

TRUSTEE FINAL REPORT (TFR) CHECKLIST

1	<p>Check Form 1.</p> <p><i>Ensure all assets have been listed and fully administered by comparing the Form 1 to the Schedules and Statement of Financial Affairs, any amendments and relevant court orders.</i></p> <ul style="list-style-type: none"> ▪ Check that Form 1, asset descriptions in Column 1 and asset values in Column 2, match the assets and values on the debtor’s original schedules; ▪ Check that unscheduled assets have been properly recorded on Form 1 (unscheduled assets also include assets added on amended Schedule A/B and possibly SOFA); ▪ If formal abandonments are filed with the Court, “OA” should be entered in Column 4 on Form 1; ▪ Check that the proper amount collected for each asset appears in Column 5 of Form 1; ▪ Check that all assets have been fully administered and are noted with “FA” on Form 1, Column 6; ▪ Make sure to include notes in “Major Activities Affecting Case Closing” for assets that appear to have value but were not administered; and ▪ Note: if the case is substantively consolidated with another case, you may want to contact your TFR reviewer at the UST office for guidance on the proper preparation of Forms 1 & 2.
2	<p>Check Form 2.</p> <ul style="list-style-type: none"> ▪ Check that all receipts and disbursements are properly recorded (date, reference number, payer, description, amount); ▪ Check that any constructive disbursements made on a transaction are properly recorded to show the net deposit in the deposits column and the breakdown of the transaction in the description column with the proper UTCs (this generally happens with the sale of property when certain items are paid at closing and the trustee receives the net check to deposit into the estate account); ▪ Check that funds returned to the estate are properly recorded to offset the funds with the original transaction using the same UTC and recording the “deposit” as a negative disbursement (this generally happens with the sale of property when certain items - water/sewer escrow, taxes – are paid at closing and then the amount or a portion of the amount paid at closing is returned to the estate); ▪ Check that any funds received from a prior trustee to the successor trustee are properly recorded to show the disbursement on the prior trustee’s Form 2 with UTC 1290-002 and to record the deposit on the successor trustee’s Form 2 with UTC 1290-000 (Do NOT use UTC 9999 for these transactions); ▪ Check that any non-estate funds are properly recorded to show the deposit in the deposits column and the breakdown of the transaction in the description column with the estate portion of the funds coded with the proper UTC(s) and the non-estate portion of the funds coded with either 1180-000 or 1280-000, as appropriate, (this generally happens with tax refunds); the corresponding disbursement to the third-party will be coded with UTC 8500-002; ▪ Check disbursements (amount paid consistent with order/invoice, payee and amount on checks match Form 2, endorsement matches payee); ▪ Check the accuracy of Uniform Transaction Codes (UTCs); and ▪ Note: if there is an unusual transaction (e.g. escrow funds held on property sale, earnest money from unsuccessful bidders, funds advanced to estate by trustee), you may want to contact your TFR reviewer at the UST office for guidance to properly record the transaction(s).
3	<p>Review professional appointments and fees/expenses:</p> <ul style="list-style-type: none"> ▪ Check that all professionals have been appointed by Court order; ▪ Check that all funds collected by the professional on behalf of the trustee have been turned over and deposited into the estate account; ▪ Check that all professional fees and expenses that the trustee has paid or is proposing to pay have been accounted for and approved by the Court (final fee app filed, authorized by Court order, amount paid matches order); and ▪ Check that the trustee compensation and expenses are properly calculated under § 326 and reasonable under § 330, (Note: verify that any surplus funds, funds paid to third parties and exemptions appear on the appropriate line of Exhibit A for the computation of compensation). ▪ <i>Note: When requesting less than the maximum compensation, the application for compensation should calculate the actual maximum compensation on the “Maximum Compensation (11 U.S.C. § 326)” line. The “Compensation Requested” line should reflect the reduced compensation. The “Balance Due” line should reflect the compensation requested less any interim compensation payments paid.</i>

4	<p>General Review.</p> <ul style="list-style-type: none"> ▪ Check PACER to make sure the case is still open with the Court (e.g. NDR filed in error, Court erroneously closed case; ▪ Review surplus funds worksheet, wage claim worksheet, and interim distribution calculations for accuracy, if any; ▪ Review adversaries, motions, applications, compromises, agreements, settlements, interim distributions, abandonments, etc. filed; verify properly noticed; orders entered; and Forms 1 & 2 consistent with terms; ▪ Check that all sales have been properly noticed and reports of sale filed, including sales back to the debtor(s); ▪ Check that exemptions were properly objected to and properly administered; ▪ Check that all Clerks fees have been paid (adversaries, reopen fees); ▪ Check that any IFP filing fee waiver has been paid by the estate; and ▪ Check any filing fee installment payment orders and ensure that the filing fee is paid in full by the debtor or through the proposed distribution in the TFR.
5	<ul style="list-style-type: none"> ▪ Review of claims and proposed distribution. ▪ Check that the claims bar date (90 days) in the Chapter 7 was set and passed, regardless if a claims bar date was set/passed in a case converted from chapter 13 AND make sure that the governmental claims bar date (180 days) has passed; ▪ Verify all claims have been accounted for by comparing the court claims register to the creditors listed on Exhibit D of the TFR; ▪ Make sure the claims have been properly treated in accordance with the proof of claim, order or stipulation/agreement; ▪ Verify the distribution is proper and in accordance with the Bankruptcy Code (correct application of §§ 507, 724 & 726, correct pro-rata distribution, timely filed claims all paid before untimely filed claims, interest paid when appropriate); ▪ Check that claims filed in the prior chapter 13 are included as timely filed claims in the chapter 7; ▪ If claims filed in the prior chapter 13 have received distribution(s), make sure the claim amount has been reduced to account for the payments received during the chapter 13; ▪ Review claims for duplicates, fines/penalties, filed in correct case, claim not for post-petition debt, or late filed; ▪ Check that all claims objections are resolved; and ▪ On the proposed distribution, make sure that interim disbursements on claims and administrative expenses reflect the total amounts paid to date.
6	<p>Cases converted from Chapter 11 to Chapter 7:</p> <ul style="list-style-type: none"> ▪ Verify assets reported in the Chapter 11 final report and schedule of post-petition debts required by FRBP 1019(5), are listed on Form 1, if filed; ▪ Verify any assets listed on post-conversion schedules are accounted for on Form 1, if any; ▪ Verify the assets remaining to be liquidated in the case are listed on Form 1, including any funds on hand at the time of conversion; ▪ Verify a Chapter 11 administrative claims bar date was set and has passed; ▪ Check that the proof of claims bar date (90 days) in the Chapter 7 was set and passed, regardless if a claims bar date was set/passed in a case converted from chapter 11 AND make sure that the governmental claims bar date (180 days) has passed; ▪ Verify Chapter 11 admin. Claims allowed per Court Order, amounts checked and retainer deducted, if any; ▪ Verify that any claims filed in the prior chapter 11 are included as timely filed claims in the Chapter 7; and ▪ If UST was owed any quarterly fees when case converted and if a Proof of Claim was filed; pay claim along with chapter 7 admin expenses.

<p>7</p>	<p>Check the TFR and NFR.</p> <p><i>Check the “total receipts” is accurate by comparing the following five totals, which should be equal:</i></p> <ul style="list-style-type: none"> ▪ TFR , paragraph 4, “The trustee realized the gross receipts of” amount; ▪ App for Comp, Exhibit A, “Total Proceeds of Estate”; ▪ NFR, “The Final Report shows receipts of” amount; ▪ Form 1, column 5, “Sale/Funds Received by the Estate”, total; and ▪ Form 2, Total of All Accounts, “Total Gross Receipts”, (Note: this total may not match if (1) trustee collected non-estate funds, in which case, you would need to subtract the non-estate funds from the Form 2 “Net Deposits” to get the matching Form 1 Column 5 Total or (2) if there are constructive disbursements, in which case, you would need to add the total constructive disbursements to the Form 2 “Net Deposits” to get the matching Form 1 Column 5 Total). <p><i>Check the “balance on hand” is accurate by comparing the following four totals, which should be equal:</i></p> <ul style="list-style-type: none"> ▪ TFR , paragraph 4, “Leaving a balance on hand of” amount; ▪ Form 2, column 7, “Checking Account Balance”, Account Totals; ▪ NFR, “Balance on hand” amount; and ▪ The final balance on the most recent bank statement. <p><i>Review the NFR and Exhibit D of the TFR for consistency and confirm that all funds have been accounted for and the remaining balance of funds is zero on both documents.</i></p>
<p>8</p>	<p>Check that the TFR submitted to the UST is complete.</p> <p><i>Electronic data-enabled forms and attachments:</i></p> <ul style="list-style-type: none"> ▪ Trustee’s Final Report (2 pages with /s/ signature for Trustee); ▪ Exhibit A: Individual Estate Property Record (Form 1); ▪ Exhibit B: Cash Receipts and Disbursements Record (Form 2); ▪ Exhibit C: Claims Review Analysis; ▪ Exhibit D: Proposed Distribution Report; ▪ Notice of Trustee’s Final Report and Applications for Compensation (NFR), including the Summary of TFR and App for Comp (both with /s/ signature for Trustee); ▪ Trustee’s Application for Compensation and Reimbursement of Expenses (one page with /s/ signature for Trustee) with Exhibit A: calculation of compensation and expenses; ▪ Proposed Order Approving Application for Compensation and Reimbursement of Expenses; ▪ If surplus funds, a proposed distribution worksheet outlining the exact amount of interest, how the interest was calculated and total distribution to each claim; ▪ If wage claims, a proposed distribution worksheet outlining payroll taxes and net amount to wage claimant; and ▪ Other documents requested by UST attached. <p><i>Hardcopy attachments in cases over \$25,000:</i></p> <ul style="list-style-type: none"> ▪ All original bank statements and cancelled checks since inception of the case (the scanned cancelled checks provided by the banks with the bank statements are sufficient) for bank statements NOT available electronically.
<p>9</p>	<p>Ensure the TFR and its Exhibits are properly prepared for public filing by redacting any and all personally identifiable information (e.g. full social security numbers, full taxpayer identification numbers, birth dates, names of minor children and full financial account numbers).</p>

<p>NOTES:</p>
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