

**CHECKLIST ON CASE CLOSING FOR SUBMISSION OF TRUSTEE FINAL REPORT
(TFR) BY CHAPTER 7 TRUSTEES TO THE U.S. TRUSTEE**
Effective 10/5/18

Trustee Final Report (TFR)

- Under #4 of the TFR, verify receipts include gross proceeds from sales and auctions, not just net proceeds. Gross receipts should also match Form 1 column 5.
- Under #4 of the TFR, verify to include disbursements made at closing or expenses netted out by the auctioneer.
- Verify the balance under #4 of the TFR matches the Form 2 balance on hand and bank balance.
- Total disbursements should equal the itemized list of disbursements.
- Break out payments and proposed payments for all professional compensation and expenses, secured creditors, priority creditors, and payments to the debtors in the itemized list.
- Review the creditor class information within the language subsequent to the itemization to ensure that these numbers agree with unpaid claim totals for each class.
- Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object (NFR), should match above amounts.

The UST will review the bank statements through the bank statement portal connected to your trustee software. Do not send bank statements with the TFR unless you do NOT participate in the bank statement portal:

- Mail original bank statements and cancelled checks to UST reviewer at time TFR is submitted to TFR mailbox for all cases with gross receipts of \$25,000 or greater.
- OR
- Scan and attach the most recent bank statement which reflects a balance matching the TFR for all cases with gross receipts under \$25,000 to the TFR email submission.

Claims Review

- Review each claim and all attachments. Handbook for Chapter 7 Trustees, page 4-26.
- Review all secured tax claims for lien dates and proper perfection. Handbook for Chapter 7 Trustees, page 4-7
- Watch for duplicate claims. Review account numbers on credit card claims.
- Make sure all claims are timely filed claims. If not, ensure they are coded correctly.

- All claims must be considered. If the claim is for an inappropriate class, object. If such claim is allowable under another class, then the objection should state that fact.
- Make sure the Claims Bar Date was set and passed. Handbook for Chapter 7 Trustees, page 4-7.

Trustee Compensation

- Do not include refund to Debtor (s), refunds of disbursements previously paid, or exemption payments in the calculation of trustee compensation. Verify that clerical time and overhead are not included in trustee expenses. Handbook for Chapter 7 Trustees, page 4-23.
- Do not include bounced or returned checks, or transfers between estate accounts.
- Watch old rate and new rate cutoff date (October 22, 1994). Older cases have different § 326 compensation formula.
- Make sure interim compensation, if any, was paid pursuant to court order and is included when verifying that total compensation does not exceed limits per § 326(a). Handbook for Chapter 7 Trustees, page 4-23.
- Verify that trustee compensation and expenses on Exhibit 2 of the trustee's fee application matches the amount reported on the TFR.

Proposed Distribution

- In converted chapter 11 cases, carefully review claims for the date the liability was incurred in order to determine chapter 11 administrative status or prepetition unsecured status. Also watch for professional fees and other administrative expense claims which were approved, but unpaid either during the chapter 11 or subsequent to conversion.
- Verify converted chapter 11 cases POC filed by UST for unpaid UST fees is included as administrative claim.
- Funds proposed for distribution must equal funds available to be disbursed, per the bank statement and Form 2 balance on hand.
- Carefully review the breakdown of tax claims.
- All payments to professionals must have supporting orders from the court. Handbook for Chapter 7 Trustees, page 4-24.
- Watch limits on all professionals (including auctioneers and realtors) as specified in their orders for appointment.
- Calculate withholding taxes on wage claims. Handbook for Chapter 7 Trustees, page 4-9.

Overall

- Does a tax return need to be filed? Are there taxes owed? Verify with a tax preparation professional prior to TFR submission.
- Completely review the final report before sending it in. Do not assume that the computer has printed off the pages correctly.
- Submit a current copy of Forms 1 and 2 along with the TFR. Form 1 should include all assets on original and amended schedules. Handbook under Forms and Instructions.
- Submit all original bank statements and check images when the TFR is submitted to TFR email box (see TFR section above).
- Was a Report of Sale filed? Include all auctioneer's reports and closing statements unless attached to the filed Report of Sale.
- Where appropriate, include supporting documentation for expenses.
- Make sure to sign and date forms submitted. Retain original signature documents in trustee files.
- Submit the surplus funds worksheet for review when there are surplus funds after proposed distribution to creditors.
- When wage claims are paid, submit a wage claim worksheet for review.
- If the original TFR was withdrawn for needed corrections that were not timely submitted to the TFR reviewer, the new TFR should be captioned as corrected, not as "amended".

TFR Submission Instructions

Submit the email containing the TFR, NFR, Trustee's fee application, and any other required documentation such as debtor refund calculation (surplus worksheet), report of sale, wage claim worksheet, etc. to the U.S. Trustee TFR Mailbox address:

USTPRegion07.TFR@UST.DOJ.GOV

The subject line of all TFR submission emails must be properly styled as follows:

Full-case-number Debtor TFR TrusteeLastName

Example: 411-17-10001 ABC TFR Trustee