


# DEMYSTIFYING PROBATE ACCOUNTINGS

PRESENTED BY  
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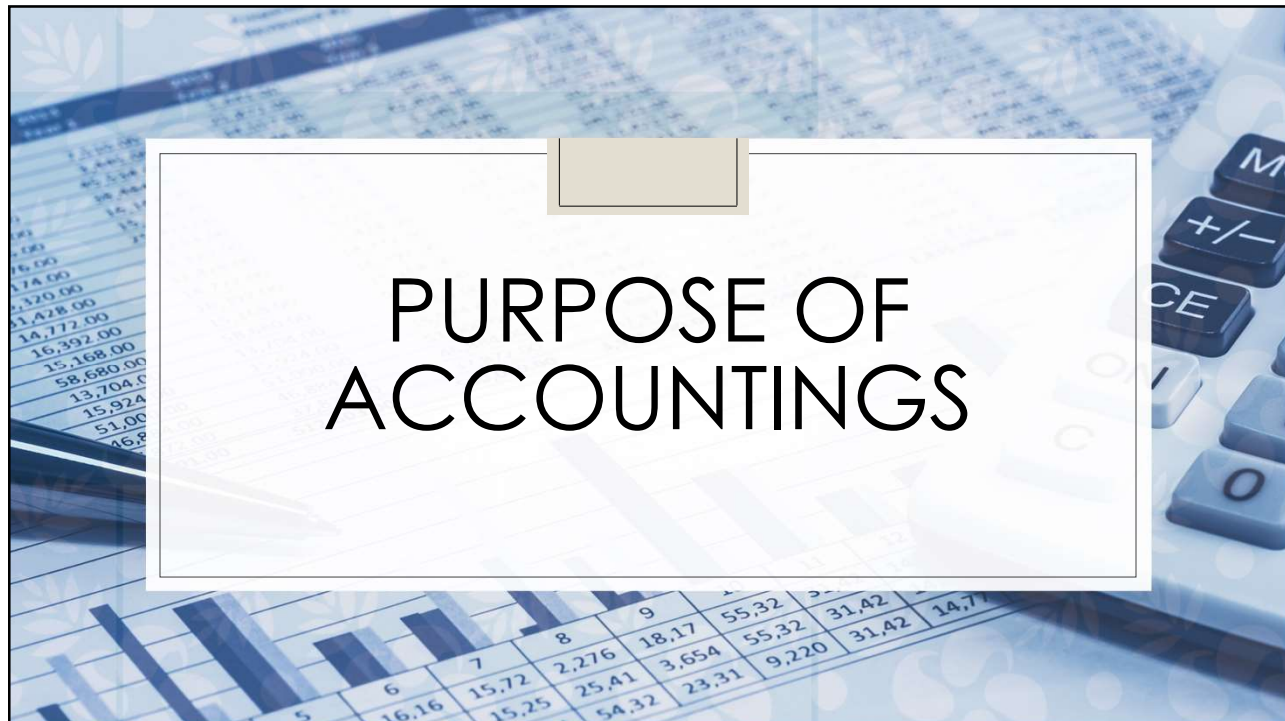
Estate Planning & Probate Section  
November 20, 2025



The logo for the Ventura County Bar Association, established in 1904, features a diamond shape with a landscape scene inside and the text 'VENTURA COUNTY BAR ASSOCIATION' around it.

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## PURPOSE OF ACCOUNTINGS



The background image shows a close-up of financial documents, including a spreadsheet with columns of numbers and a bar chart, and a calculator with buttons like '+/-', 'CE', and '0'.

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	<h1>PURPOSE OF ACCOUNTINGS</h1>	
		<p><b>1.</b></p> <p>Provide a Clear Financial Picture to the Court &amp; Interested Parties</p>

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	<p><b>Role of the Fiduciary</b></p> <ul style="list-style-type: none"> <li>○ A fiduciary is someone entrusted to manage assets or care for another person under legal obligation.</li> <li>○ Common fiduciary relationships include: <ul style="list-style-type: none"> <li>• Guardian–Ward</li> <li>• Conservator–Conservatee</li> <li>• Trustee–Beneficiary</li> </ul> </li> <li>○ These relationships are governed by trust law and specific provisions of the California Probate Code.</li> </ul>	
<p><b>2.</b></p>	<p><b>Demonstrate Fiduciary Responsibility and Transparency</b></p>	

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	<p><b>Legal Framework for Fiduciaries</b></p> <ul style="list-style-type: none"> <li>○ Duties of Trustees: <b>Prob. C. §16000 et seq.</b></li> <li>○ Standard of Care: <b>Prob. C. §16040 et seq.</b></li> <li>○ Investment Responsibilities: <b>Prob. C. §16045 et seq</b> - Uniform Prudent Investor Act</li> <li>○ Court Oversight: Fiduciaries are subject to regulation and control by the court (<b>Prob. C. §2102</b>).</li> </ul>
2.	<p><b>Demonstrate Fiduciary Responsibility and Transparency</b></p>

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	<p><b>Day-to-Day Operations</b></p> <ul style="list-style-type: none"> <li>○ Fiduciaries operate independently without daily court instruction.</li> <li>○ Their performance is subject to ongoing court review.</li> <li>○ Failure to meet duties may result in removal (<b>Prob. C. §2650</b>).</li> </ul>
2.	<p><b>Demonstrate Fiduciary Responsibility and Transparency</b></p>

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3.	<h2 style="text-align: center;">Protects the Fiduciary from Liability</h2>
	<p><b>Role of the Attorney: Legal Advisor &amp; Compliance Partner</b></p> <ul style="list-style-type: none"> <li>◦ Attorneys <b>guide</b> fiduciaries through the complex legal landscape of probate accounting.</li> <li>◦ They <b>ensure compliance</b> with: <ul style="list-style-type: none"> <li>◦ California Probate Code</li> <li>◦ Local court rules</li> <li>◦ Judicial Council forms and procedures</li> </ul> </li> </ul>

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3.	<h2 style="text-align: center;">Protects the Fiduciary from Liability</h2>
	<p><b>Duties in the Accounting Process</b></p> <ul style="list-style-type: none"> <li>◦ <b>Prepare and Review:</b> Attorneys help draft and review accountings for accuracy and completeness.</li> <li>◦ <b>File and Serve:</b> Ensure proper filing with the court and service to interested parties.</li> <li>◦ <b>Advocate in Hearings:</b> Represent fiduciaries in court, respond to objections, and clarify accounting issues.</li> </ul>

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3.	<h2 style="text-align: center;">Protects the Fiduciary from Liability</h2>
	<p><b>Risk Management &amp; Fiduciary Protection</b></p> <ul style="list-style-type: none"> <li>◦ Attorneys help <b>mitigate risks</b> by: <ul style="list-style-type: none"> <li>◦ Identifying potential deficiencies before filing</li> <li>◦ Advising on supplemental or amended filings when needed</li> <li>◦ Navigating disputes or audits triggered by court review</li> </ul> </li> </ul>

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3.	<h2 style="text-align: center;">Protects the Fiduciary from Liability</h2>
	<p><b>Strategic Use of Discretionary Review</b></p> <ul style="list-style-type: none"> <li>◦ Trustees may voluntarily seek court approval of their accounts (<b>Prob. C. §17200(b)(5)</b>).</li> <li>◦ Attorneys may advise fiduciaries to proactively seek court approval under: <ul style="list-style-type: none"> <li>◦ <b>Prob. C. §17200(b)(5)</b> for trust accounts</li> <li>◦ <b>Prob. C. §2620(d)</b> for discretionary review of conservatorship/guardianship accounts</li> </ul> </li> <li>◦ This can provide legal protection and transparency, especially in complex or high-value estates.</li> </ul>

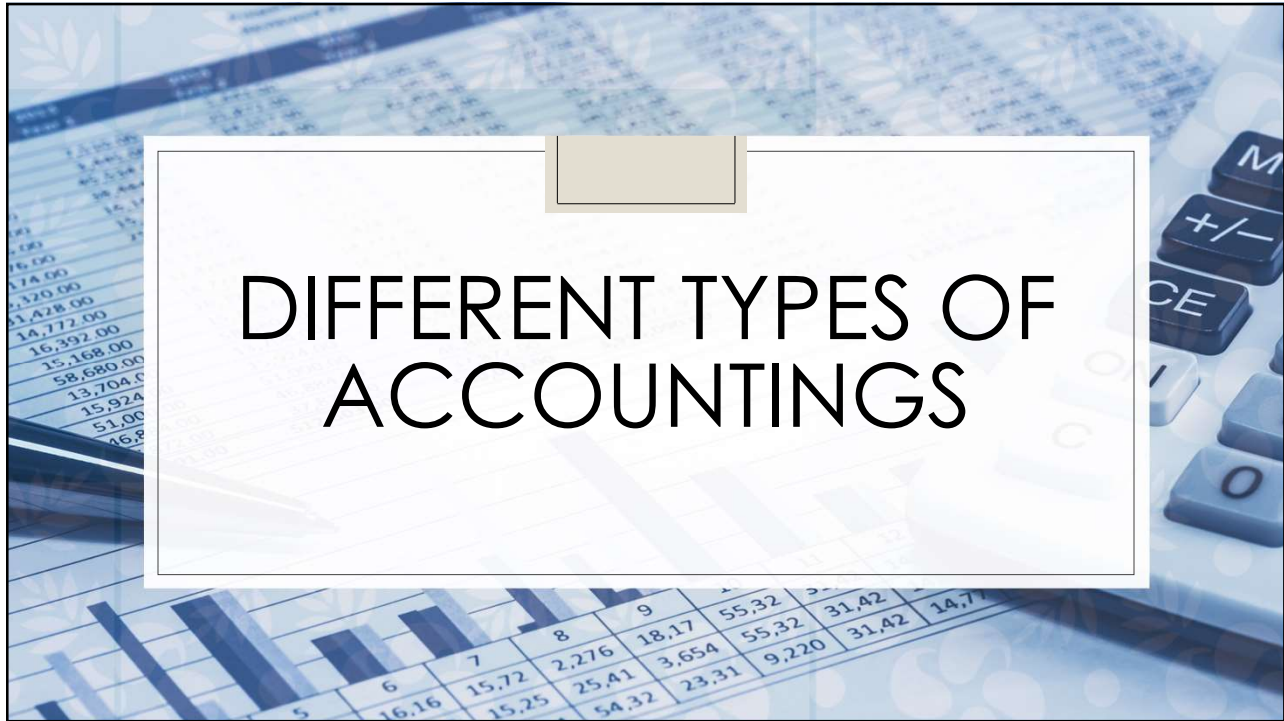
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4.	<h2 style="text-align: center;">Ensure the Conservatee/Beneficiary's Assets are Properly Managed</h2>
	<p><b>Role of the <u>Probate Court</u></b></p> <ul style="list-style-type: none"> <li>◦ The Court is the <b>Superfiduciary</b></li> <li>◦ <b>Oversees</b> fiduciaries, especially in cases involving: Guardianships Conservatorships Special Needs Trusts (SNTs) funded by court order</li> <li>◦ <b>Responsible for scrutinizing</b> all submitted accounts and resolving any issues.</li> <li>◦ Goal is to approve your accounting on the first review.</li> </ul>

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4.	<h2 style="text-align: center;">Ensure the Conservatee/Beneficiary's Assets are Properly Managed</h2>
	<p><b>Discretionary Review Process - Prob. C. §2620(d)</b> allows the court to conduct:</p> <ul style="list-style-type: none"> <li>◦ Random reviews</li> <li>◦ Full or partial discretionary reviews</li> <li>◦ Determine the severity of the error: <ul style="list-style-type: none"> <li>◦ <u>Minor Deficiencies</u>: Require supplemental filings to correct or include missing info.</li> <li>◦ <u>Major Deficiencies</u>: Require amended accounts, possibly with revised starting balances and corrected Inventory &amp; Appraisal (I&amp;A)</li> </ul> </li> </ul>

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# DIFFERENT TYPES OF ACCOUNTINGS

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## Types of Accountings

Conservatorship Accountings	Trust Accounting
<ul style="list-style-type: none"> <li>• Required annually or biennially</li> <li>• Filed with the court and reviewed by probate examiners</li> </ul>	<ul style="list-style-type: none"> <li>• May be required by terms of the trust, court order, or beneficiary request</li> <li>• Often less formal but still must meet legal standards</li> </ul>

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## Required Format by Case Type

Case Type	Governing Code	Required Format
<b>Probate</b>	Prob. C. §10900	Must follow Prob. C. §1060 et seq.
<b>Trust</b>	Prob. C. §16063(b)	Must follow Prob. C. §1060 et seq.
<b>Conservatorship</b>	Prob. C. §1060 et seq.	Must follow Judicial Council Forms GC-400 series and CRC Rule 7.575(e)

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## Key Probate Code Sections for Conservatorship Accounting:

- **§1061** – Summary, Content & Format
- **§1062** – Supporting Schedules
- **§1063** – Additional Schedules
- **§1064** – Petition for Approval of Account
- **§2620** – Periodic/Final Court Account & Original Statements



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## 4. Formal vs. Informal Accountings

### a. Formal Accountings (Court-Filed Matters)

- Must comply with **Prob. C. §§1060–1064** and include:
  - Summary of Account
  - Starting Balance
  - Additional Property Received
  - Income (Receipts)
  - Net Income (Trade/Business)
  - Gains/Losses on Sales
  - Disbursements (Expenses)
  - Distributions
  - Ending Balance
  - Market Value
  - Liabilities
  - Proposed Distributions

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## 4. Formal vs. Informal Accountings

### b. Informal Accountings (Trusts Only)

- Acceptable if beneficiaries agree.
- Trustee must still comply with **Prob. C. §§16060–16063** and provide:
  - Statement of Assets (Beginning & Ending)
  - Receipts (Principal & Income)
  - Disbursements (Principal & Income)
  - Liabilities at End of Period
  - Agents hired and their relationship to Trustee
  - Statement advising beneficiaries of their right to court review

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## Simplified vs. Standard Account Format

### Simplified Format

- Use **GC-405(SUM)** Summary of Account
- Chronological listing of receipts/disbursements by payment date
- Best for short, straightforward accounts

### Standard Format (Prob. C. §1062)

- Use **GC-400(SUM)** Summary of Account Categorized receipts/disbursements
- Match the Judicial Council layout Include detailed expense descriptions
  - Ex., "Purchased new wheelchair," "Remodeled bathroom for accessibility," "Repaired kitchen for sale"

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- 1 Estate includes income or real property
- 2 Estate includes trade/business interest
- 3 Estate value exceeds \$500,000 (excluding residence)
- 4 Court directs standard format
- 5 Schedule A or C exceeds 5 pages

When to  
Use  
**Standard  
Format:**

**(CRC Rule  
7.575(d))**

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## 1. Required Schedules & Forms

- All accountings must include info required by **Prob. C. §1061** and **CRC Rule 7.575**
- If not using Judicial Council forms, layout must still match **GC-400/405** structure
- **Conservatorships: GC-400/405(SUM)** is mandatory

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## 2. Accounting Periods: Dates Matter (Prob. C. §2620)

### a. First Account

- **Start:** Date of appointment (may include temporary period)
- **End:** One year from appointment date
  - Ex.: Temp: 3/10/15 → General: 5/18/15 → Period: 3/10/15–5/17/16

### b. Subsequent (Current) Account

- **Start:** One day after prior account's end date
- **End:** Two years from start date
  - Ex.: 5/18/16–5/17/18

### c. Final Account

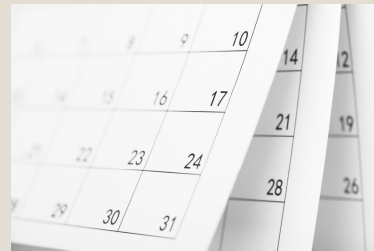
- **Start:** One day after prior account's end date
- **End:** Based on triggering event:
  - Date of death (**Prob. C. §2620(b)**)
  - Termination of conservatorship/guardianship (**Prob. C. §1863(c), CRC 7.1004**)
  - Removal/resignation (**Prob. C. §2653(b), §2660**)
  - Ex.: Death on 7/4/19 → Period: 5/18/18–7/4/19

### d. Stub Account

- **Start:** Day after date of death
- **End:** When all administrative expenses are paid (typically 2–3 months)
  - Ex.: 7/5/19–9/30/19 → File by 10/4/19

### e. Filing Deadlines

- **Final Account:** Within 90 days of death (**Local Rule 10.03(E)**)
- **Death Certificate:** Within 30 days of death (**Local Rule 10.03(D)**)



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## 3. Beginning Balance: Property on Hand (Prob. C. §2610(a)(1))

### Filing the I&A:

- **Conservatorship:** File I&A within **90 days** of appointment
  - Send **Notice of Filing** to: (**GC-042**) (**Prob. C. §2614**)
    - Conservatee/Ward
    - Their counsel
    - Individuals as required by code
- **Probate Estates:** (**Prob. C. §8800**) File I&A **4 months** after Letters are issued
  - If Beginning Balance differs from I&A:
  - File a **Corrected I&A** with the account
  - Objections to I&A must be filed using GC-045

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<h3 style="margin: 0;">3. Beginning Balance: Property on Hand (Prob. C. §2610(a)(1))</h3>
<p><b>a. First Account:</b></p> <ul style="list-style-type: none"> <li>◦ <b>Date of Appointment</b> <ul style="list-style-type: none"> <li>◦ Based on Inventory &amp; Appraisal (I&amp;A) value as of date of appointment</li> <li>◦ The date of appointment refers to either:           <ul style="list-style-type: none"> <li>◦ Temporary appointment</li> <li>◦ General appointment</li> </ul> </li> <li>◦ Obtain Bank statements at time of appointment           <ul style="list-style-type: none"> <li>◦ <b>ALWAYS</b> verify with <b>actual bank statements</b></li> <li>◦ <b>NEVER</b> Accept someone else's word for beginning balance</li> </ul> </li> </ul> </li> </ul>

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<h3 style="margin: 0;">3. Beginning Balance: Property on Hand (Prob. C. §2610(a)(1))</h3>
<p><b>Valuing Assets</b></p> <ol style="list-style-type: none"> <li>1. <b><u>Cash</u></b> <ul style="list-style-type: none"> <li>◦ Valued by <b>Fiduciary</b> using bank/financial statements</li> <li>◦ Reported on Attachment 1</li> </ul> </li> <li>2. <b><u>Appraised Assets</u></b> <ul style="list-style-type: none"> <li>◦ Real property, securities, stocks, jewelry, art and items likely to be contested by family</li> <li>◦ Appraised by <b>Probate Referee</b></li> <li>◦ Reported on Attachment 2</li> </ul> </li> </ol>

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### 3. Beginning Balance: Property on Hand (Prob. C. §2610(a)(1))

#### b. Subsequent Account

- Beginning Balance **must match** Ending Balance from prior account



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### 3. Beginning Balance: Property on Hand (Prob. C. §2610(a)(1))

#### c. I&A Caveat:

- **Failure to File Timely (Prob. C. §2614.5)** Court may issue:
  - Order to Show Cause (OSC) for removal
  - Suspension of Letters
  - Petitioner may be liable for damages to the estate
- **Private Professional Fiduciaries (PPFs) Prob. C. §§2614.7–2614.8**
  - **Must file** proposed hourly **fee schedule** with I&A
  - Court may later reduce compensation if not filed

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## Receipts

(Prob. C. §2610(a)(2-5))

**a. What to Include**

- Refunds, reimbursements, additional property received
- *Not* wages of Ward/Limited Conservatee (**Prob. C. §2601(a)(1)**)

**b. How to show receipts:**

- Each income entry should include:
  - Name of payor
  - Date
  - Source/purpose
  - Amount

**c. Additional Property**

- Assets found during administration
- Purchases, inheritances, or newly discovered items

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## Distributions

(Prob. C. §2610(a)(8))

**What to Include**

- These are payments or allowances **made to or for the benefit** of the conservatee or ward or beneficiary, and must be clearly itemized in the accounting schedules.

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## Disbursements

(Prob. C. §2610(a)(6-9))

**a. What to Include**

- Expenses paid from the estate, losses incurred from selling estate assets, payments made for the benefit of the conservatee/ward, and net operating losses

**b. How to show receipts:**

- Each disbursement entry should include:
  - Payee name
  - Date
  - Check #
  - Description
  - Amount

**c. Use Subject Matter Expenses Categories**

- (Prob. C. §1061(a)(6))**
  - Caregiving, medical, utilities, administration, etc.
  - Avoid categorizing by bank account - List by subject first, then by account

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Normal Expenses	Unusual Expenses
Assisted Living	Groceries (not just for conservatee)
Room & Board	Dining Out
Medical	Personal Items
Clothing	Travel/Gas (if car not on I&A)
RX	Pets
Admin	High dental costs

## Disbursements

(Prob. C. §2610(a)(6-9))

**d. Normal vs. Unusual Expenses**

- Expenses paid from the estate,
- Losses incurred from selling
- Estate assets,
- Payments made for the benefit of the conservatee/ward, and
- Net perating losses

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## Unusual Items

(Prob. C. §1064(a)(2))

- **Always explain unusual** transactions
- Include procedural highlights and a **“Bird’s Eye View”** of the case
- Assume the reviewer is new to the case and explain what is unique to this case
- *Examples:*
  - Attorney's fee payment from prior approval
  - Sale of real property (attach closing statement)
  - Substitute judgment
  - Attorney fee awarded in prior period

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## Ending Balance on Hand

### a. Understand “Carry Value” vs. “Cost Basis”

- **Carry Value ≠ Cost Basis**
- Carry Value is the value of an asset as recorded in the accounting schedules —the **value at the time of acquisition** or as listed in the Inventory & Appraisal
- Cost Basis refers to the original purchase price of the asset, used to calculate gain or loss when sold
- **These values are not interchangeable and should not be confused.**

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## Ending Balance on Hand

### b. Liquid Assets - (assets valued on attachment 1 of I&A by Fiduciary)

- **Bank Accounts**
- The court compares the ending balance on the accounting schedule to the actual bank statement for the **same date**.
- **Reconciliation:** If there's a mismatch (e.g., a check was written but hasn't cleared), a **reconciliation** should be included to explain the difference.
  - Ex. accounting period ends on 15<sup>th</sup> and the bank statements ends on 29<sup>th</sup>
  - The account ending period date does **not** change to match the bank statements

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## Ending Balance on Hand

### c. Securities - (assets valued on attachment 2 of I&A by probate referee)

- Securities and bonds are reported at their **carry value**, not their current market value.
- Carry value is based on:
  - The value at the time of acquisition
  - The value listed in the I&A
- This value remains **unchanged** unless the asset is sold.
  - The carry value difference from the sale value is the gain or loss.
- Because market values fluctuate, the statement value will often differ from the carry value.

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## Ending Balance on Hand

**d. Best Practice:** On the Ending Balance Schedule, always include:

- Number of shares
- Carry value
- Current market value (optional but helpful for context)

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## Fair Market Value

(Prob. C. §1063)

- Include both carry value **and** FMV
  - Can included on the same or different schedules
- **Carry Value** is what the value of the assets at the date of the I&A, when it was acquired or purchased.
  - The value will not change unless assets sold
- **FMV** of securities, stocks & bonds
  - Is the value current value shown on the statements
  - a **reconciliation** may be needed to explain the difference

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## Change in Form of Assets

(Prob. C. §1063(b))

Report purchases, sales, stock splits, etc.

Transfers between accounts don't need reporting

- Do not misclassifying transfers as income

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## Liabilities

(Prob. C. §1063(g))



Include unpaid expenses, taxes, notes payable, liens, mortgages, leases



Don't forget earned but unapproved fiduciary/attorney fees

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## Proposed Distributions

(Prob. C. §1063)

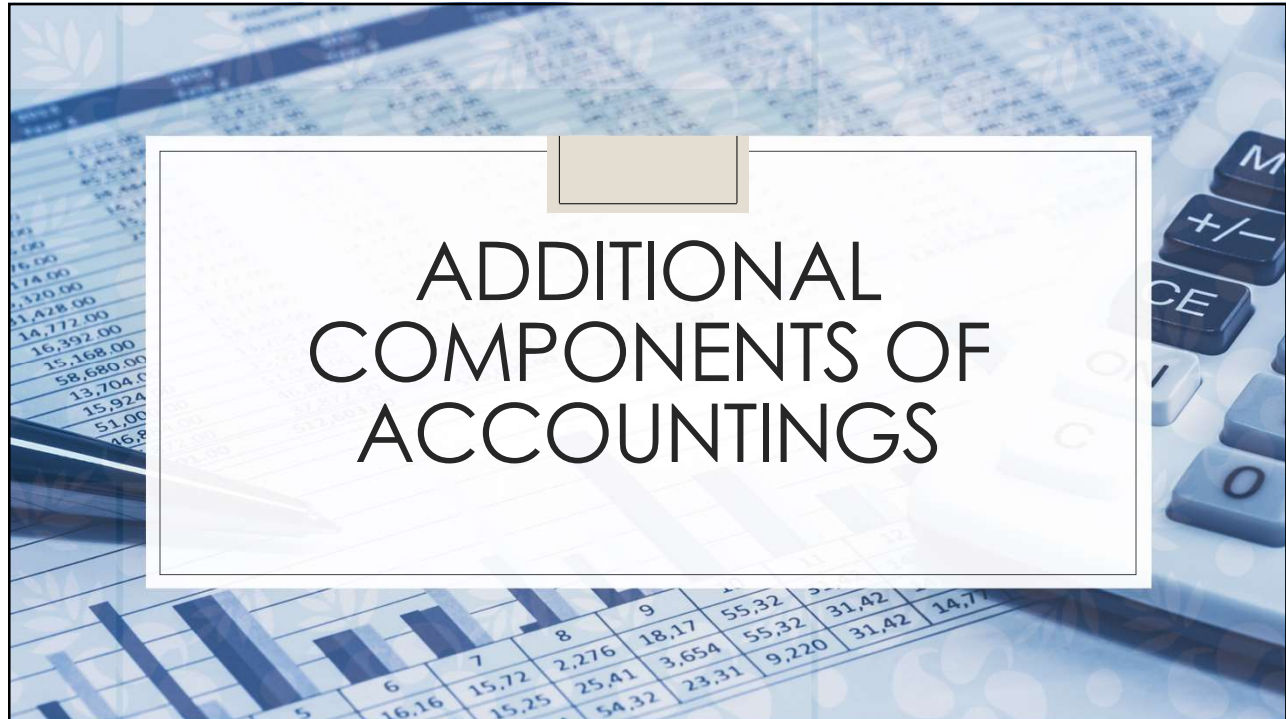
- Must include schedules with proposed distributions per person/beneficiary
- Calculate: Assets – Liabilities – Reserves – Fees = Distributable Amount
- Schedule must balance!

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## Additional Important Items

- a. Full Disclosure**
  - Own the mistakes and explain the corrective actions taken
- b. Forced Adjustments**
  - Allowed but discouraged
  - Total Charges (In) = Total Credits (Out) (Prob. C. §1061(c))
    - Do not spend \$600 in fees chasing a \$100 error
- c. Footnotes**
  - Accountants and CPA's love them – Courts hate them
    - If used, **explain** as unusual items

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1. Disclosures (Prob. C. §1064(a))	
<p><b>Family &amp; Affiliate Relationships</b></p> <p><b>Required Disclosures –</b></p> <ul style="list-style-type: none"> <li>◦ Must disclose any relationship between the fiduciary (Guardian, Conservator, Trustee) and individuals/entities hired using estate funds.</li> </ul>	<ul style="list-style-type: none"> <li>◦ <b>Family:</b> Related by blood or marriage</li> <li>◦ <b>Affiliate:</b> Entity directly or indirectly controlled by or under common control with fiduciary</li> </ul>

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# 1. Disclosures (Prob. C. §1064(a))

## ◦ When Paying Family Members

### Disclose:

- Nature of work performed
  - Skill level required
  - Estate value
  - Whether a professional could have done the work
  - Attach comparable quotes (e.g., 1-800-GotJunk, care manager rates)
- Don't hire family for tasks like cleaning or yard work without disclosure
  - State who was hired, rate paid, and work performed
  - Compare with professional rates
  - Explain benefit to the estate


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## 2. Requests for Approval (Prob. C. §1064(a))

### a. Governing Codes - Requests for Fees

- **Conservators: Prob. C. §§2640–2647 CRC 7.751, 7.702, 7.756** (Just & Reasonable Standard)
- **Court-Appointed Attorney: Prob. C. §1470**
- **Personal Representative's Attorney:**
  - Regular: **Prob. C. §10810**
  - Extraordinary: **Prob. C. §10811**
- **Always check local court rules for fee procedures and limits**

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## 2. Requests for Approval (Prob. C. §1064(a))

**b. Periodic Payments (CRC 7.755)**

- Fiduciary may request authorization for ongoing attorney fees under **Prob. C. §2643**
- Court will review reasonableness in the next accounting

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## 2. Requests for Approval (Prob. C. §1064(a))

**c. No Compensation Paid in Advance (CRC 7.700)**

- Prior court approval is mandatory
- Violations may result in:
  - **Sanctions**
  - **Surcharge** (may include interest)
  - **Removal of fiduciary**
- Schedules show payments made without court approval
  - Disclose any premature payments as **Unusual Items**
  - **Explain** how the error occurred and how it will be **corrected**

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### 3. Exhibit Attachments in Court Accountings

#### a. Original Bank/Financial Statements (Prob. C. §2620(c)(1))

- Purpose: Prevent fraud and detect falsified documents or cash skimming
- Court may accept computer-generated printouts as originals (CRC Rule 7.575(b)(1))
- Review statements to confirm:
  - Asset titles are correctly held by fiduciary
  - Account ownership matches fiduciary role

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### 3. Exhibit Attachments in Court Accountings

#### b. Original Ending Statements (Prob. C. §2620(c)(2))

- Must match the closing date of the accounting period for each account
- Do not submit statements for the entire period
  - **First Account:** Include beginning statement from date immediately before conservatorship
  - **Mid-period account changes:** Provide statements for both closed and newly opened accounts



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### 3. Exhibit Attachments in Court Accountings

#### c. Private Professional Fiduciaries (Prob. C. §2620(c)(3))

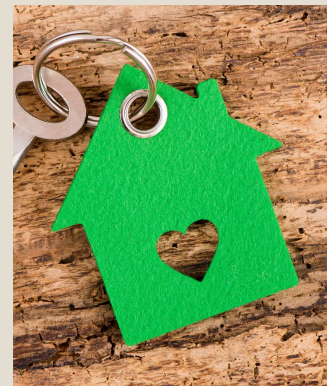
- Must provide **all** original account statements (bank, financial, security) for every month in the accounting period

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### 3. Exhibit Attachments in Court Accountings

#### d. Original Escrow Statements (Prob. C. §2620(c)(4))

- Attach **Seller's Closing Escrow Statement** as exhibit
- Itemize **closing costs** on the schedule
- Explain the sale in the petition — even if a **Notice of Proposed Action** was filed



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### 3. Exhibit Attachments in Court Accountings

#### e. Residential/Long-Term Care Facility Statements (Prob. C. §2620(c)(5))

- Provide statements for **all months** covered in the account period

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### 4. Bond Requirements for Guardians & Conservators (Prob. C. §§2300–2330)

#### a. Why Bond Matters

- A sufficient bond **protects** the estate from fiduciary **mismanagemen**t
- Most fiduciaries lack personal funds to cover surcharge judgments
- A properly calculated bond ensures the estate can be made whole
- **Petition should include a bond calculation in compliance with CRC Rule 7.207**



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#### 4. Bond Requirements for Guardians & Conservators (Prob. C. §§2300–2330)

##### b. Posting the Bond (Prob. C. §§2300, 2320)

- Bond must be posted **before** Letters are issued
- Amount typically posted by a surety insurer company
- If using personal sureties, bond must be twice the required amount (**Prob. C. §2320(d)**)

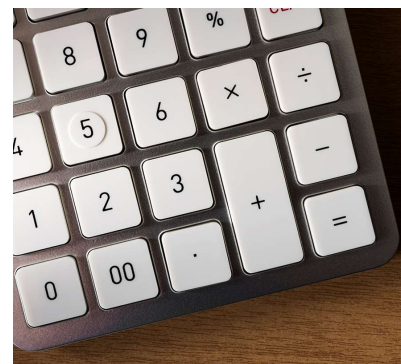


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#### 4. Bond Requirements for Guardians & Conservators (Prob. C. §§2300–2330)

##### c. Blocked Accounts & Bond Reduction (Prob. C. §§2328–2329)

- Placing funds in a **blocked account** reduces estate value
- This can justify a **lower bond** amount

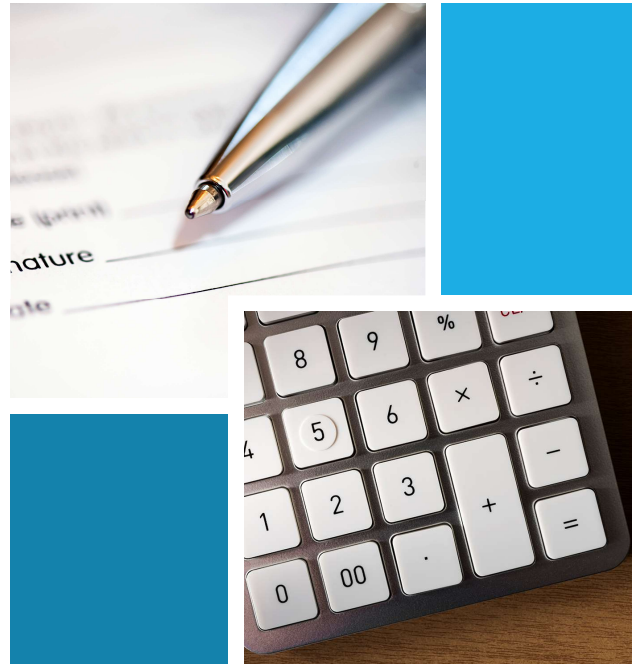


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## 4. Bond Requirements for Guardians & Conservators (Prob. C. §§2300–2330)

### d. Increasing an Insufficient Bond (CRC 7.204, Prob. C. §2320.1)

- Fiduciary must file **Ex Parte application** immediately upon discovering need for more bond
- If fiduciary fails to act, attorney must file as soon as aware
- Bond adequacy should be reviewed at least annually



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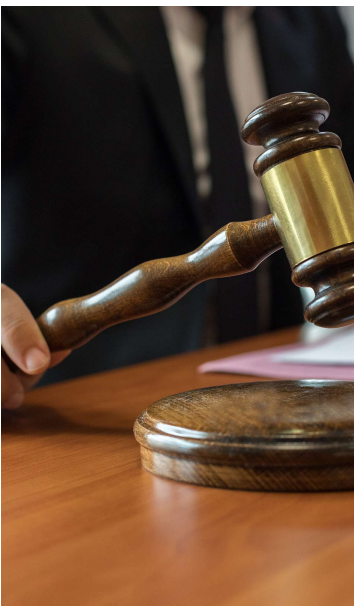
## 4. Bond Requirements for Guardians & Conservators

### e. Bond After Real Property Sale (Prob.C.§§2330,2320.2; CRC 7.206)

- If real property sale increases estate value:
  - Additional bond should be required in **Order Confirming Sale**
  - Court should **withhold approval** of account until bond is posted

### f. Co-Guardians & Co-Conservators (CRC 7.203, Prob.C.§§2326-2327)

- Court may order **joint or separate bonds**
- **Joint bond = joint and several liability**
- If one co-fiduciary resides **out of state**, bond is **mandatory**
- If managing **multiple wards/conservatees**, separate bonds are required



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## 5. Notice Requirements for Probate Accountings (Prob. C. §1220)

### a. Filing the Notice

- Use **GC-020** for probate/conservatorship
- Use **DE-121** for trust matters
- File notice **at the time notice is given**, but **no later than two weeks before the hearing** to avoid continuance

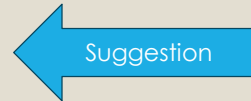
### b. Key Reminders:

- Do **not** attach Proof of Service (POS) to the end of the petition
- POS alone is **not sufficient** — must include **Notice of Hearing** with date/time **and** POS



### c. Clarify Relationships in Notice

- Court appreciates when parties **explain their relationship** to the Conservatee in the notice and POS
- Helps the court understand relevance and necessity of notice



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### d. Common Problems & Tips

Problem	Tip
<b>Defective notice repeated</b>	<ul style="list-style-type: none"> <li>◦ Verify that the defect is actually corrected before resending</li> <li>◦ Always review your work — <b>DON'T</b> resend the same defective notice without fixing the issue</li> </ul>
<b>Short notice period</b>	Double-check statutory timing (15 or 30 days)
<b>Additional days for service</b>	Mail in U.S. – add 5 calendar days
<b>Missing parties</b>	Review all interested parties and beneficiaries
<b>Wrong form used</b>	Use correct Judicial Council form (e.g., DE-121 vs. DE-115)

5. NOTICE  
REQUIREMENTS  
FOR PROBATE  
ACCOUNTINGS  
(PROB. C. § 1220)

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## 6. Title of Pleading: Getting It Right

### a. Caption vs. Prayer/Order (CRC 7.102)

- The Caption must include all requests being made — it sets the stage for what's being asked in both the Prayer and the Order.
- The Petition must:
  - Clearly and completely identify the relief sought or granted
  - Ensure transparency for all parties — they must be on notice of what's being requested
  - Avoid hiding requests deep in the petition — this raises Due Process concerns



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## 6. Title of Pleading: Getting It Right

### b. Notice Requirements (CRC 7.50)

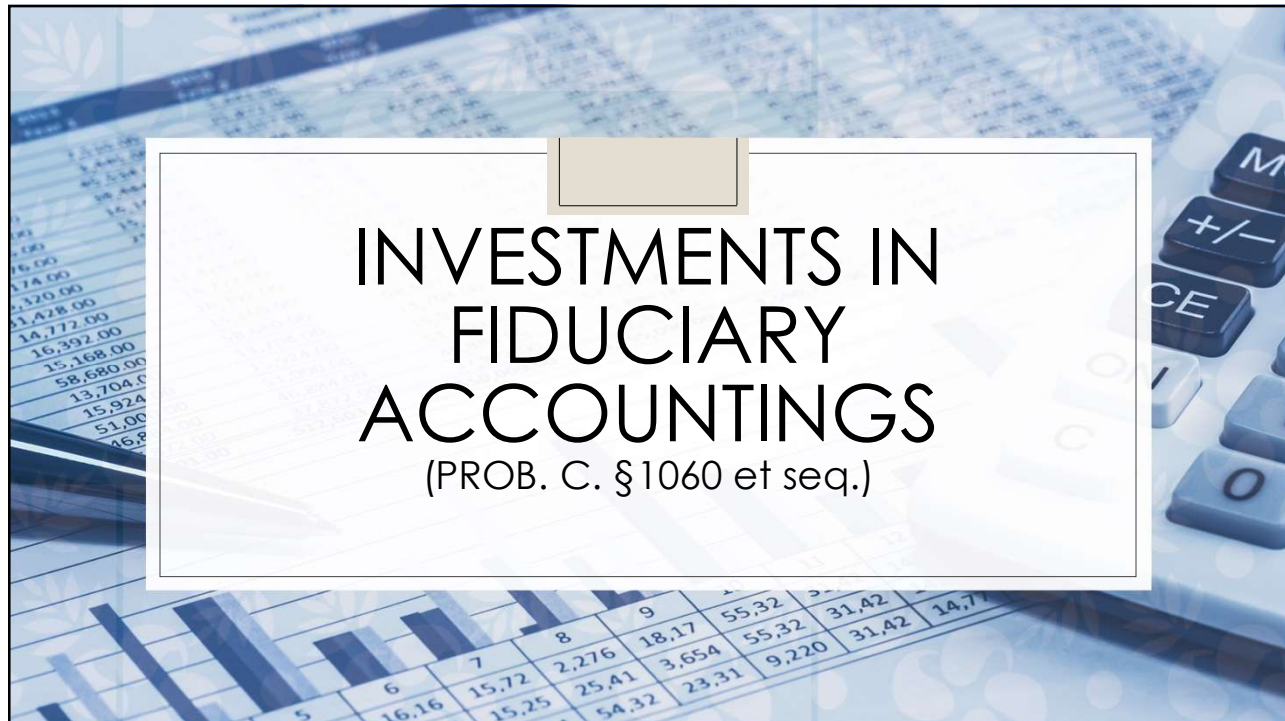
- The Notice of Hearing must state the complete and accurate title of the pleading.
- This ensures clarity for recipients and aligns with procedural fairness.

### c. Verification of Petition (Prob.C. §1021(a)(1), CRC 7.103)

- Accounting petition must be verified under penalty of perjury by the fiduciary



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# INVESTMENTS IN FIDUCIARY ACCOUNTINGS

(PROB. C. §1060 et seq.)

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## 1. Reinvested Income

- **a. Reinvested Dividends**
  - **Must be reported in two places:**
  - Receipt Schedule – shows the income received
  - Change in Form of Assets Schedule – reflects reinvestment into securities
- **b. The Ending Balance Schedule**
  - Should reflect the reinvested amount as securities shares, not cash

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## 2. Reporting on Schedules

- Always include cost of shares, number of shares and current value on the Ending Balance Schedule
  - Necessary for calculating **gain/loss** upon sale
- **Omitting** cost basis leads to **imbalance** in account schedules
- Without cost data, **forced adjustments** may be needed
  - Avoid this by **tracking cost** from the start

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## 3. Reviewing Investment Types

### a. Managed Accounts

- **Characterized by:**
  - Frequent small buys/sells
  - Daily trading activity

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## Challenges with Managed Accounts

- **Labor-intensive** to input into schedules
  - **Requires updates to:**
    - Receipts
    - Gains/losses
    - Ending balances
    - Change in assets
  - Numerous transactions **will increase** fiduciary & attorney **fees** without much benefit to the estate
  - **Court may reduce fees** if determined that fees are not proportionally beneficial to the estate

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## 3. Reviewing Investment Types

### b. Investment Advisory Fees

#### Evaluate:

- Fees charged vs. actual gain or value added to the estate
- Market conditions that may justify losses or sales
- When there is a significant market drop or unusual trading, **explain the rationale** in the petition

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	THANK YOU	
		Kelly Murphy Berlinger, Esq.