

INVENTORY INSTRUCTIONS FOR GUARDIANS OF MINORS

GENERAL: You are required by law to file an inventory with the Commissioner of Accounts within four months after you were sworn in as guardian (“your date of qualification”). The inventory must include the minor’s (i) personal estate under your supervision and control, (ii) real estate, (iii) legal or equitable ownership interest in any real or personal property that will pass to another at the minor’s death by a means other than testate or intestate succession, and (iv) rights to periodic payments of money. List assets on the inventory in the form they existed on the date of your qualification, even if the assets have changed form or no longer exist when you prepare the inventory. For example, identify an asset as “cash proceeds from personal injury settlement,” not “account in XYZ Bank” where you deposited the cash proceeds.

If you discover any other assets after you file your inventory, within four months you must make an additional report to the Commissioner of Accounts (i) by filing an amended inventory showing all of the minor’s assets, (ii) by filing an additional inventory showing only the after discovered assets, or (iii) with the permission of the Commissioner of Accounts, by showing the after discovered assets on your next regular accounting. The filing must be made, or the permission of the Commissioner of Accounts must be obtained, within four months after you discover the assets.

VALUATION: Show the value of assets on the inventory at their fair market value on the date of your qualification, not the date you prepare the inventory. Use exact dollars and cents. You may list real estate at its value assessed for local real estate taxes. For other property, use fair market value (“the price at which the property would change hands between a willing buyer and a willing seller in the retail market, with neither one being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.”) Attach an explanation if you use another method to value assets. Do not reduce the value of any asset by the amount of a mortgage, loan, lien or other claim against the asset.

If you have a question about an asset’s value, get assistance from an accountant, lawyer, other appropriate professional, or the Commissioner of Accounts. Your reasonable expenses to determine inventory asset values are payable as administrative costs from the minor’s estate.

Part 1. The minor’s personal estate under your supervision and control. Identify assets clearly and list them in reasonable detail, valued as of your date of qualification. List checking, savings, and other accounts and deposits with the institution’s name, type of account, account number, accrued interest and maturity date. List stocks and mutual funds separately, with company name, number of shares and price per share. For bonds and promissory notes, show issuer’s name, face amount, interest rate and maturity date. An asset without a recognized market value, such as a claim against others, may be valued at \$1.00 or an estimated value until you obtain better information.

GENERAL INSTRUCTIONS FOR REAL ESTATE: Include in the description of each piece of real estate (or partial interest in it) a street address, if there is one, and the city or county where the real estate is located. If you have an appraisal, use that value. Otherwise, use the value as assessed for local real estate taxes, and state which value is used. Do not reduce the real estate's value by the amount of any outstanding mortgage, loan, lien, or other claim against the property. List interests in condominiums and cooperatives with real estate. List leases of real estate with personal property in Part 1.

Part 2. The minor's real estate in Virginia over which you have a power of sale. Unless the Court has given you permission to sell the minor's real estate, you will list nothing in Part 2.

Part 3. The minor's other real estate in Virginia. In most instances this is the correct place for you to list the minor's real estate.

Part 4. The minor's non-Virginia real estate. List here all of the minor's real estate or partial interests in real estate not situated in Virginia, whether or not located in the U.S.

Part 5. The minor's legal or equitable ownership interest in any real or personal property that will pass to another at the minor's death by a means other than testate or intestate succession. Include in this part the minor's interest in any asset passing to another at the minor's death under a survivorship provision, payable on death (POD) provision, or transfer on death (TOD) provision. Include the minor's interest in a trust fund that has beneficiaries following the minor's death, whether the trust was created under a will or during lifetime.

Part 6. The minor's rights to periodic payments from certain agencies of the U.S. government. This part requires the disclosure of periodic payments of certain federal benefits that are paid on behalf of a minor to a designated representative (whether the guardian or another) for which the designated representative (often called a representative payee) is required to report to a federal agency. (Payments for which a designated representative is not required to report to a federal agency are reportable in Part 7.) As a general rule, only Social Security payments, Supplemental Security Income (SSI) benefits, Department of Veterans Affairs benefits and Black Lung benefits will be listed in this section. If the designated representative is required by the agency to file a separate report with that agency regarding the use of the funds, Virginia law requires the guardian to disclose the existence of these federal benefits on the Inventory and the Account, but does not require the guardian to account for the use of these benefits. However, if these funds are commingled with other guardianship funds, they must be included in the Account (see Instructions to Account).

Show the value of these payments on an annualized basis. For example, "Monthly Social Security benefits of \$250 Value \$3,000."

Part 7. The minor's right to periodic payments from any other source. Include all periodic payments other than those that belong in Part 6. Part 7 should include periodic payments from retirement plan benefits left to the minor, a disability program, an annuity, a trust fund, etc. Although payments from such sources as the Office of Personnel Management (OPM) and the Defense Finance and Accounting Service (DFAS) are from the U.S. government, they are retirement pay based on employment. Neither OPM nor DFAS require a guardian to file a report with them regarding the use of those funds. Therefore, these payments must be included in Part 7 of the Inventory and be fully accounted for in your account.

Show the value of these payments on an annualized basis. For example: "Monthly Annuity of \$1,500 Value \$18,000."