

THE CITY OF NEW YORK

OFFICE OF THE COMPTROLLER

INTERNAL CONTROL AND ACCOUNTABILITY DIRECTIVES

DIRECTIVE 28 - REPORTING REQUIREMENTS FOR PUBLIC ADMINISTRATORS

INTRODUCTION AND SUMMARY

The Estate Administrator, or Public Administrator, is a municipal agency headed by a court-appointed administrator. The office administers the estates of decedents who died intestate, with no heirs willing or able to administer the estates. The office is funded by the City of New York as well as by fees collected from other estates.

Article 11 §1109 of the *New York State Surrogate's Court Procedure Act* (the Act) requires that each Public Administrator file monthly account information on estates that have been closed or finally settled in a form the Office of the Comptroller, City of New York (Office of the Comptroller) may prescribe. This Directive prescribes the reporting format Public Administrators must use for these closed or finally settled accounts.

The Act also requires that Public Administrators have an annual audit performed by an independent Certified Public Accountant (CPA). This Directive recommends that Public Administrators select their CPA from the Office of the Comptroller's Prequalified CPA list.

This Directive is issued pursuant to the authority of the Office of the Comptroller as provided in Chapter 5, Section 93 of the Charter.

1.0 GENERAL INFORMATION

1.1 Directive Organization

- 1.0 General Information
- 2.0 Estates Closed and Settled
- 3.0 Reporting Requirements

1.2 Effective Date

This Directive is effective January 1, 2004.

1.3 Assistance

Questions or comments concerning this Directive should be addressed to: The Office of the Comptroller, attention: Susan Cornwall, Unit Chief, Accounting Directives, Bureau of Accountancy, Municipal Building, One Centre Street, Room 808, New York, NY 10007, (212) 669-8216, email scornwa@comptroller.nyc.gov.

1.4 Internet Availability

An inventory of existing Office of the Comptroller Internal Control and Accountability Directives, most with download and print capability, are available on the Comptroller's website at <http://comptroller.nyc.gov>.

2.0 ESTATES CLOSED AND SETTLED

Public Administrators are required by the Act to file monthly with the Surrogate of the county where appointed, the Mayor and the Office of the Comptroller, a statement of accounts that have been closed or finally settled in a form prescribed by the Comptroller. The required format is discussed in the following section.

2.1 The Statement of Accounts

The statement of accounts must include the following information:

- The name of the deceased
- The date the estate was assigned to the Public Administrator
- The date the estate was closed
- The total value of the estate (including cash and sales price of all non-cash assets)
- All legal fees incurred (Include a listing of to whom and when the fees were paid and the purpose of the fees)
- Other administrative expenses incurred- dollar amount and type (Include a listing of to whom and when the expenses were paid and the purpose for the expenses)

- Distributions made to the beneficiaries, if any (For each account, list each of the beneficiaries' names, addresses and the specific amounts distributed to each)
- Commissions paid to the City treasury (if any)
- The amount of abandoned property transferred to the City.

Appendix A contains the format for reporting this information.

2.2 Submissions to the Office of the Comptroller

All statements of accounts must be submitted to the Office of the Comptroller, Bureau of Audit, Dennis J. Hochbaum, Director of Quality Assurance, Municipal Building, One Centre Street, Room 1100 North, New York, NY 10007, (212) 669-8887, e mail- dhochba@comptroller.nyc.gov. Statements of accounts should be submitted by the 15th day of the following month.

3.0 REPORTING REQUIREMENTS

Public Administrators are required, by the Act, to conduct an annual audit of their offices by an Independent CPA. The reports are required to be filed with the Surrogate of the county where appointed, the Mayor, the Office of the Comptroller, the Attorney General of the State of New York and the Office of the Comptroller State of New York.

3.1 Submission of Audit Report

All audit reports must be submitted to the Office of the Comptroller, Bureau of Audit, Dennis J. Hochbaum, Director of Quality Assurance, Municipal Building, One Centre Street, Room 1100 North, New York, NY 10007, (212) 669-8887, e mail- dhochba@comptroller.nyc.gov. It is recommended that reports be submitted no later than nine months after the close of the Public Administrator's fiscal year.

3.2 Office of the Comptroller's Prequalified CPA List

Public Administrators seeking audit services are recommended to solicit only those firms on the Office of the Comptroller's Prequalified CPA List (PQL), which is updated regularly. The most recent PQL may be obtained from the Office of the Comptroller's website (see § 1.4) or by contacting the Office of the Comptroller, Bureau of Audit, Dennis J. Hochbaum, Director of Quality Assurance, Municipal Building, One Centre Street, Room 1100 North, New York, NY 10007, (212) 669-8887, e mail dhochba@comptroller.nyc.gov.

3.3 1099 Reporting

If a Public Administrator is the payor, for purposes of information reporting, for payments to a service provider on behalf of an estate that it administers, the Public Administrator is required, by section 6041 of the Internal Service Revenue Code, to issue Form 1099-MISC to that service provider in its own name and taxpayer identification number (TIN), and must aggregate amounts paid to the service provider during the year on behalf of the estate. All 1099-MISC reporting should be done in accordance with the Office of the Comptroller, Bureau of Accountancy's 1099-MISC Instructions. The most recent version may be obtained by contacting the Office of the Comptroller, Bureau of Accountancy, Maria Nicola, Unit Chief, 1099 Reporting, Municipal Building, One Centre Street, Room 800 North, New York, NY 10007, (212) 669-8211, e mail-mnicola@comptroller.nyc.gov.

