

VA



U.S. Department of Veterans Affairs
Veterans Benefits Administration

Pension and Fiduciary Service



A Guide for VA Fiduciaries

Table of Contents

Introduction	1
Key Terms	2
Helping You Manage Your New Responsibility	3
Responsibilities to the Beneficiary.....	3
Responsibilities to VA.....	3
Managing Beneficiary Funds.....	4
Protecting the Beneficiary's Private Information	4
Communication with VA	5
Reporting Changes to VA.....	6
Changes in Beneficiary's Circumstance	6
Changes in Fiduciary's Circumstance.....	7
Communication with the Beneficiary	8
Rights of the Beneficiary	9
Additional VA Benefits the Beneficiary May Be Eligible For	10
Pre-need Burial Plans	11
Death of the Beneficiary	11
Frequently Asked Questions.....	12
How Can I Use the Beneficiary's VA Funds?	12
What Is a Retroactive VA Payment?	12
How Can I Use a Retroactive VA Payment?	12

How Do I Maintain the Beneficiary's VA Funds?	13
How May I Invest the Beneficiary's VA Funds?	14
How Do I Protect the Beneficiary's VA Funds?	15
Corporate Surety Bond Requirements	15
How Do I Protect VA Funds from the Claims of Creditors?	16
What Records Should I Keep?	16
What Is a Fund Usage Report?.....	17
What Is an Accounting?.	18
How Do I Account for the Beneficiary's VA Funds.	20
How Do I Complete VA Form 21P-4706b, VA Fiduciary's Account?	24
How to submit an accounting.....	28
How to submit a fund usage report.....	28
Common VA Forms.	30
Contact Information.....	31
Glossary	32
Notes.	33
Fiduciary Program Contact	34

Introduction

VA's mission is to fulfill President Lincoln's promise— **"To care for him who shall have borne the battle, and for his widow, and his orphan"** by serving and honoring the men and women who are America's veterans.

The purpose of the Department of Veterans Affairs (VA) fiduciary program is to ensure VA benefit payments made to a fiduciary on behalf of a beneficiary are used for the well-being of the beneficiary and the beneficiary's dependents. Our mission is to protect Veterans and beneficiaries who are unable to manage their financial affairs.

Information in this booklet focuses on the responsibilities of a fiduciary, communication between the fiduciary and beneficiary, rights of a beneficiary, and frequently asked questions.

The intent of this booklet is to provide guidance to you, a new fiduciary. It will help you to understand your responsibilities, perform your duties, and facilitate open communication between you and the beneficiaries you serve.



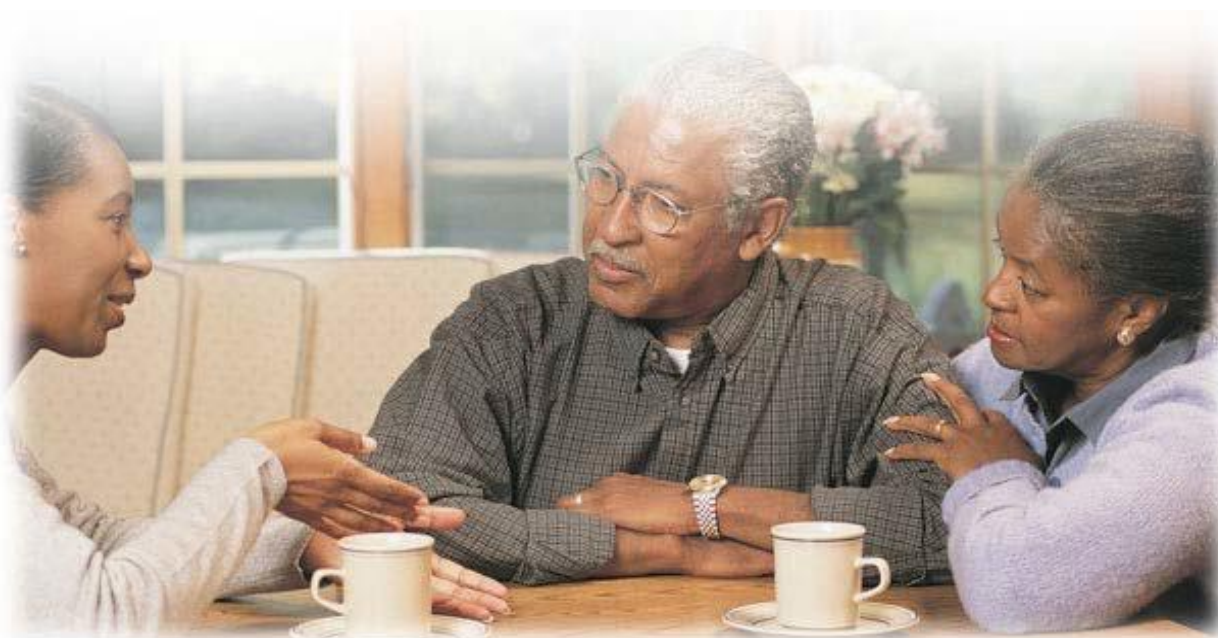
Key Terms

Beneficiary – A Veteran, his/her survivor, minor children, adult helpless child, or insurance proceeds recipient who has been awarded VA benefits but who is unable to manage their VA funds as a result of injury, disease, the infirmities of advanced age, or being less than 18 years of age.

Fiduciary – An individual or entity that has been appointed by VA to receive VA funds on behalf of a beneficiary for the use and benefit of the beneficiary and their dependents.

Dependent – The beneficiary's spouse, child, or parent who does not have enough income to meet their needs for personal care and well-being and who obtains support for such needs from the beneficiary.

Relative – An adopted child or a person who is related to a beneficiary by blood or marriage.



Helping You Manage Your New Responsibility

Responsibilities to the Beneficiary

As a fiduciary, you must know what the beneficiary's needs are so that you can decide how to use the beneficiary's funds for their personal care and well-being. Your decision must be based on the beneficiary's unique circumstances, needs, desires, beliefs, and values. Beneficiaries in the fiduciary program are entitled to the same standard of living as any other individual with similar financial resources. You must not use any part of the beneficiary's VA funds for your personal use. All funds must be used for the benefit of the beneficiary, or for the beneficiary's dependents.

It is important that you keep in regular contact with the beneficiary and make sure that they always have your current contact information. You should also make sure the beneficiary receives proper medical care, to include contacting social workers and mental health professionals as necessary.

Responsibilities to VA

As a fiduciary, you must notify VA of any changes (see page 6) in the beneficiary's circumstances. It is also important that you respond to VA in a timely manner, meet with VA personnel when requested, and comply with our regulations. Please visit <http://benefits.va.gov/fiduciary/references.asp> and click **Fiduciary Federal Regulation (38 CFR, Part 13 – Fiduciary Activities)** to view our regulations.

Managing Beneficiary Funds

As a fiduciary, you must ensure all of the beneficiary's bills are sent to you and that each bill is paid on time. You are also responsible for paying the beneficiary's income taxes, when applicable, collecting any rent or unpaid debts on behalf of the beneficiary, and getting insurance if needed. As fiduciary, you are required to keep separate properly titled financial accounts on behalf of a beneficiary. The law requires a fiduciary to manage and place beneficiary funds in reasonable, safe investments, protect the funds from creditors and any loss, and provide additional protection when required by VA. (See pages 14, 15, and 16 for further information.)

Note: The general rule regarding keeping separate accounts does not apply to fiduciaries that are spouses, state/local government entities, certain health care facilities, or trust companies or banks with trust powers.

Protecting the Beneficiary's Private Information

As a fiduciary, you have a responsibility to protect the beneficiary's private information. Paper records must be secure at all times by placing reasonable restrictions on access to include storage of records in containers, cabinets, or locations that are locked and under your control. Computer systems for electronic storage of records must be reasonably designed to maintain the security of the beneficiary's information and the financial transactions you will make. This includes:

- Using unique identification and passwords for access to the computer system, wireless connection and/or other network
- Securing and controlling access to passwords
- Using up-to-date firewall and virus protection on systems with internet access
- Using internet browser security settings that appropriately transmit private information
- Installing software updates immediately upon the manufacturers release

Communication with VA

You may receive VA-generated correspondence on behalf of the beneficiary. You must respond to all requests from VA. The correspondence will describe how and when you should respond. VA may request:

- An accounting of the beneficiary's funds (See page 18 for accounting requirements.)
- Information to verify the beneficiary's eligibility for VA benefits
- Information used to confirm dependents of the beneficiary
- Information to verify school attendance for the beneficiary's dependents



Reporting Changes to VA

Changes in Beneficiary's Circumstance

As a fiduciary, you are responsible for reporting important changes in the beneficiary's circumstances to VA, such as:

- Address or phone number
- Income
- Medical condition
- Marriage
- Divorce
- Birth or adoption of a child
- Incarceration
- Felony conviction
- Hospitalization
- Death
- Changes that show the beneficiary no longer requires a fiduciary. For example, the beneficiary knows the amounts and sources of their funds, is able to pay their expenses on time, and/or saves money.

Changes in Fiduciary's Circumstance

You must also report any changes in your circumstance, such as:

- Address and phone number
- Changes that may affect your ability to perform as a fiduciary or if you decide to stop being a fiduciary. Some reasons you may stop serving as a fiduciary for a beneficiary include:
 - Illness
 - Feeling threatened by the beneficiary
 - Personal family matters
 - Felony conviction

Important Note: *You must notify VA as soon as possible when you decide you can no longer serve as fiduciary. You cannot stop being the fiduciary until you receive notice from VA about the appointment of a new fiduciary and transfer of funds to the new fiduciary.*



Communication with the Beneficiary

You must keep open and regular communication with the beneficiary about their VA benefits. You must provide your current contact information to the beneficiary. Likewise, you should make sure that you always have the beneficiary's current contact information.

You must respond to the beneficiary in a reasonable amount of time when you are contacted. The beneficiary must be able to contact you by phone, mail or email. Also, you must speak with the beneficiary on a regular basis to assess their needs.

Changes in the beneficiary's circumstances may change the beneficiary's eligibility for VA benefits. You may need to help the beneficiary complete forms and/or submit documentation that may affect their eligibility to receive VA benefits. You may also need to address any changes in the beneficiary's circumstances that at a minimum:

- May have a positive or negative affect on the amount of his/her VA benefits
- Require an adjustment in how you use VA funds
- May indicate the beneficiary is able to manage their own VA funds

Tip: Part of being a fiduciary is helping the beneficiary achieve a quality of life comparable to someone with a similar financial situation in the community. Requests made by the beneficiary may be granted without prior approval from the fiduciary hub if they are for the beneficiary's use and the beneficiary has sufficient funds to pay for the request. Remember to keep your receipts!

Rights of the Beneficiary

Beneficiaries in VA's fiduciary program have rights. These rights include, *but are not limited to*, the right to be notified when VA appoints a fiduciary and to appeal that appointment to the Board of Veterans' Appeals. The beneficiary may also request that VA replace the current fiduciary with a new fiduciary.

The beneficiary has a right to the fiduciary's name and current contact information. The beneficiary has a right to contact the fiduciary to request funds, account balance information, a copy of the fiduciary's VA-approved accounting, and other information or assistance consistent with the responsibilities of a fiduciary.

The beneficiary also has a right to request removal from the fiduciary program and receive direct payment of VA funds.



Additional VA Benefits the Beneficiary May Be Eligible For

The beneficiary's disability may prevent them from seeking information from VA or understanding information provided by VA. In order to assist the beneficiary, it is important that you have a general understanding of VA benefits. Some of the more common VA additional benefits include:

- Aid and Attendance (A&A) – Additional benefits for a Veteran or surviving spouse:
 - Who requires the aid of another person in order to perform personal functions required in everyday living; **or**
 - Who is a patient in a nursing home due to mental or physical incapacity; **or**
 - Who is blind or meets other specific visual requirements
- Housebound – Additional benefits paid for a Veteran or surviving spouse:
 - Who is confined to their immediate premises because of permanent disability, or
 - Who has one disability rated at 100 percent, plus other disability(ies) separately rated at 60 percent or more
- Dependency – Additional benefits paid to certain adult beneficiaries who have a dependent spouse, child, or parent. For example, if the beneficiary marries, the new spouse is a dependent and the beneficiary may qualify for additional benefits.

Note: Please visit www.va.gov for additional information on VA benefits.

Pre-need Burial Plans

A VA fiduciary may use a beneficiary's VA funds to make deposits into or purchase a pre-need burial plan or burial insurance if you determine that it is in the best interest of the beneficiary to have such a plan or insurance. The pre-need burial plan should be registered in the beneficiary's name and made payable to the service provider.

Death of the Beneficiary

The beneficiary is not entitled to VA benefits for the month in which they die, even if the individual dies on the last day of the month. Therefore, unless you are the beneficiary's spouse, you must return these funds immediately to VA.

Any saved VA benefits belong to the beneficiary's estate and must generally be given to the legal representative of the beneficiary's estate. You may contact the probate court or an attorney for further information.

If the beneficiary dies without a will or heirs, you must return any remaining VA funds to VA. You may contact your fiduciary hub of jurisdiction for further information. (See page 33 for contact information.)

Reminder: Please report the death of a beneficiary as soon as possible! If a beneficiary is paid for time when they are deceased an overpayment may exist that you can be liable for as fiduciary.

Frequently Asked Questions

How Can I Use the Beneficiary's VA Funds?

Your main responsibility is to manage the beneficiary's VA funds to meet the needs of the beneficiary. First, use VA funds to pay the expenses that meet the basic needs of the beneficiary and their dependents, such as rent or mortgage payments, utilities, or groceries. You must make all payments either by check or electronic bill payment from the fiduciary account. ATM withdrawals, counter withdrawals, and checks made payable to cash are not acceptable transactions.

You may use any remaining VA funds to provide the beneficiary and their dependents the best possible standard of living that VA funds will reasonably allow, such as new furniture, a new car, or a vacation.

You cannot borrow or make loans from the beneficiary's VA funds and you must not use any part of the beneficiary's VA funds for your personal use. As a fiduciary, you have been entrusted to use all VA funds for the benefit of the beneficiary and his/her dependents. If you do not meet this responsibility, you may be removed as fiduciary. VA may also investigate any misuse of the funds to determine whether you owe a debt to the Government and whether the matter should be referred for further investigation.

What Is a Retroactive VA Payment?

Approval of VA claims may take some time or VA may approve an effective date of payment prior to the actual date of receipt of a claim for benefits. This creates a retroactive payment of funds which is paid in a lump-sum.

How Can I Use a Retroactive VA Payment?

You must first use any retroactive VA funds to pay the expenses that meet the basic needs of the beneficiary and their dependents, such as rent and food. You may use any remaining retroactive VA funds to pay for better health care

or allow the beneficiary and their dependents to enjoy a standard of living like other people who have a similar amount of money.

How Do I Maintain the Beneficiary's VA Funds?

As a fiduciary, there are rules you must follow when managing the beneficiary's VA funds:

- You must keep VA funds in an account in a federally insured bank or credit union.
- You must have VA funds direct-deposited into the account.
- You must establish the account in the beneficiary's name and your name and identify the fiduciary relationship. The title of the account will show the beneficiary has ownership of, but not access to, VA funds. For example:

**(Beneficiary's Name), by (Your Name), Fiduciary or (Your Name),
Fiduciary for (Beneficiary's Name)**

Your bank or credit union can answer any questions that you may have about this requirement.

- Other acceptable fiduciary payee types on the account may include, but are not limited to: Legal Custodian, Federal Fiduciary, Guardian, Representative Payee, or Rep Payee.
- You must keep the beneficiary's VA funds in an account separate from your funds or anyone else's funds. However, the general rule about keeping a separate account does not apply to the following fiduciaries:
 - Spouses
 - State or local government entities

-
- Institutions, such as public or private medical care facilities, nursing homes, or other residential care facilities, when an accounting is not required
 - Trust company or bank (financial institution) with trust powers organized under the laws of the United States or a State, who is also the financial institution holding the funds, and is Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insured

Note: In order to keep the funds secure, do not give the account number to the beneficiary. You must also safeguard all passwords.

How May I Invest the Beneficiary's VA Funds?

An investment must be reasonable, safe, and in the best interest of the beneficiary. As fiduciary, you are only allowed to invest the beneficiary's VA funds in interest or dividend-paying accounts that are insured under Federal law or in U.S. Savings Bonds.

A properly registered savings bond can only be cashed in with written authorization from VA. U.S. Savings Bonds must be registered as follows:

(Beneficiary's Name), (Beneficiary's Social Security Number), under custodianship by designation of the Secretary of Veterans Affairs

The general rule about investment of VA funds does not apply to spouse fiduciaries.

Note: VA funds paid to the chief officer of an institution in which the beneficiary is being furnished hospital treatment or institutional, nursing, or domiciliary care may not be invested.

Tip: Wait until you receive your Fiduciary Appointment letter and use that to open a properly titled account on behalf of the beneficiary to safeguard VA funds you manage!

How Do I Protect the Beneficiary's VA Funds?

If you manage more than \$25,000 in VA funds for the beneficiary, VA will require you to guard the beneficiary's funds by purchasing and maintaining a corporate surety bond. The bond replaces the beneficiary's funds if you commit fraud or if you waste or misuse the beneficiary's funds.

Corporate Surety Bond Requirements

An individual corporate surety bond provides the most secure protection of the beneficiary's funds. A surety bond company provides insurance that protects the beneficiary's funds. As long as you are the fiduciary and continue to pay the bond premiums, the beneficiary's funds are protected up to the face value of the bond. You are authorized to deduct the cost of a surety bond from the beneficiary's VA funds. VA personnel periodically contact the bonding company to make sure the surety bond is in effect and the information is current. A surety bond must be made payable to:

The Secretary of Veterans Affairs for the use and benefit of (Beneficiary's Name).

The surety bond must include the following information:

- The amount of the bond, **and**
- The names of the fiduciary and beneficiary, **and**
- The name of the surety bond company, **and**
- Affirmation from the surety bond company that they will pay the bond

The general rule about obtaining a corporate surety bond does not apply to the following fiduciaries:

- Spouses
- A fiduciary that is a trust company or a bank with trust powers organized under the laws of the U.S. or a state
- A fiduciary in the Commonwealth of Puerto Rico, Guam, or any other territory of the U.S., or in the Republic of the Philippines, whose location precludes adequate bonding and has a restricted withdrawal agreement in lieu of a corporate surety bond

How Do I Protect VA Funds from the Claims of Creditors?

In addition to protecting the beneficiary's VA funds from misuse, you must also protect the funds from the claims of creditors.

- No one can make claims on VA funds except the Internal Revenue Service.
- A fiduciary may pay a creditor if the beneficiary has VA funds to pay the creditor, but VA funds should first go to pay for the beneficiary's basic needs.
- Consult with VA on any claim on the beneficiary's VA funds.

What Records Should I Keep?

You are responsible for keeping accurate records of the beneficiary's VA funds. You should keep detailed records of all payments. Keep the following types of records:

- Bills – Rent/Mortgage statements, utilities, cable, credit card, medical, vehicle, insurance, etc.

- Receipts – Payments made on behalf of the beneficiary and their dependents for items such as groceries, clothing, appliances, vehicle repairs, home repairs, etc.
- Financial Statements – Bank statements for the accounts into which VA funds are deposited
- VA Forms – Forms used for initial application or changes to fiduciary or beneficiary status (example VA Form 21P-4703, *Fiduciary Agreement*)
- Correspondence from VA – Fiduciary appointment documents, approved accounting forms, dependency verification notices, requested payment of debt letters, etc.

Note: You may choose to maintain the records electronically.

What is a Fund Usage Report?

All fiduciaries are required to submit a fund usage report by the hub unless they meet criteria to be an exception. This report consists of three months of all financial statements containing VA funds for each beneficiary that the fiduciary manages. It may also include any supporting documents (receipts, invoices, etc.) that show irregular purchases so VA can confirm the beneficiary's funds are being spent in his or her best interest.

Fund usage reviews occur every 2 years. For the entire period under review all financial statements must:

- Contain the beginning and ending balances, generally identified by month, quarter, or year
- show all transactions to include income, expenses, fees, transfers, etc.
- be original, photocopied, or computer-generated statements from the financial institution's website that bear the institution's internet address covering the entire accounting period with no signs of alteration.

What Is an Accounting?

You may have to submit an accounting to VA, in which you will provide details about the VA funds you manage for the beneficiary. We may require you to account for the beneficiary's VA funds at any time, so it is important for you to keep good records.

- **Accounting Definition**

An accounting is your written report about the funds you manage for the beneficiary. The accounting covers a length of time set by VA, typically one year. An accounting consists of the following:

- Beginning account balance
- Funds you manage for the beneficiary
- Expenses paid from the funds you manage for the beneficiary
- Ending account balance

- **Accounting Period**

Accounting periods are generally scheduled at regular intervals, usually every year. VA will let you know in writing about the accounting period, which is usually the anniversary date of your appointment as fiduciary for the beneficiary.

- **Accounting Due Date**

The accounting is due within 30 days after the end of the accounting period. For example, if the accounting period is from June 1, 2013 to May 31, 2014, the accounting is due no later than June 30, 2014. This allows you enough time to review receipts, prepare the accounting forms, and obtain all financial documents for the entire accounting period.

If you do not submit a timely accounting, VA may:

- Temporarily stop benefit payments
- Appoint a new fiduciary
- Investigate whether you have misused funds

If there is a misuse investigation, you may have to answer questions and provide evidence. A misuse investigation is unlikely if you submit accurate accountings on time.

- **Accounting Forms**

You must submit a complete accounting for review. A complete accounting includes the following documents:

- VA Form 21P-4706b, *VA Fiduciary's Account* (see page 23 for sample form)
- Original or unaltered copies of statements from the bank for the entire accounting period

You must sign and date VA Form 21P-4706b, *VA Fiduciary's Account*. You must also sign and date any attachments to VA Form 21P-4706b, *VA Fiduciary's Account*. Only one VA Form 21P- 4706b, *VA Fiduciary's Account*, should be completed for the entire accounting period.

Note: As fiduciary, you are the sole party authorized to complete and submit the accounting in order to ensure the protection of a beneficiary's private information.

How Do I Account for the Beneficiary's VA Funds?

- **Report Funds**

You must report all funds you manage on behalf of the beneficiary in Section 1 on VA Form 21P-4706b, *VA Fiduciary's Account*. You should not report any funds you do not manage as the beneficiary's fiduciary.

Examples of types of funds you may manage for the beneficiary include:

- VA funds
- Social Security Administration (SSA) funds
- Private retirement funds
- Military retirement pay
- Rental property funds
- Interest



- **Report Expenses**

You must report all payments made from the funds managed on behalf of the beneficiary in Section 2 of VA Form 21P-4706b. Include payments for rent, utilities, food, clothing, transportation, surety bond premiums, etc.

- **Verify Assets**

The ending balance on VA Form 21P-4706b must be the same as the balance on all bank statements as of the ending date of the accounting period (minus any outstanding transactions).

- **Accounting Assistance**

You will find an electronic version of VA Form 21P-4706b to assist you in preparing the accounting at:

<https://www.benefits.va.gov/fiduciary/references.asp>.

You may also contact your fiduciary hub of jurisdiction for personal assistance by calling toll-free at 1-888-407-0144.

OMB Control No. 2900-0017
Respondent Burden: 27 Minutes
Expiration Date: 12/31/2021

Department of Veterans Affairs				VA FIDUCIARY'S ACCOUNT			
FROM NAME AND ADDRESS OF FIDUCIARY				TO VA FIDUCIARY HUB			
NAME OF VETERAN (First-Middle-Last)				NAME OF BENEFICIARY (If not veteran)		VA FILE NUMBER	
						C-	
SECTION I - STATEMENT OF ACCOUNT							
INSTRUCTIONS: Items 1 through 7 are to be completed by the fiduciary and returned to the VA Fiduciary Hub. Show monthly amount where indicated, in addition to amount for accounting period. Attach detailed monthly financial (bank) statements for the entire accounting period to support the transactions noted on this accounting. IMPORTANT - SEE PRIVACY ACT INFORMATION ON REVERSE.						ACCOUNTING PERIOD	
						FROM	TO
IMPORTANT - The fiduciary must account for all funds received on behalf of the beneficiary as VA fiduciary, representative payee for SSA benefits, or in any other fiduciary capacity. The fiduciary must keep receipts and other documentation of expenses because VA may need to examine them during the audit of this accounting.							
1. MONEY RECEIVED				4. ASSETS AT END OF PERIOD*			
ITEM	DESCRIPTION			AMOUNT	ITEM	DESCRIPTION	
A	TOTAL ESTATE AT BEGINNING OF PERIOD			\$	A	TOTAL AMOUNT OF CHECKING ACCOUNT(S)	
B	AMOUNT RECEIVED FROM VA	NO. OF MONTHS	MONTHLY AMT.		B	TOTAL AMOUNT OF SAVINGS ACCOUNT(S)	
		NO. OF MONTHS	MONTHLY AMT.		C	TOTAL AMOUNT OF CERTIFICATE(S) OF DEPOSIT	
C	AMOUNT RECEIVED FROM SOCIAL SECURITY	NO. OF MONTHS	MONTHLY AMT.		D	TOTAL PURCHASE PRICE OF SAVINGS BONDS LISTED ON REVERSE (Complete reverse for total in this field)	
		NO. OF MONTHS	MONTHLY AMT.			(1) WERE ADDITIONAL BONDS PURCHASED DURING THIS ACCOUNTING PERIOD? ☐ YES ☐ NO	
D	INTEREST EARNED ON DEPOSITS					(2) WERE SAVINGS BONDS CASHED DURING THIS ACCOUNTING PERIOD? ☐ YES ☐ NO	
E	AMOUNT RECEIVED FROM OTHER SOURCES (List in Items 1E thru 1H)				E	OTHER (List outstanding checks or other issues that impact the total assets.)	
F							
G							
H							
I	TOTAL RECEIVED (ADD LINES 1A THRU 1H)			\$			
2. MONEY SPENT							
A	ROOM AND BOARD/RENT	NO. OF MONTHS	MONTHLY AMT.	\$			
B	CLOTHING						
C	ENTERTAINMENT						
D	PERSONAL USE	NO. OF MONTHS	MONTHLY AMT.				
E	DEPENDENT (S) SUPPORT	NO. OF MONTHS	MONTHLY AMT.				
F	FIDUCIARY FEE IF APPROVED BY VA						
G	OTHER (Specify)						
H							
I							
J							
K							
L							
M	TOTAL SPENT (ADD LINES 2A THRU 2L)			\$			
	3. TOTAL FUNDS UNDER MANAGEMENT AT END OF PERIOD (SUBTRACT 2M FROM 1I)			\$			
6. REMARKS (If needed you may attach additional sheets and key responses to item numbers.)							
* NOTE: Pursuant to my signed Fiduciary Agreement (VA Form 21P-4703), this is a complete accounting of all funds I received for the beneficiary.							
I CERTIFY THAT this is a true account of the beneficiary's estate for the period stated, to the best of my knowledge and belief.							
7. DATE		8. SUBMITTED BY (Signature and title of fiduciary) (Sign in ink)					

VA FORM 21P-4706b
DEC 2019

SUPERSEDES VA FORM 21-4706b, JUL 2016,
WHICH WILL NOT BE USED.

(Continued on Reverse)

9. BACKGROUND INFORMATION

Answer the questions below if you are an individual appointed to serve as fiduciary for the beneficiary named on the reverse side of this form. The questions pertain to your personal criminal and credit history. Failure to provide a response may impact your ability to serve as a VA fiduciary.

You are not required to respond to these questions if you are serving as VA fiduciary in one of the following capacities for the beneficiary named on the reverse:

- administrator of a facility
- company or corporation
- court-appointed fiduciary who is also appointed by VA

I certify that during this accounting period, I have not been convicted of any offense under Federal or State law, which resulted in imprisonment for more than one year. I understand the Department of Veterans Affairs may obtain my criminal background history to verify my response. Initial the box below to certify and acknowledge this information.

☐

I certify that during this accounting period, I did not default on a debt, was not the subject of collection action by a creditor and did not file bankruptcy. To the best of my knowledge, no adverse credit information was reported to a credit bureau because I was unable to meet my personal financial obligations. I understand the Department of Veterans Affairs may obtain my credit history report to verify my response. Initial the box below to certify and acknowledge this information.

☐
10. EXPLANATION OF BACKGROUND INFORMATION (If necessary)

LINE NO.	SERIAL NUMBER	DATE OF PURCHASE	PURCHASE PRICE	LINE NO.	SERIAL NUMBER	DATE OF PURCHASE	PURCHASE PRICE
1.				6.			
2.				7.			
3.				8.			
4.				9.			
5.				10.			

SECTION II - CERTIFICATION OF U.S. SAVINGS BONDS

I CERTIFY THAT the savings bonds listed above are the property of the estate of the beneficiary and are in my custody and control.

SIGNATURE OF FIDUCIARY (Sign in ink)

DATE

PRIVACY ACT INFORMATION: The VA will not disclose information on the form to any source other than what has been authorized under the Privacy Act of 1974 or Title 5, Code of Federal Regulations 1.526 for routine uses (i.e. request from Congressman on behalf of a beneficiary) as identified in the VA system of records, 37VA27, VA Supervised Fiduciary/Beneficiary and General Investigative Records, published in the Federal Register. You are required to respond (38 U.S.C. 5701) to obtain or retain benefits. The information will be used to ensure the proper administration of the beneficiary's income and estate. Failure to furnish the requested information may result in the suspension of payments and/or the appointment of a successor fiduciary.

RESPONDENT BURDEN: We need this information to ensure proper administration of the beneficiary's estate. Title 38, United States Code allows us to ask for this information. We estimate that you will need an average of 27 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at <https://reginfo.gov/public/do/PRAMain>.

How Do I Complete VA Form 21P-4706b, *VA Fiduciary's Account*?

- **From** – Enter your name and complete address.
- **To** – Enter the address of the fiduciary hub. It is on the letter you received from VA advising you of the need for an accounting.
- **Name of Veteran** – Enter the full name of the Veteran.
- **Name of Beneficiary** – Enter the full name of the beneficiary, if the person entitled to VA funds is someone other than the Veteran.
- **VA File Number** – Enter the claim number or Social Security Number of the Veteran. You can find the number required in the top, right-hand corner on letters you receive from VA.
- **Accounting Period “From”** – The accounting period should be on the notification letter you received from VA.
- **Accounting Period “To”** – The accounting period should be on the notification letter you received from VA.

1. MONEY RECEIVED

- A. Total Estate at Beginning of Period – Enter \$0, if this is the first accounting. If this is not your first accounting, enter the amount noted as the ending balance on your previous accounting.
- B. Amount Received from VA – Enter the number of months and the monthly amount of VA funds you managed on behalf of the beneficiary during the accounting period. Also, enter the amount of any retroactive VA funds received during the accounting period. If the monthly amounts varied more than twice, you may enter additional amounts received from VA in lines 1E thru 1H. Additional space is also available in block 6, or you may attach additional sheets to the accounting. You must sign and date all sheets you attach to the accounting.

- C. Amount Received from Social Security – Enter the number of months and the monthly amount of the SSA funds you managed on behalf of the beneficiary during the accounting period. Only enter these funds if the SSA recognizes you as the representative payee on behalf of the beneficiary.
- D. Interest Earned on Deposits – Enter the amount of interest received during the entire accounting period for funds deposited in a bank.
- E-H. Amount Received from Other Sources (List Items in 1E thru 1H) – Enter the amount of funds from other sources you managed on behalf of the beneficiary during the accounting period. Only enter these funds if you are recognized as the fiduciary on behalf of the beneficiary for this other source of funds.
- I. Total Received (Add Lines 1A thru 1H) – Enter the total of lines 1A thru 1H to include any funds listed on additional sheets. This is the total amount of funds you managed on behalf of the beneficiary during the accounting period as fiduciary. Compare this fund information to the bank statements to ensure all funds were properly reported on VA Form 21P-4706b.

2. MONEY SPENT

- A. Room and Board/Rent – Enter the number of months and the monthly amount paid for room and board, rent, or mortgage payments on behalf of the beneficiary during the accounting period. Enter the total amount of funds paid for this expense.
- B. Clothing – Enter the amount of money paid for the beneficiary's clothing and shoes.
- C. Entertainment – Enter the amount of money paid for the beneficiary's entertainment.

- D. Personal Use – Enter the number of months and monthly amount paid for the beneficiary’s personal use. Enter the total amount of funds paid for this expense.
- E. Dependent(s) Support – Enter the number of months and monthly amount paid for the support of any dependent(s) of the beneficiary. Enter the total amount of funds paid for this expense.
- F. Fiduciary Fee if Approved by VA – This is not applicable for most fiduciaries.
- G-L. Other (Specify) – Identify and enter amounts paid for other expenses such as utilities, eating out/groceries, insurance, etc., in lines 2G thru 2L.
- M. Total Spent (Add lines 2A thru 2L) – Enter the total of lines 2A thru 2L to include any expenses listed on additional sheets. This is the total amount of expenses you paid from the funds you managed on behalf of the beneficiary. Compare this expense information to the bank statements to ensure all expenses were properly reported on VA Form 21-4706b.

3. TOTAL ESTATE AT END OF PERIOD – Subtract 2M from 1I.

4. ASSETS AT END OF PERIOD

- A. Total Amount of Checking Account(s) – Enter the total amount of funds from all sources of funds you manage for the beneficiary that is in the beneficiary’s checking account(s) as of the ending date of the accounting period.
- B. Total Amount of Savings Account(s) – Enter the total amount of funds from all sources of funds you manage for the beneficiary that is currently in the beneficiary’s savings account(s) as of the ending date of the accounting period.
- C. Total Amount of Certificate(s) of Deposit – Enter the total amount of Certificates of Deposit (CDs).

D. Total Purchase Price of Savings Bonds Listed on Reverse (complete reverse for total in this field) – Enter the total price paid for all U.S. Savings Bonds from the beneficiary’s sources of funds.

D(1). Check the block marked “yes” if you purchased additional U.S. Savings Bonds on behalf of the beneficiary during the accounting period. Check the block marked “no” if you did not purchase additional U.S. Savings Bonds on behalf of the beneficiary during the accounting period. You must send a copy of all U.S. Savings Bonds to VA.

D(2). Were Savings Bonds Cashed during the Accounting Period? – Check the block marked “yes” if you cashed in one or more U.S. Savings Bonds on behalf of the beneficiary during the accounting period. Check the block marked “no” if you did not cash in any U.S. Savings Bonds on behalf of the beneficiary during the accounting period.

E. Other (Specify) – Enter the total value of other assets not previously reported on the forms, such as Certificates of Deposit and Money Market accounts.

5. TOTAL ASSETS (Must equal item 3)

If these two lines are not equal, you must find and fix the error. Re-calculate the amounts reported on the accounting and/or review bank statements, receipts, and ledgers to fix the error.

6. REMARKS

Self-explanatory

7. DATE

Enter the date you completed VA Form 21P-4706b.

8. SUBMITTED BY (Signature and title of fiduciary)

You must sign VA Form 21P-4706b after completing the accounting form and list your title.

9. BACKGROUND INFORMATION

You must answer the questions in Section 9 if you are an individual appointed to serve as fiduciary. The questions pertain to your personal criminal and credit history. Failure to provide a response may impact your ability to serve as a VA fiduciary. You are not required to complete Section 9 if you are either an administrator of a facility, company, or corporation, or a court-appointed fiduciary.

Reminder: Credit and background issues do not automatically prevent you from serving as a VA Fiduciary. Please contact the Fiduciary Hub or VA representative if you have questions about possible credit or background issues.

How to submit an accounting?

1. To electronically submit an accounting, register to the [Fiduciary Accountings Submission Tool \(FAST\)](#)
2. To submit an accounting by mail:
See the [Fiduciary Program Contact](#) on the last page of this document.

How to submit a fund usage report?

1. To electronically submit an accounting, register to the [Fiduciary Accountings Submission Tool \(FAST\)](#)
2. To submit a fund usage report by mail:

Submit complete financial statement(s) covering the three-month period prior to the date of the **Fund Usage Report** notification letter.

Financial statements must

- be unaltered, photocopied or, computer-generated bank statements from all financial institutions containing VA funds that you manage,
- include the institution's internet address, if it is computer generated, and
- include detailed account transactions for the three-month period.

You must also submit copies of:

- cancelled checks, and
- receipts or invoices for large purchases that do not occur on a regular basis.

See the [Fiduciary Program Contact](#) on the last page of this document.



Common VA Forms

You may be required to review or submit forms for the beneficiary. VA will send you the forms, or you may download them from VA's website (<http://www.va.gov/vaforms/>). Some of the more common forms you may review and/or submit include:

- VA Form 21-674, *Request for Approval of School Attendance*: Use to report information to VA to determine entitlement to benefits for a Veteran's child who is between age 18 and 23 and attending school.
- VA Form 21-686c, *Application Request to Add and/or Remove Dependents*: Use to determine marital status and eligibility for an additional allowance for dependents.
- VA Form 28-8890, *Important Information About Vocational Rehabilitation Benefits*: Provides general information about the Vocational Rehabilitation Program that provides services and assistance to certain Veterans with disabilities to get and keep a job or to achieve maximum independence in their daily living activities.
- VA Form 28-1900, *Application for Vocational Rehabilitation for Claimants with Service-Connected Disabilities*: Use to apply for or receive information and assistance about Vocational Rehabilitation for Service-Disabled Veterans.
- VA Form 21-8940, *Veteran's Application for Increased Compensation Based on Unemployability*: Use to apply for increased benefits based on a claim that the Veteran's service-connected disability has prevented the Veteran from securing or retaining a substantially gainful occupation.

Contact Information

- VA toll free number: 1-800-827-1000
- VA website: <https://www.va.gov/>
- VA fiduciary program toll free number: 1-888-407-0144
- VA fiduciary website: <https://www.benefits.va.gov/fiduciary/index.asp>
- Civilian Health and Medical Program (CHAMPVA): 1-800-733-8387
- Defense Finance and Accounting Service (DFAS): 1-888-332-7411
- Education: 1-888-442-4551
- Headstones and Markers: 1-800-697-6947
- Health Care: 1-877-222-8387
- Home Loans: 1-877-827-3702
- Homeless Veterans: 1-877-222-8387
- Life Insurance: 1-800-669-8477
- Military Retired Pay: 1-800-321-1080
- Pension Management Center: 1-877-294-6380
- Social Security Administration: 1-800-772-1213
- Communications for the Deaf: (TDD) 1-800-829-4833

Important Note: If you suspect abuse or financial exploitation of a beneficiary, and/or misuse of a beneficiary's VA benefits, please contact VA immediately. You may also call 1-800-677-1116 or visit <https://eldercare.acl.gov> for further information and assistance.

Glossary

Bond Premium – A periodic payment made for the corporate surety bond protecting the funds under management.

Corporate Surety Bond – An agreement whereby a bonding company becomes financially liable if the fiduciary does not fulfill his/her responsibilities.

Fiduciary Account – An account maintained in a bank by a fiduciary for the management of the beneficiary's VA funds.

Individual Unemployability – Establishes entitlement to compensation as if 100-percent disabled based on the Veteran being unable to secure or retain gainful employment by reason of service-connected disabilities. Certain rating requirements apply.

Pre-need Burial Arrangements – A contract for advanced payment for burial expenses for an individual, also known as prepaid burial.

Retroactive Benefits – Lump-sum payment of benefits that accumulated prior to VA's decision on a claim.

Savings Bonds – A certificate of debt issued by a government (municipal, state, or county) guaranteeing payment of the original investment plus interest at a specified future date.

Specially Adapted Housing – A VA grant to build or specifically adapt an existing home to accommodate a Veteran's service-connected disabilities.

VA benefit funds under management – The total value of all accounts the fiduciary manages for the beneficiary to include interest and dividends.

Withdrawal Agreement – A three-party contract between VA, the fiduciary, and a bank. All parties agree that VA funds deposited to a restricted account will not be withdrawn without written consent of VA.

Notes

Fiduciary Program Contact

Mail:

Fiduciary Intake Center
P.O. Box 95211
Lakeland, FL 33804-5211

Fax:

888-581-6826

Email:

- **Columbia Fiduciary Hub:** FIDHUB.VBACMS@va.gov
(Option 1): FL, GA, NC, SC
- **Indianapolis Fiduciary Hub:** IND.FIDHUB@va.gov
(Option 2): CT, DE, IN, MA, MD, ME, MI, NH, NJ, NY, OH, PA, RI, VT
- **Lincoln Fiduciary Hub:** FIDINQUIRY.VBALIN@va.gov
(Option 3): KS, ND, NE, OK, SD, TX
- **Louisville Fiduciary Hub:** FIDHUB.VBALOU@va.gov
(Option 4): AL, KY, MS, PR, TN, VA, WV
- **Milwaukee Fiduciary Hub:** FIDHUB.VBAMIW@va.gov
(Option 5): AR, IA, IL, LA, MN, MO, WI
- **Salt Lake City Fiduciary Hub:** VBAWA.HUB@va.gov
(Option 6): AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Visit us online at www.benefits.va.gov/fiduciary.

U.S. Department of Veterans Affairs
Veterans Benefits Administration

VA PAM 21PF-13-1

1-800-827-1000