

RESOURCES

STOCKS, BONDS, SECURITIES

Verification:

The existence of stocks, bonds and securities is verified by seeing the actual stock certificate, bond, note or brokerage statement. If not available, the local district contacts the stockbroker or local bank for verification.

The preferred method for verifying the value of stocks is contact with the A/R's stockbroker. The closing price on the date of application or recertification for over-the-counter stocks may also be verified by consulting the following day's financial or local newspaper. The closing price represents the current market value for stock and the bid price or current market price represents the current market value for a bond. The A/R's statement that a stock is worthless can also be supported by a stockbroker's statement that there is no market for that stock.

When determining the current market value of a mutual fund or bond, other than U.S. Savings Bonds, follow the same procedures as for stock.

To establish the value of a U.S. Savings Bond, the date of issue on the face of the bond and the type of savings bond (EE, HH, etc), are the controlling factors. The value depends on the time elapsed from the date of issue. Although some U.S. Savings Bonds have a table of values on the reverse side, this table is often inaccurate since the interest rate may have changed since the bond was issued. Contact a bank for verification of the current value.

If, after local district examination of a promissory note, it cannot be determined whether it is negotiable or not, a bank is able to resolve the question. If the note is not negotiable, it is not a resource. If negotiable, it is a resource in the amount of the outstanding principal balance.

Documentation:

Sufficient to establish an audit trail:

- (a) Name of the corporation, stock certificate number, issue date, current market value, name of stock broker or newspaper (including date) from which the value was obtained and the number of shares the A/R owns;

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- (b) Type of bond, issuer, owner, date of issue, date of maturity, current market value, date and name of verifying official;
- (c) Name of person signing promissory note, amount of debt, negotiability, name and address of verifying bank.