



CIRCUIT COURT FOR HOWARD COUNTY

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Civil Department
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Instructions for Guardian Completing the Annual Accounting for Guardianship of the Property

Pursuant to Maryland Rule 10-706(b), a court-appointed guardian of the property shall file an accounting (also referred to as the "Fiduciary Report" or "Annual Accounting") each year within sixty (60) days of the end of the accounting year. Maryland Rule 10-708 also provides more guidance as to the form and substance of the Annual Fiduciary Report. Below are step-by-step instructions to assist a court-appointed guardian with the completion of the Annual Fiduciary Report.

Part I:

- A. Real Estate: State the location of any real property, the liber/folio, the balance of any mortgages or other encumbrances on the property, if any, and the name of the Lender, if any.
- B. Cash: State the name of the financial institutions, the account numbers, and the type of the accounts (i.e., checking, savings, CD, etc.). Also attach copies of the bank statements of all listed accounts that reflect the balance of the account at the end of the accounting period.
- C. Personal Property: Describe all personal property generally if the total value is under \$1,500.00. If any item of personal property is valued over \$1,500.00, then specifically itemize. If applicable, state the amount of any lien on an item of personal property. Itemize motor vehicle regardless of their value.
- D. Stocks: State the number of shares, class of shares and name of corporation.
- E. Bonds: State the face value, name of issuer, interest rate and maturity rate.
- F. Other: For those assets that don't fit within one of the listed category, describe generally (e.g. debts owed to estate, partnerships, cash value of life insurance policies, etc.)

Part II:

- A. Income: State any income received on behalf of the respondent during the reporting period. Income may include earnings, pensions and other retirement benefits, social security benefits or other government benefits, rental income, annuities, dividends paid, interest earned on checking accounts, money market accounts, savings accounts, etc.

Attach copies of documentation that verifies the amount of income received. This may include a paystub, annual social security benefit reports, bank statements that show interest earned, annual pension reports, etc. Guardian may also make a notation on bank statements to indicate any income received in a guardianship account through a direct deposit.

- B. Disbursements: Itemize all disbursements, or expenditures, made on behalf of the Respondent during the reporting period. Also state the amount paid for each disbursement and to whom the disbursement was made to, i.e. the payee.

The guardian **must** attach receipts, invoices, bills, or some document to demonstrate the exact amount of the expense (e.g. if the respondent goes on a family vacation, guardian must show the total expense of the trip as well as the respondent's share of that total expense.) This may also include an Excel spreadsheet, Quicken report or other itemized breakdowns that demonstrate each expense paid from the guardianship account. If the Guardian has obtained the Court's approval before making the expense, then the Guardian does not need to attach supporting documents to the Fiduciary Report.

- C. Summary: Take the total income received and subtract the total amount of disbursements to calculate a net income/loss for the reporting period. (For example, in Section A – Income, the guardian reports \$62,562 in income earned during the accounting year, and then in Section B – Disbursements, reports \$72,117 in expenses/disbursements. Therefore, the guardian should report a loss of \$9,555 in the summary section.)

Part III:

- A. Assets Added: Includes new assets to the estate, other than cash accounts. (For example, real estate, stocks, bonds or other investments, vehicles, furniture and fixtures, jewelry, art or other personal property, life insurance policy.) This also includes any increase in the value of an asset due to appreciation in the market value of the asset existing since the beginning of the reporting period.
- B. Assets Deleted or Sold: Includes any asset reported in the annual accounting for the preceding reporting term that has been sold or disposed of in some other way. This also includes any decrease in value of an asset due to a decline in the market value of an asset existing since the beginning of the reporting period.
- *The “Assets Added” and the “Assets Deleted” sections do not pertain to any change in value to cash accounts, including checking accounts, savings accounts, credit union accounts, etc. All cash account transactions should be reported in the “Income and Disbursement Section” rather than the “Assets” sections.*

- C. Summary of the Fiduciary's Estate: This section serves as proof that the accounting presented in the report is in balance. The present value of the estate should be determined by starting with reported balance on the previous year's account plus or minus the net income/loss (From Part II, Section C) and plus or minus any assets added or deleted to reflect the present value of the estate.

Additional Notes:

1. Titling of Bank Accounts: Any funds received and/or held by the guardian for the benefit of the respondent should be deposited into an appropriately titled guardianship account. Pursuant to Maryland Rule 10-704, all guardianship accounts, including all bank accounts savings accounts or any account held by a financial institution, should be titled in the name of the guardian as guardian for the disabled person or minor. (Example: [Guardian's name] as Guardian for [Disabled/Minor's name]).
2. Guardianship assets are to be managed and maintained as separate property and are not to be co-mingled with assets belonging to the guardian or others. (i.e. a guardian should not transfer funds from the guardianship account into the guardian's personal checking account in order to "reimburse" the guardian for expenses made on behalf of the disabled/minor, unless the guardian has received prior authorization from the Court to do so.)
3. Any disbursement made for the benefit of the respondent should be made directly from the guardianship account by check or debit card in order to assist in record keeping. (The guardian should make every effort to avoid paying for expenses in cash. Do NOT write out checks from the guardianship account payable to the order of "Cash".) The guardian must keep accurate records for all purchases. If the guardian fails to account properly for fiduciary funds, the guardian may be personally responsible.
4. Termination: A guardianship terminates under the following circumstances: (1) death of the Respondent, (2) the end of the disability, (3) when a minor reaches age 18, or (4) at the Court's discretion. If one of the above occurs, the guardian is required to petition the Court within 45 days of the event. The petition should include documentation to verify the event (i.e. death certificate, or former minor child's driver's license or birth certificate). The guardian shall also file the Final Annual Fiduciary Report along with a proposed final distribution of any remaining assets of the estate. *See* Rule 10-710.