p>	<p style="text-align: center;"><small>FOR COURT USE ONLY</small></p>
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The first filing will usually be a final. Mark as a partial if you believe other assets may be required to be valued later.

**APPRAISALS**

1. Total appraisal by representative, guardian, or conservator (Attachment 1): \$  
 2. Total appraisal by referee (Attachment 2): \$  
**TOTAL: \$**

**DECLARATION OF REPRESENTATIVE, GUARDIAN, CONSERVATOR, OR SMALL ESTATE CLAIMANT**

3. Attachments 1 and 2 together with all prior inventories filed contain a true statement of  all  a portion of the estate that has come to my knowledge or possession, including particularly all money and all just claims the estate has against me. I have truly, honestly, and impartially appraised to the best of my ability each item set forth in Attachment 1.

4.  No probate referee is required  by order of the court dated (specify):

5. **Property tax certificate.** I certify that the requirements of Revenue and Taxation Code section 480

a.  are not applicable because the decedent owned no real property in California at the time of death.  
 b.  have been satisfied by the filing of a change of ownership statement with the county recorder or assessor of each county in California in which the decedent owned property at the time of death.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: **JOHN DOE** Name of Conservator / Representative Conservator signs before filing  
(TYPE OR PRINT NAME; INCLUDE TITLE IF CORPORATE OFFICER) (SIGNATURE)

**STATEMENT ABOUT THE BOND**  
(Complete in all cases. Must be signed by attorney for fiduciary, or by fiduciary without an attorney.)

6.  Bond is waived, or the sole fiduciary is a corporate fiduciary or an exempt government agency.  
 7.  Bond filed in the amount of: \$ 20,000  Sufficient  Insufficient  
 8.  Receipts for: \$ \_\_\_\_\_ have been filed with the court for deposits in a blocked account at (specify institution and location):  
If a bond is required by the court, fill out this information

Date: **John Doe** Name of Conservator if Pro Per or Attorney if represented Sign here before filing with court  
(TYPE OR PRINT NAME) (SIGNATURE OF ATTORNEY OR PARTY WITHOUT ATTORNEY)

**INVENTORY AND APPRAISAL**

Form Adopted for Mandatory Use  
 Judicial Council of California  
 DE-160/GC-040 (Rev. January 1, 2003)

Page 1 of 2  
 Probate Code, §§ 2610-2616, 8800-8900;  
 Cal. Rules of Court, rule 7.501  
 American LegalNet, Inc.  
 www.USCourtForms.com

**DE-160/GC-040**

<p><small>ESTATE OF (Name):</small> <b>JOYCE DOE, AKA JOYCE DOE WILLIAMS</b> <small>Name of Conservatee / Decedent / Minor &amp; any aliases used</small></p> <p><small>Check Correct Box:</small> <input type="checkbox"/> DECEDENT <input type="checkbox"/> CONSERVATEE <input type="checkbox"/> MINOR</p> <p style="text-align: center;"><b>DECLARATION OF PROBATE REFEREE</b></p> <p>9. I have truly, honestly, and impartially appraised to the best of my ability each item set forth in Attachment 2.          10. A true account of my commission and expenses actually and necessarily incurred pursuant to my appointment is:</p> <p>Statutory commission: \$          Expenses (specify): \$ <small>Referee will calculate this based on statutory fee schedule</small>  <b>TOTAL: \$</b></p> <p>I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p> <p>Date: _____ <small>Referee will date and sign here after completion of the Attachment #2 appraisal</small></p> <p style="text-align: center;"><small>(TYPE OR PRINT NAME)</small> <span style="float: right;"><small>(SIGNATURE OF REFEREE)</small></span></p> <p style="text-align: center;"><b>INSTRUCTIONS</b>  <small>(See Probate Code sections 2610-2616, 8801, 8804, 8852, 8905, 8960, 8961, and 8963 for additional instructions.)</small></p> <ol style="list-style-type: none"> <li>See Probate Code section 8850 for items to be included in the inventory.</li> <li>If the minor or conservatee is or has been during the guardianship or conservatorship confined in a state hospital under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services, mail a copy to the director of the appropriate department in Sacramento. (Prob. Code, § 2611.)</li> <li>The representative, guardian, conservator, or small estate claimant shall list on Attachment 1 and appraise as of the date of death of the decedent or the date of appointment of the guardian or conservator, at fair market value, moneys, currency, cash items, bank accounts and amounts on deposit with each financial institution (as defined in Probate Code section 40), and the proceeds of life and accident insurance policies and retirement plans payable upon death in lump sum amounts to the estate, except items whose fair market value is, in the opinion of the representative, an amount different from the ostensible value or specified amount.</li> <li>The representative, guardian, conservator, or small estate claimant shall list in Attachment 2 all other assets of the estate which shall be appraised by the referee.</li> <li>If joint tenancy and other assets are listed for appraisal purposes only and not as part of the probate estate, they must be separately listed on additional attachments and their value excluded from the total valuation of Attachments 1 and 2.</li> <li>Each attachment should conform to the format approved by the Judicial Council. (See <i>Inventory and Appraisal Attachment</i> (form DE-161/GC-041) and Cal. Rules of Court, rule 201.)</li> </ol>	<p style="text-align: center;"><small>CASE NUMBER:</small>          PROPS 0000001</p>
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**INVENTORY AND APPRAISAL**

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Name of Conservator / Decedent / Minor & any aliases used  
E-161, GC-041  
CASE NUMBER:

ESTATE OF (Name): JOYCE DOE, AKA JOYCE DOE WILLIAMS PROPS 0000001

INVENTORY AND APPRAISAL  
ATTACHMENT NO. 1

(In decedent's estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.) Page: 1 of 1 total pages.  
(Add pages as required.)

Item No.	Description	Appraised value
1.	Cash found at residence	20.00
2.	Balance in checking account No. 14655, Southern California Savings and Loan, 34900 Irvine Grove Blvd., Newport Beach, California 92660	7,392.38
3.	Balance in savings account No. 14654, Southern California Savings and Loan, 34900 Irvine Grove Blvd., Newport Beach, California 92660	37,747.04
4.	Certificate of Deposit No. 1765432, Hometown Federal Bank, 900 Washington Blvd., Los Angeles, CA 90083	10,000.00
5.	Uncashed check from East Coast Teachers Pension Fund, dated 7/1/04	554.47
7.	Uncashed dividend check from Safeguard Investment Mutual Fund, dated 6/2/04	352.70
<b>TOTAL CASH ASSETS:</b>		<b>556,066.59</b>

Form Approved by the Judicial Council of California DE-161, GC-041 (Rev. January 1, 1998) Mandatory Form (1/1/2000)

INVENTORY AND APPRAISAL ATTACHMENT

Probate Code, §§ 301, 2610-2613, 8800-8920, 10309

Conservator / Representative lists all cash assets, detail sufficiently so that these items can be matched with documentation

Conservator / Representative of estate lists all cash assets and writes down values of each \$, total here. Referee will check these items and place the total on Line 4 under Appraisals on the front of the DE-160

Name of Conservator / Decedent / Minor & any aliases used  
E-161, GC-041  
CASE NUMBER:

ESTATE OF (Name): JOYCE DOE, AKA JOYCE DOE WILLIAMS PROPS 0000001

INVENTORY AND APPRAISAL  
ATTACHMENT NO. 2:

(In decedent's estates, attachments must conform to Probate Code section 8850(c) regarding community and separate property.) Page: 1 of 2 total pages.  
(Add pages as required.)

Item No.	Description	Appraised value
1.	Single Family Residence located in San Bernardino County, California and commonly known as:  11211 Goodlin Street San Bernardino, CA 92411  and more particularly described as: TR NO 1737 MT VERNON SUB W 63.5 FT LOTS 1 AND 3 BLK 14 and W 1/2 20 FT ALLEY ADJ ON F (see attached deed for complete legal description) APN: 0144-063-02	
2.	Unimproved Real Estate located in San Bernardino County, California and commonly known as:  Hightower Lane Twenty-nine Palms, CA  and more particularly described as: TR NO 162 RITCHI W SUB W 1/2 SEC 30 T 10 N R 3 W LOT 3 BOOK 176 SAN BERNARDINO COUNTY (see attached deed for complete legal description) APN: 0144-063-02	
3.	Motor Home: 1999 Fleetwood Caravan 30ft. with 2 slides, VIN # WDBG32DN711F448, 25,456 miles in good condition	
4.	Boat: 1999 Kona, 20 ft., tri-Hull# 777588, 50 HP outboard motor, serial number ZV33332, model SYZ68, with trailer. Average Condition	
5.	Stocks: a. 415 shares Kemper California Tax-free Income Fund A. CUSIP # 488424201, Symbol KEM Int/Div: \$ b. 100 shares GM, common stock, (NYSE) CUSIP # 671061109 Int/Div: \$	
6.	Savings Bonds: a. 1 - \$100 US Series EE Bond dated April 1, 1974 b. 2 - \$10 US Series E Bond dated May 1, 1958 c. 1 - \$50 US Series EE Bond dated June 1, 1958	
7.	Motorcycle: 2001 Honda 150cc motorcycle off-road model X150 in poor condition, VIN # 1J51VLQ12BZ123456	

Form Approved by the Judicial Council of California DE-161, GC-041 (Rev. January 1, 1998) Mandatory Form (1/1/2000)

INVENTORY AND APPRAISAL ATTACHMENT

Probate Code, §§ 301, 2610-2613, 8800-8920, 10309

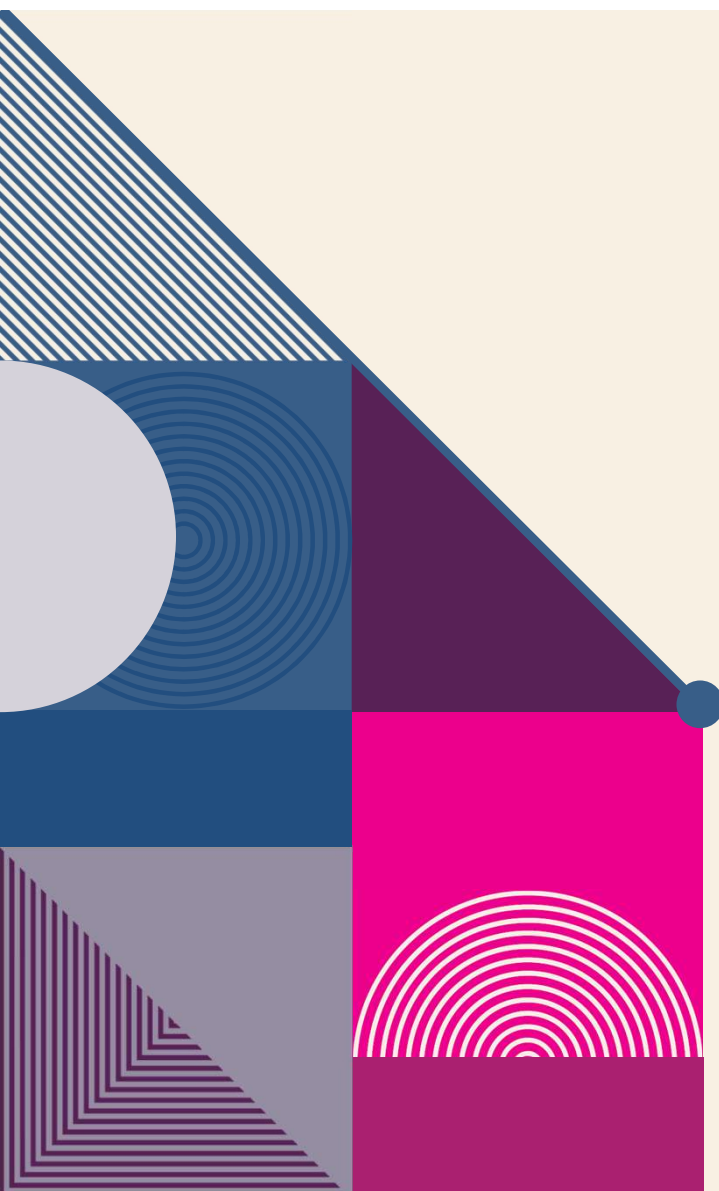
Conservator / Representative of estate lists all assets other than cash on Attachment #2 with details sufficient for Referee to value, additional information or documentation may be requested by Referee

Be sure to list the County(s) where the real estate assets are located so they can be properly identified

Referee estimates values for assets listed on Attachment #2, and types them in on Attachment(s) and Line 2 of DE-160 under appraisals

## KEY POINTS TO BE AWARE DURING FIRST ACCOUNT & REPORT

- Date of first accounting period—from date of appointment and for a period of one year. Note: often, conservator will forget to start at the date of temporary appointment. (if applicable)
- The property at the beginning of the accounting period should be the total amount of all I&A amount listed. Note: often there are multiple I&As filed, and it's easy to miss one.
- Sometimes, you will have what's called “additional property” received, which means that conservator received this amount after the I&A was completed and first account & report filed.
- Total Credit and Total Charges must match.
- Summary of Account must be filed on the Mandatory Judicial Council Form GC-400 (SUM)/ GC-405(SUM).



GC-400(SUM)/GC-405(SUM)

CONSERVATORSHIP     GUARDIANSHIP    OF  
 (Name): \_\_\_\_\_  Conservatee     Minor

CASE NUMBER: \_\_\_\_\_

**SUMMARY OF ACCOUNT—STANDARD AND SIMPLIFIED ACCOUNTS**

(Check if final.) and Final Account     (Check if interim.) Account Current

Account number ("First," etc.) \_\_\_\_\_ through \_\_\_\_\_

Opening date of account \_\_\_\_\_ Closing date of account \_\_\_\_\_

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**CHARGES\***

Property on Hand at Beginning of Account Period, consisting of:		
1a	Cash Assets	\$ _____
1b	Non-Cash Assets (carry value)	_____
1c	Total Property on Hand at Beginning of Account Period (add 1a and 1b) \$ _____	
2	Additional Property Received During Period of Account	— Schedule _____
3	Receipts During Period of Account	— Schedule A _____
4	Gains on Sales During Period of Account	— Schedule B _____
5	Other Charges (describe): _____	— Schedule _____
6	Net Income From Trade or Business During Period of Account	— Schedule _____
7	<b>TOTAL CHARGES (add 1c, 2, 3, 4, 5, and 6) \$ _____</b>	

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**CREDITS\***

8	Disbursements During Period of Account	— Schedule C \$ _____
9	Losses on Sales During Period of Account	— Schedule D _____
10	Distributions to Conservatee or Ward	— Schedule _____
11	Other Credits (describe): _____	— Schedule _____
12	Net Loss From Trade or Business During Period of Account	— Schedule _____
Property on Hand at End of Account Period — Schedule E, consisting of:		
13a	Cash Assets	\$ _____
13b	Non-Cash Assets (carry value)	_____
13c	Total Property on Hand at End of Account Period (add 13a and 13b) _____	
14	<b>TOTAL CREDITS (add 8, 9, 10, 11, 12, and 13c) \$ _____</b>	

\* (Enter "0" for all categories of charges or credits for which you have no entries. Do not include schedules for these categories, but do not relabel or redesignate the schedules that are included.)

**SUMMARY OF ACCOUNT—**  
**STANDARD AND SIMPLIFIED ACCOUNTS**  
 (Probate—Guardianships and Conservatorships)

Form Adopted for Mandatory Use  
 Judicial Council of California  
 GC-400(SUM)/GC-405(SUM)  
 (Rev. January 1, 2008)

Probate Code, §§ 1860–1864, 2620;  
 Cal. Rules of Court, rule 7.575  
 www.courtinfo.ca.gov

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## KEY POINTS TO BE AWARE DURING FIRST ACCOUNT & REPORT--CONTINUED

- Accountings can be filed using “Standard” & “Simplified”
  - Standard accounting would show receipts and disbursements by subject-matter categories;
  - simplified accounting would show receipts and disbursements chronologically, without a breakdown by type of receipt or disbursement
- Reference California Rules of Court 7.575 requirements on accountings.
- Note: that all accountings will be filed using “Standard” accounting unless they meet the criteria for “simplified” accounting. (i.e. estate contains no income-generating real property, no trade or business, assets less than \$500,000, and if schedule A or schedule C is longer than 5 pages.

## KEY POINTS TO BE AWARE DURING FINAL ACCOUNT & REPORT

- Final account and report must be filed in two increments, one for pre-death and one for post-death, pursuant to Probate Code 2620 (b).
- The property at the beginning of the accounting period should be the ending balance of the previous account and report.
- Summary of Account must be filed on the Mandatory Judicial Council Form GC-400 (SUM)/ GC-405(SUM).
- Total Credit and Total Charges must match.

# REQUIRED DOCUMENTS OFTEN LEFT OUT

1. The conservatee must be served with the accountings pursuant to Probate Code §1460 (b);
2. If conservatee resides in a residential care facility or a skilled nursing facility, bill statement for such are required to be filed pursuant to PrC§ 2620 (c)(4)
3. For each accounting, financial statements must be submitted in accordance with PrC§ 2620 (c)(2)
4. Original escrow closing statements for all real property sales reflected in the accounting.



# WAIVER OF ACCOUNT



## WAIVER OF ACCOUNT & REPORT PURSUANT PROBATE CODE SECTION 2628 (A)

- The court may make an order waiving an otherwise required accounting if all the conditions in Probate Code section 2628(a) are met.
- Both the beginning and end of the period covered, the estate had a total net value of less than \$15,000, excluding the value of the personal residence.

Optional form provided, GC-410; however, counties might have their own local form. GC-410 is great because it has the waiver and the order for the Judge to sign in one document.





# IMPORTANCE OF SCHEDULE A

- See what type of Income is coming in.
- See if there are any tax refunds.
- Consistent monthly deposit.



# IMPORTANCE OF SCHEDULE C

- See if there are any duplication charges.
- See what's been purchased and if it's reflected in the client's home.
- See if there were any payments to attorney or conservator without court approval.
- See if there were many eating out charges and does it appear to be for multiple individuals.



# FINAL TIPS & TAKEAWAYS

## Inventory & Appraisal

- Make sure that conservatee is served
- That How to Object to the I&A is also filed.

## First Account & Report

- The beginning value is the same as the I&A
- That the period of the accounting period matches when the Letters were issued \*\*mindful of Temp Cons.
- The Summary of Account on the Mandatory form

## Final Account & Report

- Filed in two increments.



# THANK YOU

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