

# Clay County, Missouri

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September 2017

## Public Administrator



# Carol McCaslin

Clay County, Missouri Auditor

OUTGOING OFFICE HOLDER AUDIT OF THE ACCOUNTS

Prepared by Chief Deputy Auditor Benjamin Pedersen, MAC





September 2017

# Carol McCaslin

Clay County, Missouri Auditor

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## Summary of audit findings of the office of Public Administrator

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### Background

The Public Administrator serves as the court appointed personal representative for decedents' estates and as guardian and/or conservator for individuals who are unable to care for themselves or their property. As of December 31, 2016, the Clay County Public Administrator was responsible for the financial activity for approximately 350 wards with assets totaling approximately \$5,676,000. Sarah Mills was elected in November 2016 to succeed Debbie Gwin as Public Administrator. This is a report of the findings of our audit of the accounts of the outgoing officeholder, as of December 31, 2016, in compliance with Missouri Revised Statutes (RSMo) 55.160.

### Payment Support

There were four (4) payments made on behalf of a minor ward for which supporting invoices or bills were not obtained and maintained in the ward file from a third-party. Additionally, in one (1) file tested, there was not an "application for support and maintenance" for the ward that authorized the Public Administrator to make routine purchases for the support of the ward.

### Fiduciary Responsibility

In order for a ward to obtain services in a psychiatric facility, the Public Administrator was required to pay an initial deposit on behalf of the ward, which was to provide assurance of future payments. The initial one hundred and forty dollars (\$140) deposit was made and a receipt was obtained from the facility; however the deposit was only partially applied to the ward's account.

### Account for Ward Assets

Ward assets that are in the initial inventory and those purchased were not always properly valued at the total initial purchase cost and assets were not properly calculated according to accounting principles.

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**Investment Reporting**

The initial inventory for a ward properly included the value of corporate bonds; however the ward's paper file did not include any bond statements and the annual settlement did not show any change in valuation of the bond since 2013. Additionally, the required details for what should be presented about the bond on the initial inventory, according to RSMo 473.233, were not all documented.

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**Ward Liability  
Accounting**

Throughout testing, it was noted that several wards owed the Public Administrator fees from the current year and prior years and documented through MS Excel. Additionally, there was one (1) ward who owed back charges to the care facility, which was tracked by a hand-written note in the margin of one statement.

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# Audit of the office of Clay County Public Administrator

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**AUDITOR  
CLAY COUNTY, MISSOURI**

September 5, 2017

Clay County Commission  
and  
Honorable Sarah Mills, Public Administrator  
Clay County, Missouri

We have audited the accounts of the Clay County Public Administrator for the year ended December 31, 2016 in accordance with our duties under Section 55.160 RSMo. This report documents our findings resulting from our audit. The objective of our audit was to audit the accounts of the County Public Administrator's office which includes accounts held in trust or as conservator.

Our methodology included reviewing financial records, and other pertinent documents; interviewing various personnel of the office; inspection of ward assets; analysis of comparative data obtained from external and/or internal sources and testing selected transactions. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We planned and performed our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the accounts of the office.

For the areas audited, we identified (1) no significant inaccuracies in the accounts of the office of County Public Administrator and (2) the need for improvement in certain management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the accounts of the office of Clay County Public Administrator.



Carol McCaslin  
Clay County Auditor



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## Office of Public Administrator Introduction

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### Background

The Public Administrator serves as the court appointed personal representative for decedents' estates and as guardian and/or conservator for individuals who are unable to care for themselves or their property. As of December 31, 2016, the Clay County Public Administrator was responsible for the financial activity for approximately 350 wards with assets totaling approximately \$5,676,000. The Public Administrator is required to file annual settlements with the Circuit Court, Probate Division, for each appointed ward or estate reflecting the financial activity for the year.

Sarah Mills was elected in November 2016 to succeed Debbie Gwin as Public Administrator. The term of the Public Administrator is four years and the salary is set by state statute and not paid by fees charges to the ward.

This is a report of the findings of our audit of the accounts of the outgoing officeholder, as of December 31, 2016, in compliance with RSMo 55.160.

### Duties as Guardian

**Probate code 475.120** - The general powers and duties of a guardian of an incapacitated person shall be to take charge of the person of the Ward and to provide for the ward's care, treatment, habilitation, education, support, and maintenance; and the powers and duties shall include, but not be limited to, the following:

1. Assure that the ward resides in the best and least restrictive setting reasonably available.
2. Assure that the ward receives medical care and other services that are needed.
3. Promote and protect the care, comfort, safety, health, and welfare of the ward.
4. Provide required consents on behalf of the ward.
5. To exercise all powers and discharge all duties necessary or proper to implement the provisions of this section.

**Probate code 475.123** - No medical or surgical procedure shall be performed on any Ward unless consent is obtained from the Guardian of his person. If the life of the ward is threatened and there is no time to obtain consent, a medical or surgical procedure may be performed.



## Office of Public Administrator Introduction

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### Duties as Conservator

**Probate code 475.130** - The Conservator of an estate of a disabled person or minor child shall protect, preserve, and manage the estate, invest it prudently, and account for it faithfully.

The Conservator of an estate shall take possession of all of the protectee's real and personal property, and of rents, income, issue, and profits therefrom.

The Conservator of the estate shall prosecute and defend all actions instituted in behalf of or against the protectee; collect all debts due or becoming due to the protectee.

The Conservator of an adult or minor ward is not obligated by virtue of his appointment to use his own financial resources for the support of the ward.

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# Office of Public Administrator Management Advisory Report County Auditor's Findings and Recommendations

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## 1. Payment Support

There were four (4) payments made on behalf of a minor ward for which supporting invoices or bills were not obtained and maintained in the ward file from a third-party. Additionally, in one (1) file tested, there was not an "application for support and maintenance" for the ward that authorized the Public Administrator to make routine purchases for the support of the ward.

1. As conservator on behalf of wards, the Public Administrator will act on the wards' behalf to make the necessary purchases for the support and maintenance of the ward. In one file tested, the court appointed the Public Administrator as conservator of a minor and another individual was appointed guardian of the minor. As conservator, the Public Administrator is appointed to expend the assets of the minor for their benefit. In testing, we found there were two (2) payments made to an eye doctor where neither an invoice nor receipt was obtained. There were an additional two (2) payments to the ward's school for extracurricular activities where no supporting documentations were obtained. While all of the instances are allowable expenses on behalf of the minor, however all purchases should be documented with an invoice or receipt from a third-party and should be maintained in the ward file for verification purposes. The possibility is that the payments could be inappropriately applied to the account of an individual other than the minor for who the Public Administrator is appointed conservator.
2. Missouri Statute, RSMo 475.130(5) requires the court's order to make any purchases over one thousand (\$1,000) dollars. As this process can become cumbersome, the court allows the Public Administrator to file an application for "support and maintenance" with the court who will then order the Public Administrator to expend on behalf of ward up to a certain amount per month. For one (1) ward tested, a court ordered "support and maintenance" was not obtained by the time of the audit, which was over a year after the Public Administrator was awarded guardianship and conservatorship.

## Recommendations

1. The Public Administrator should ensure that an invoice, receipt, or statement of some sort is obtained for all payments made on behalf of wards and maintained in the ward's file. A file could be created of payment requests where appropriate documentation has not yet been obtained, which should be reviewed monthly.



2. An order of “support and maintenance” should be obtained before any purchases are made by the Public Administration after appointment. A process for reviewing ward files for completeness should be done at least semi-annually, which would ensure that all documents are properly included in files. Additionally, creating a checklist of requirements would also help ensure completeness of ward files.

## **Auditee’s Response**

*The Public Administrator provided the following response:*

1. *We will create a file for any payments awaiting proper documentation.*
2. *For new ward appointments, we will set a reminder for six months out to file an application for support and maintenance with the court. This will allow the office enough time to gather information about what the reoccurring costs will be, but not go too long without having a support order. We will also consult with attorneys about filing applications for support and maintenance immediately and/or requesting court approval.*

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## **2. Fiduciary Responsibility**

In order for a ward to obtain services in a psychiatric facility, the Public Administrator was required to pay an initial deposit on behalf of the ward, which was to provide assurance of future payments. The initial one hundred and forty (\$140) deposit was made and a receipt was obtained from the facility, however the deposit was only partially applied to the ward’s account. Several additional payments were made to the facility on behalf of the same ward and the initial deposit was only notated on a sheet of paper at the facility and not included into the ward’s account. The Public Administrator has the fiduciary responsibility to ensure that the ward’s assets are protected and to ensure that deposits are properly applied.

## **Recommendations**

Deposits paid should be tracked and followed up on to ensure that the facilities properly apply all payments to the wards’ account.

## **Auditee’s Response**

*The Public Administrator provided the following response:*

*This situation arose when the ward had private health insurance with a deductible. When case managers take wards with private insurance to doctor appointments, they will confirm with the medical office that are no credits on the account before paying a new copay.*



### 3. Account for Ward Assets

Ward assets that are in the initial inventory and those purchased were not always properly valued at the total initial purchase cost and assets were not always depreciated properly. In one (1) file, the purchase only included the cost of the item and sales taxes and did not include all of the associated costs that should have been included. In four (4) files tested, we noted that depreciation was not properly calculated according the accounting principles.

1. There was one (1) item that was selected for testing where the initial purchase costs of the asset did not include all the costs that should have been included. The initial cost of assets should also include sales taxes, shipping, and any installation charges. The Public Administrator purchased a TV for a ward and did not include shipping charges. Although immaterial and not significant to the audit, the principle should be followed in case of a significant future impact.
2. For assets in several ward settlements, the asset value was reduced by an amount of depreciation that was incorrectly calculated, resulting in assets never actually becoming fully depreciated. The simplest method for calculating depreciation in the Generally Accepted Accounting Principles (GAAP) is called straight-line method. The initial purchase cost of an asset includes sales taxes, shipping, and installation costs. Using the straight-line method, the total initial purchase cost is divided by the estimated useful life of the asset to get the amount of annual depreciation. The Public Administrator indicated that the accepted rate is twenty percent (20%) per year depreciation. Thus, the Public Administrator should take the total purchase cost and take twenty percent (20%) of that initial cost as depreciation each year, for five (5) years, when the total initial purchase cost will have been reduce to zero.

Example of Depreciation (using the straight-line method):

Total Initial Cost of an Asset		\$1,000
20% depreciation per year		\$200
<i>Year</i>	<i>Depreciation</i>	<i>Ending Value</i>
1 <sup>st</sup> Year	\$200	\$800
2 <sup>nd</sup> Year	\$200	\$600
3 <sup>rd</sup> Year	\$200	\$400
4 <sup>th</sup> Year	\$200	\$200
5 <sup>th</sup> Year	\$200	\$0



**Recommendations** The Public Administrator should consider implementing processes and procedures to ensure that all costs are properly included into the total initial purchase of all assets and to ensure that depreciation can be calculated according to the prescribed method from the courts. When an asset is initially purchased, part of the documentation process should include the total initial costs and then the calculation of how much depreciation will be taken in each successive year. This initial data sheet, showing purchase details and successive years’ depreciation should be created when the asset is purchase and permanently maintained in the ward’s files.

### **Auditee’s Response**

*The Public Administrator provided the following response:*

- 1. We will include all the costs, including sales tax, shipping, and any installation charges, when initially adding an asset to a ward’s inventory.*
- 2. In response to this finding, we consulted with the Probate Clerk and the County Auditor’s office about changing the depreciation method because it would affect the Probate Division audits of the annual settlements. As a result of this meeting, the Probate Clerk consulted with the Probate Judge. The Probate Judge will not allow the Public Administrator to change the method used to depreciate ward property.*

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## **4. Investment Reporting**

The initial inventory for a ward properly included the value of corporate bonds; however the ward’s paper file did not include any bond statements and the annual settlement did not show any change in valuation of the bond since 2013. Additionally, the required details for what should be presented about the bond on the initial inventory, according to RSMo 473.233, were not all documented.

**Recommendations** According to RSMo 473.233, “bonds...together with interest due thereon, described by name of debtor, recording data, and other identification” are to be documented on the annual inventory. The Public Administrator should make effort to search out the details of the bonds and properly document them on the initial inventory and update the valuation annually, if the information is available.



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## Auditee’s Response

*The Public Administrator provided the following response:*

*All Series E bonds will be revalued at the time of the annual settlement.*

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## 5. Ward Liability Accounting

Throughout testing, it was noted that several wards owed the Public Administrator fees from the current year and prior years and documented through MS Excel. Additionally, there was one (1) ward who owed back charges to the care facility, which was tracked by a hand-written note in the margin of one statement.

1. The County Public Administrator calculates the value for services rendered on behalf of a ward and then submits a request to the Probate Judge of Clay County called the “Allowance for Compensation”. If awarded, the Public Administrator evaluates if there is sufficient funds in the ward’s account to pay, and if so, the Public Administrator will cut a check to the Clay County Treasurer. If there is insufficient funds in the ward’s accounts, the Public Administrator will document the payable in an Excel file and if, in the future, the ward obtains more funds, then the Public Administrator can use those additional funds to cut a check to the Clay County Treasurer for all or part of the liability. Having the documentation only in Excel can allow for errors and manipulation. Additionally, we noted that partial payments were added to Excel by reducing the amount owed on the old liability of the ward.
2. For one (1) ward tested, we noted that there was some hold up getting their government assistance income set up for a ward and their care facility continued to provide for the ward despite the bills not being paid. As a result, the care facility was owed money from the ward that was not able to be paid with current income. The Public Administrator’s office was tracking the liability; however it was noted only on the side margin of a care facility statement. This should be documented in the system and payments should also be recorded in the system to ensure that proper account balances are maintained.

## Recommendations

The Public Administrator should work with their Ward Software System provider to have additional features added to allow for tracking of ward liabilities. Until these features can be added, it is recommended that all liabilities are recorded in Excel with sufficient detail to properly track, verify, and test liability balances. For each payment made on ward



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Office of Public Administrator  
Management Advisory Report – County Auditor’s Findings and Recommendations

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liabilities, an additional line should be added to Excel so that each liability and each payment can be easily found and verified. Once the entire account is paid or closed out, then the Public Administrator could remove all lines in the Excel file associated with the ward.

## **Auditee’s Response**

*The Public Administrator provided the following response:*

*After bringing the issue of the ward liability tracking deficiencies to the attention of our software developer, they informed us of a feature in the software that had not been utilized by past administrations. The Ward Payables feature will allow us to internally track liabilities per ward and the payments made on each liability. The Finance Team staff will be trained on entering the liabilities and payments, and we will implement this internal tracking method.*



## Office of Public Administrator Organization & Statistical Information

### Organizational Information

What follows is an overview of the powers and duties of the Public Administrator's office, and the checks and balances imposed upon the office. This information is not included in our audit and is only presented for informational purposes.

### Budget

The Public Administrator's budget is completely separate from ward accounts and assets. County property and supplies are kept separate from ward property, unless it is used to protect or store ward property or assets. County expenditures follow the same regulations and procedures as other offices, including the purchase order process.

Year	Total Personnel Budget	Total Final Budget for Office	Total Percentage of Budget Used
2012	\$ 491,063	\$ 553,449	98.01%
2013	\$ 545,448	\$ 601,094	96.00%
2014	\$ 556,900	\$ 612,553	97.33%
2015	\$ 564,654	\$ 613,465	96.29%
2016	\$ 587,217	\$ 637,650	94.17%

### General

The Public Administrator's Office was established in 1880 by the General Assembly, State of Missouri, as an elective office, such election to be held every four years. The office's primary duty is to be the Guardian of the person and the Conservator of a person's assets; or to be Personal Representative for a deceased person's assets. The Public Administrator can also be appointed by the court to serve as trustee for private or public trusts. The office carries out the duties and responsibilities set for it in the Missouri Revised Statutes by closely following the statutes in the Probate Code, Missouri Revised Statutes, Chapters 473 and 475.

Although the Public Administrator is widely considered the guardian and conservator of last resort, any family member, hospital, government agency, or creditor, with the assistance of a probate attorney, can file an application with the court requesting that the Public Administrator be appointed as guardian and/or conservator of a ward, or personal representative of an estate. Although some wards and deceased individuals do not have living family, many times their family is unwilling or unable to serve as guardian, conservator, or personal representative. If there are competing applications for guardian and conservator, many times the court will appoint the Public Administrator instead of a family member. Additionally, the Public Administrator can be appointed when the previous guardian, conservator, or personal representative is removed.



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## Office of Public Administrator Organization & Statistical Information

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This most often occurs when the previous court-appointed representative did not complete the required paperwork.

### **Bonding**

The Public Administrator currently holds a corporate surety bond of \$800,000.00, which covers estates with \$20,000.00 in assets or less. Additional bonds are issued for individual estates of higher monetary value, which totaled over \$1.85 million as of December 31, 2016.

The Public Administrator is required by statute to file a bond report annually with the Probate Division of the Circuit Court of Clay County, summarizing the open estates, assets of the estate, and the amount of the bond required for each estate.

### **Guardianship**

When the Public Administrator is appointed as guardian, the office is responsible for the management of each ward's life, including where they reside, needed medical attention, and other decisions pertaining to personal well-being. These decisions can concern day-to-day activities and more important quality of life decisions. The Public Administrator is not required to consult with family or to notify family of decisions. Additionally, many of these decisions occur after hours, and the Public Administrator and Case Managers are required to be "on-call" 24/7.

By statute, the Public Administrator must file an annual Status Report with the Court, setting out certain information about where the person is currently residing, recent medical attention, and other notable personal developments. The Case Managers visit the wards and complete the Status Reports.

### **Conservatorship**

When the Public Administrator is appointed as conservator, our office is required to secure all assets, collect all income, and file and pay taxes for all wards. We also prosecute and defend all legal actions instituted on behalf of or against the estate, collect all debts due or becoming due to the estate, and settle and/or pay all claims.

Thirty days from the appointment as conservator, an inventory of the person's assets must be filed with the Probate Division. The physical viewing of assets and collection of financial assets is gathered by a rotating combination of three or four staff members. We also collect all income and ensure all wards are receiving all the government benefits they are entitled to by applying for the benefits on their behalf. Each ward has an individual bank account, which must be managed. We are also required to verify and pay each ward's bills.

The Public Administrator is required to file an annual settlement for each open ward case. The annual settlement is a record of the inventory of the



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## Office of Public Administrator Organization & Statistical Information

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estate and of all transactions that have occurred in an estate during the respective fiscal year. The Probate Division audits these settlements before they are approved by the Probate Judge.

Much of the work of the Public Administrator is of a legal nature. The Public Administrator is allowed to file some legal documents, such as the annual settlements and applications that constitute perfunctory requests. However, our office often needs the assistance of attorneys for more complex legal matters. For estates with less than \$20,000.00 in assets, we work with an Assistant County Counselor. For estates with more than \$20,000.00, we are required to hire a private attorney that is paid for by the individual estate.

### **Personal Representative Estates**

When the Public Administrator is appointed as personal representative, the bulk of the work is very similar to a conservatorship. The Public Administrator must secure and inventory all assets, financial, personal property, and real property; settle and pay any claims, and pursue any necessary litigation on behalf of the estate. Usually, the Public Administrator is appointed on these cases due to serious litigation or very divisive family conflicts.

### **Fees**

The Public Administrator's office is allowed by the Missouri Revised Statutes to charge a fee to administer the affairs of each estate. Conservatorship fees are charged based on billable hours. The Public Administrator's rate is \$81.00 per hour, and \$51.00 per hour for all deputy hours. Personal representative estates can be charged a fee based on billable hours or on the compensation schedule for statutory fees per §473.153 RSMo. We decide which fee collection type will be used depending on what is most financially advantageous for the county. All fees must be approved by the court before they can be paid to the Clay County Treasurer. All fees collected are deposited in the county general fund.

Estates only pay the fees when they are able. As a result, fees are rarely collected on indigent accounts. However, staff still tracks their time spent working on a case, and we annually request approval from the court for the fees in the event the ward should come into funds.



## Office of Public Administrator Organization & Statistical Information

### *Annual Fees Collected*

Year	Total Wards	Total Fees Collected
2012	249	\$ 252,012
2013	256	\$ 159,433
2014	299	\$ 141,646
2015	320	\$ 152,352
2016	350	\$ 193,351

### Other Audits

The Public Administrator must account to other government agencies paying benefits to Clay County wards. The government agencies also must be notified of any major changes to the wards, including change of address, change in level of care, change in income or other earnings. These audits are in addition to the annual audit of each case completed by the Probate Division auditors.

The settlements of persons receiving veteran's benefits are forwarded to and audited by the Veterans Administration in St. Louis, MO.

The Social Security Administration also completes an audit by a field examiner every two years.

A financial report is also filed with the Division of Family Services for each person either quarterly, semi-annually, or annually, depending on the type of financial assistance being provided.

### Statistical Information

The following information was gathered from the County's accounting software (Eden from Tyler Technologies: Department 523) and the Public Administrator's ward tracking software (PA Software from SEM Applications):

Year	Total Final Budget for Office	% Change	Wages COLA	Wards	% Change
2012	\$ 553,449	-	-	249	-
2013	\$ 601,094	8.61%	2.00%	256	2.81%
2014	\$ 612,553	1.91%	3.00%	299	16.80%
2015	\$ 613,465	0.15%	3.00%	320	7.02%
2016	\$ 637,650	3.94%	3.00%	350	9.38%
Cumulative Change from 2012		15.21%	11.00%		40.56%



**Office of Public Administrator  
Organization & Statistical Information**

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**IN THE CIRCUIT COURT OF CLAY COUNTY, MISSOURI  
PROBATE DIVISION**

**LARRY D. HARMAN  
JUDGE**

**MEMORANDUM TO GUARDIANS AND CONSERVATORS  
AS TO THEIR DUTIES AND RESPONSIBILITIES**



## Office of Public Administrator Organization & Statistical Information

You have been appointed Guardian of a Ward and/or Conservator of a Ward. Thank you for agreeing to serve.

When you qualify for such an office, you become an officer of the Court and assume certain duties and obligations. This memo is intended to give you general information regarding your duties.

The law does not allow Court personnel to give specific legal advice to you. **YOU ARE REQUIRED TO HAVE AN ATTORNEY REPRESENT YOU AT LEAST THROUGH THE FILING OF THE FIRST ANNUAL SETTLEMENT.** Forms are provided free of charge to help you or your attorney with certain filing requirements. Your attorney is best qualified to advise you regarding these matters but, hopefully this memo will help you understand some of the requirements placed upon you by the law.

### IF YOU HAVE BEEN APPOINTED GUARDIAN OF AN INCAPACITATED PERSON

1. As Guardian of an incapacitated person, you must act in the best interest of the Ward. If you have been appointed limited Guardian of an incapacitated person, you have the powers and duties as enumerated by the Court's order.
2. If you are a **full Guardian** you should take charge of the person of the ward and provide for the Ward's care, treatment, habilitation, education, support and maintenance. Your powers and duties include but, are not limited to the followings:
  - a. Assure that the Ward resides in the best and least restrictive setting reasonably available;
  - b. Assure that the Ward receives medical care and other services that are needed;
  - c. Promote and protect the care, comfort, safety, health and welfare of the Ward and;
  - d. Provide required consents on behalf of the Ward, exercise all powers and discharge all duties necessary or proper for the benefit of the ward.
3. You are not obligated, by virtue of this appointment, to use your own financial resources for the support of the adult Ward.
4. As Guardian, you **DO NOT** have the authority to seek admission of the Ward to a mental health or mental retardation facility for more than thirty (30) days without **FIRST** obtaining a Court order.
5. Each year you are obligated to file a report on the personal status of the Ward. This report will include:
  - a. The present address of the Ward;
  - b. Your present address and the address of any other Guardian or Conservators for this Ward;
  - c. The number of times you have had contact with the Ward, the nature of such contacts and the date you last saw the Ward;
  - d. If the Ward is institutionalized, a statement as to whether or not you have been provided a treatment or habilitation plan and, the purpose;
  - e. The date the Ward was last seen by a physician and the purpose;
  - f. Any changes in the physical or mental condition of the Ward that you have observed and;
  - g. Your opinion as to the adequacy of the present care of the Ward.

Please use the Annual Status Report Form provided by this Court for this requirement.

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### IF YOU HAVE BEEN APPOINTED A GUARDIAN OF A MINOR—

You have the custody and control of the Ward and shall provide for your Ward's education, support and maintenance. You may have a duty to obtain a child support order against the parents. Consult with your attorney.

### IF YOU HAVE BEEN APPOINTED CONSERVATOR OF THE ESTATE OF A DISABLED PERSON OR A MINOR:

1. Within thirty (30) days after your letters of Conservatorship have been granted, you must file with the Court an INVENTORY of all real and personal property owned by the Ward—your attorney will help you with this matter. Forms are provided for this purpose. The inventory should include property owned jointly by the Ward and other persons and any property owned by the Ward even if located outside the State of Missouri. All income including social security, pension payment or, other benefits received by the Ward, should be listed on the inventory.



## Office of Public Administrator Organization & Statistical Information

If interest has accrued after the date of adjudication and before the inventory is filed, the amount of interest accrued for each account can be shown on the first accounting.

Inventory values are established as of the date the Ward was adjudged disabled.

A joint account, which existed prior to the appointment of a conservator, should not be changed or altered without a prior Court order. It should be listed on the inventory exactly like it is titled.

If joint owner/s wants his/their share of the jointly owned property separated from the other assets in the Ward's estate, you will need an attorney to file the appropriate legal action. Joint funds usually are spent only after the Ward's solely owned funds are exhausted.

New investments in Mutual Funds, stocks and, shares of stock acquired through stock reinvestment plans are generally not allowable as investments. If you wish to continue such a reinvestment plan, you should notify your attorney and the Court. If no dividends or additional shares are received for a particular investment, but you believe that the investment is a good one and should be retained, your attorney should be consulted in order to get the appropriate Court orders.

You must protect houses and other buildings with fire insurance and winterize them in cold weather to avoid freezing of pipes, etc.

2. You must keep the money and property of your Ward separate from you own and must never Comingle them with your own. When you open a bank account for estate funds, the account should be in the name of the conservator, as "Conservator of the Estate of \_\_\_\_\_". Securities must be held in the same manner. If the Conservatorship includes more than one Ward, you should keep a separate account of what belongs to each Ward.

If your Conservatorship include money from the Veterans Administration, you must also comply with the requirements of the Veterans Administration.

Investments of the Ward's funds can be made without a Court order in banks and saving and loans institutions to the extent that accounts should not exceed \$250,000.00 in one bank or bank network. No Court order is required for investment in direct obligations unconditionally guaranteed as to principal and interest by the United States (i.e. Treasure bills and notes, U.S. Savings bonds).

All cash accounts over \$1,000.00 should be in interest bearing accounts.

Funds may be invested only according to law. Your attorney will advise you about legal investments. In no instance should you speculate with your Ward's funds or property. Losses incurred as a result of unauthorized investments may render you personally liable for the amount lost.

3. As Conservator you must not expend the Ward's money until you have received permission of the Probate Division. As soon as possible after the opening of the estate, the Ward's expenses for the year should be determined and a petition to approve such expenditures, filed with the Court. Expenditures made without obtaining this permission may be disallowed as a credit when you file your accounting and may have to be repaid to the estate.
4. Complete and accurate records must be kept of all money, interest and, other assets RECEIVED and DISBURSED by you as Conservator. A daily ledger of all transaction is advised. You must not purchase items over \$100.00, without prior Court approval. One year after you have qualified as Conservator and annually thereafter, unless the Court otherwise orders, the law requires that you file a settlement, (an accounting,) showing what assets you received as Conservator, the income earned during the year and expenditures. Income and expense items should be shown by date. Vouchers (i.e. "canceled check, receipt, etc.), for each expenditure, must be filed with the settlement. Debit cards should not be used. If a debit card has been used the court requires a bank statement along with a receipt for the debit purchase. The settlement ending balance must list all personal property with institution names and account numbers. Verifications by authorized persons of accounts and securities must also be filed with the settlement. The Court will furnish these forms. After you have once



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## Office of Public Administrator Organization & Statistical Information

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complied with the accounting requirements, you may not need an attorney's help the following year, but it is suggested that the attorney be retained.

Because proper vouchers are required to support expenditures of estate funds, it is important that you keep accurate records and bills, receipt, canceled checks, etc. A "proper voucher" is proof that the amount shown on the settlement was paid and that the expenditure was made on behalf of the Ward.

\*When you set up your accounts at the bank, be sure and tell them the court requires copies of the front of checks.

5. You must obtain the Court's permission to sell, lease, mortgage or invest the property of the Ward. These requests are made by petitioning the Court for authority.
6. A closing statement as to the sale of real estate or personal property must be filed no later than ten (10) days after the sale.
7. In the event your Ward dies, or you or your Ward move from one address to another, please notify the Court of this fact, in writing, as soon as possible.

Again, thank you for your willingness to serve and for your performance of these obligations. We do hope this memo is helpful to you. Specific questions should be directed to your attorney.

s/Larry D. Harman

Larry D. Harman, Judge  
Probate Division, 816-407-3880  
Clay County Circuit Court





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