

**PROBATE COURT OF LUCAS COUNTY, OHIO
JACK R. PUFFENBERGER, JUDGE**

Account Auditing Procedures

Preliminary Audit:

Upon Presentation to the Court

- A.** Attorney or messenger takes the account to the Front Counter (Intake Department) to make sure all outstanding costs are paid and up to date.
 - 1.** Before any account is filed and set for hearing, all outstanding Court Costs must be brought up to date.
 - 2.** Any account dropped off and not paid will be mailed back and if the filing deadline is missed, then a notice or citation may be issued.
- B.** Attorney or messenger goes to the file room and pulls the case file.
- C.** The file is then taken to the Accounts Department where the attorney or messenger can either wait and have the account audited or drop it off.
 - 1.** If the person filing chooses to wait, the account will be audited and he/she will be informed of any corrections or additions that are necessary for a true and accurate account. If a correction is needed then that person may either leave the account and it will be set for hearing and they will have approximately five (5) weeks to make the requested corrections or additions, or they may take the account back to make the requested corrections. It is advised that if there is a possibility of a filing deadline being missed, the account should be left and set for hearing and the corrections forwarded to the Court within the five-week period prior to the account hearing.
 - 2.** If the account is dropped off, the Accounts Department will file stamp the account that day and set it for hearing.
 - a)** Allow at least five business days for the auditing to take place, since accounts are audited in the order in which they are received.
 - b)** If corrections are necessary, the attorney will be notified by mail, phone, or both and informed as to what is needed to correct the account. **No file stamped original copy of an account will be returned.** Corrections must be made and filed no later than one (1) week prior to the hearing on the account to avoid any further Court action.

D. Deputy clerks in the accounts department will check for the following:

Review the Internal Accounts Check List

1. Court costs are paid.
2. The attorney and fiduciary have signed the account Form 13.0 (Estates), Form 15.8 (Guardianships), or Form 25.5A (Trusts).
3. **If the date of death is on or before 5/31/90**, the clerk will check to make sure the Affidavit of Giving Notice of Probate of Will has been filed, in all testate estates.
4. Bank certificates or bank statements with balance highlighted which corresponds to the assets remaining in fiduciary's hands.
5. Broker's statement or actual stock certificates or bonds to verify assets remaining.
6. Vouchers and necessary verification of income or disbursements.
 - a.) Cancelled checks or verification of disbursements are not needed for **estates with dates of death on or after 01/01/02**. All guardianships and trusts still require cancelled checks and disbursement verification.
 - b.) All income must be verified with bank statements, broker statements, copies of checks, etc. **This includes estates with dates of death on or after 01/01/02.**
 - c.) To verify the sale of real estate, a closing statement must be attached to the account. When real estate is transferred, a certificate of transfer must be filed with the Court prior to filing the account.
 - d.) When checks are required to verify disbursements, they must be endorsed, cashed and bank encoded.
 - e.) An affidavit in lieu of vouchers will be accepted only if vouchers are lost and cannot be duplicated or if original vouchers do not contain all the required information. This option should only be used as a very last solution for verification.
 - f.) Cancelled checks or receipted bills from **the provider of services and goods** are required when anyone who is reimbursed for payment of a decedent's estate (*estates prior to 01/01/02*) or ward's debt of more than \$100.00.

4. Any fees taken on a partial account must be pre-approved by the Judge. Form 13-A is used and a copy of the payment method is attached. It should also be noted that a full fee may not be taken until the final account is filed.
 5. If attorney is also the fiduciary and he/she is taking both attorney and fiduciary compensation, the attorney fee is to be computed on an hourly basis and the fiduciary fee is according to the fee as set forth in O.R.C. 2113.35.
- b. In guardianships, all attorney fees are computed on an hourly rate and applied for. Form 13-A is used and must be filed **prior to the filing of an account.**
 - c. As in guardianships, the attorney fees in trusts are computed on an hourly basis. Form 13-A is used and must be filed **prior to the filing of an account.**

11. Fiduciary Fees:

- a. In estates, the fiduciary fee is taken according to O.R.C. 2113.35, Form 13-CF. This form is available at the Court and should be attached to the final account. If a fee is taken on a partial account, it must be pre-approved by the Judge and the 13-CF form should be attached to a form 13-A. Also, the full fee may not be taken on the partial account.
 - b. In guardianships, the fee is according to the computation as set forth in Local Rule 73.1. A copy of the computation is to be attached to the account. A minimum annual fee of \$250.00 will be allowed in each guardianship.
 - c. In trusts, the fee is computed as set forth in Local Rule 74.1. A copy of the computation is to be attached to the trust account. A trustee may charge an annual fee of \$750.00.
- E. If an account is overdue and not ready to be filed, then the attorney must prepare and file an extension of time, **which the attorney and fiduciary have both signed.** This includes trusts and guardianships.
 - F. A Journal Entry must be filed with each account. (Estates: Form 13.3, Current Guardianship Accounts: Form 15.8-A, Final Guardianship Accounts: Form 15.8-B, Trust Accounts: Form TST25.5D)
 - G. Recapitulation figures are to be completed and checked for accuracy.

- H.** If a guardianship account is filed, then any expenditure made must have Court approval and a budget should be set up and submitted to the Court. The only exceptions are for the payment of bond premiums, court costs and taxes.
- I.** Unless waived by the will, law, or trust agreement, a bond will be required in all estates, guardianships or trusts. The bond shall be no less than double the value of the personal assets; this does not include real estate.
- J.** Computation of Automatic Reinvestment of Dividends. **(See Following Exhibit)**

**AUTOMATIC REINVESTMENT OF DIVIDENDS
TRACKING MARKET FLUCUATION, REINVESTMENT
UNREAQLIZED GAINS AND REDEMPTIONS**

EXAMPLE:

Vanguard Group

Inventory Value: 1929.25 shares @ \$15.58 per share = \$30,057.71

<u>Date</u>	<u>No. of Shares</u>	<u>Price/Share</u>	<u>Dollar Amt.</u>
01/02/02	34.964	15.54	\$ 540.19 Div. Reinv.
03/02/02	33.052	16.64	\$ 540.98 Div. Reinv.
06/02/02	30.05	16.64	\$ 500.00) Redemption
09/02/02	33.169	16.86	\$ 559.23 Div. Reinv.
			\$ 1,149.40

Increase Market Value/Unrealized Gain:

09/02/02	Market Values:	2000.39 Shares @ \$16.86=	<u>\$ 1,149.40</u>
			31,207.11
			<u>2,519.47</u>
			\$33,726.58

NOTE:

Attach broker or mutual fund statement for accounting period with the above information included on the account or as an addendum to the account.