

Specifications for Preparation of Accountings

Preparation of a detailed accounting for each entity, identified in the letter which refers to this attachment, which accountings will include all financial activities of the fiduciary(ies). Each accounting will be prepared under the National Fiduciary Accounting Standards, except for Official Forms which TEdec supports, which include the following states: New York, California, Florida, North Carolina;

A. The accounting for estates with trusts, trusts, revocable trusts with further trust will include:

FOR PRINCIPAL:

- ▶ A statement of all principal received as of the date of death or date of funding.
- ▶ A statement of all realized gains or losses for each asset sold, distributed or reinvested;
- ▶ A statement of all disbursements, expenses and debts paid by the fiduciary(ies);
- ▶ A statement of new investments, exchanges and stock distributions;
- ▶ A statement of all distributions to the beneficiary(ies);
- ▶ A statement of all assets on hand, if any, at the end of the accounting period.

FOR INCOME:

- ▶ A statement of income earned on each and every asset under administration;
- ▶ A statement of all realized gains or losses on income account assets;
- ▶ A statement of all disbursements and expenses chargeable to income;
- ▶ A statement of new investments, exchanges and stock distributions of income assets;
- ▶ A statement of all distributions to the beneficiary(ies);
- ▶ A statement of all income assets on hand, if any, at the end of the accounting period.

GENERAL INFORMATION:

- ▶ A statement of interested parties, including each parties interest(s) therein;
- ▶ A statement of pertinent facts and cash reconciliation;
- ▶ A statement of estate taxes paid and any allocation thereof - this will be provided by the attorneys for the fiduciary(ies);
- ▶ A statement of commissions due the fiduciary(ies) - this will be provided by the attorneys for the fiduciary(ies), except for New York, for which TEdec will prepare a statement of commissions for one fiduciary under SCPA § 2307.

B. The accounting for estates, revocable trusts without further trusts, guardianships and powers of attorney or other non-trust entities will include:

FOR PRINCIPAL AND INCOME:

- ▶ A statement of all principal received as of the date of death or date of funding.
- ▶ A statement of income earned on each asset under administration;
- ▶ A statement of all realized gains or losses for each asset sold, distributed or reinvested;
- ▶ A statement of all disbursements, expenses and debts paid by the fiduciary(ies);
- ▶ A statement of new investments, exchanges and stock distributions;
- ▶ A statement of all distributions to the beneficiary(ies);
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C. Specifications applicable to both types of entities (as outlined in paragraph A and B above):

- ▶ For sales of securities TEdec will understand and implement first in-first out (FIFO) method of allocating to various lots of the same security, unless advised in writing to the contrary. CAUTION: It normally is not necessary to match tax allocations between lots of securities sold. If, however, the client requires that TEdec in preparing the accounting match tax basis on the lots disposed of, then there may be a substantial increase in the cost of the preparing the accounting, as this will take considerably more time.
- ▶ For revocable trusts payments made on behalf of the grantor's creditors will be recorded as debts of the trust under the schedule of Creditor's Claims, unless requested to the contrary.
- ▶ The initial Fiduciary Carry Value for any asset in any estate or trust or other entity will be the value for the asset as finally determined for Federal Estate Tax purposes, if a IRS Fm 706 Return was filed; or if a Return was not filed or if TEdec is advised not to use the values as contained in the Return, then, unless otherwise advised in writing to the contrary (which must include the value to be used and/or the method of valuation acceptable to TEdec), TEdec will use the fair market value of the asset at the beginning of the fiduciary's administration. *[Ref: "Fiduciary Accounting Answer Book" 2013 Edition, published by CCH, Chapter 3, Q 3:8.]*
- ▶ Updated June 4, 2019.