

2.D.13.f.e. Income

~~The FE must verify and document:~~ The FE must:

- identify all income sources and amounts (except financial information that is not available to the fiduciary) for the beneficiary ~~as well as~~ and any dependents, ~~and~~
- document how the amount of the funds was verified,
- record to whom ~~who is payee for~~ that income is paid (VA fiduciary or the name and relationship of any other party, if known ~~if other than the VA fiduciary~~), and
- confirm any reported VA income by reviewing the corporate record,

Should the fiduciary have knowledge of the beneficiary's income or other financial information but refuses to disclose such information, the FE must independently verify, to the greatest extent possible, the sources and amounts of income. Verification may be obtained through VA's corporate records, by additional information on financial statements, or other documents.

If the FE determines the fiduciary should continue service to the beneficiary despite refusal to comply with the request to identify all known sources of income or other financial information, the FE must fully justify why the fiduciary should remain as the VA-appointed fiduciary.

In all non-accounting cases, except when the fiduciary is the VA-appointed spouse fiduciary, the FE must verify receipt ~~and~~ disposition ~~and~~, if ascertainable, the balance of any retroactive VA benefits paid to the fiduciary since the last field examination.

The FE must, as related to VA income, ~~review all evidence received with the field examination request and compare it to information provided by the fiduciary in response to questions regarding income, fully explaining~~ document the reason for any ~~changes or inconsistencies~~ reduction in benefits, or increase resulting from receipt of a retroactive payment. Changes may include such actions as:

- retroactive adjustments for unusual medical expenses that result in lump sum payments,
- lump sum payments as a result of an election to a greater benefit,
- increased benefits, ~~and/or~~
- reduction ~~in benefits~~ due to recent loss of a dependent, etc.

When the beneficiary owns real estate other than ~~his/her residence,~~ the place in which he or she resides, the FE must state whether the property is occupied, if rental income is received, and who ~~is payee (if other than the VA fiduciary)~~ receives the rental income (VA fiduciary or the name and relationship of any other party). As an example, the beneficiary no longer resides in his or her permanent home as a result of admission into a nursing home.

2.D.13.e.f. Verification of Funds Under Management

Funds on deposit must be determined and documented. ~~A verification of funds on hand is required in non-accounting cases involving funds of \$5,000 or more. An original, appropriately annotated savings passbook or current bank statement may serve as verification in cases where no irregularities are suspected, provided the verification document contains no signs of alteration.~~

The FE is not responsible for verifying funds under management if the fiduciary is:

- serving as a spouse-fiduciary, or
- is required to provide an annual accounting and the fiduciary is timely with those submissions (M21-1MR, Part XI, 3.C.12).

In all other instances, the FE must review financial institution statements to verify the amount of funds under the management ~~by~~ of the fiduciary. If the total amount of funds managed is less than \$10,000, the FE will record the amounts noted. However, should the financial institution statements reveal that the total amount managed is \$10,000 or more, the FE must: ~~make a determination regarding:~~

- document the name(s) of the financial institution, the account number(s), the amount(s) on deposit, and the date of the financial institution statement ending balance, and
- determine the amount the funds under management are VA funds.

Acceptable methods of verification of funds under management of \$10,000 or more include obtaining a copy of or viewing and documenting information from:

- an original, photocopied or computer generated financial institution document which does not exhibit any signs of alteration, or
- an online statement viewed from the financial institution's website.

~~When the fiduciary is contacted by telephone or letter, or the passbook or bank statement is unavailable during the field examination interview,~~ If the FE is not able to provide verification of funds under management of \$10,000 or more through either of these methods, the fiduciary is required to submit a VA Form 21-4718a, Certificate of Balance on Deposit and Authorization to Disclose Financial Records, ~~must be~~ obtained from the financial institution.

~~Both income and estate information must be entered on the face of VA Form 21-4718a. Entries must be explained in the narrative, including how the information was obtained.~~

Acceptable methods of determining the amount of VA funds under management include

- factual evidence that specifically addresses the source of funds, such as a financial institution statement that confirms only VA benefits are deposited, or
- ~~The filed examiner must utilize the~~ a determination of the amount of VA funds derived from the Funds Under Management Tool ~~to determine the amount of VA funds~~ within the Accounting Wizard.

If, after funds are documented and verified by an acceptable method, VA funds are \$10,000 or more, the fiduciary must be notified of the requirement to submit an annual accounting. -