Best Practices in Unclaimed Property Reporting

Presented by Sara Withrow West Virginia State Treasurer's Office



Report. Search. Claim.
wvtreasury.com

Identifying the Liability



- Chart of Accounts
- Organization Chart
- Departmental Work Documents
- Listing of Disbursement Accounts
- Questionnaire



Stages of the UP Lifecycle



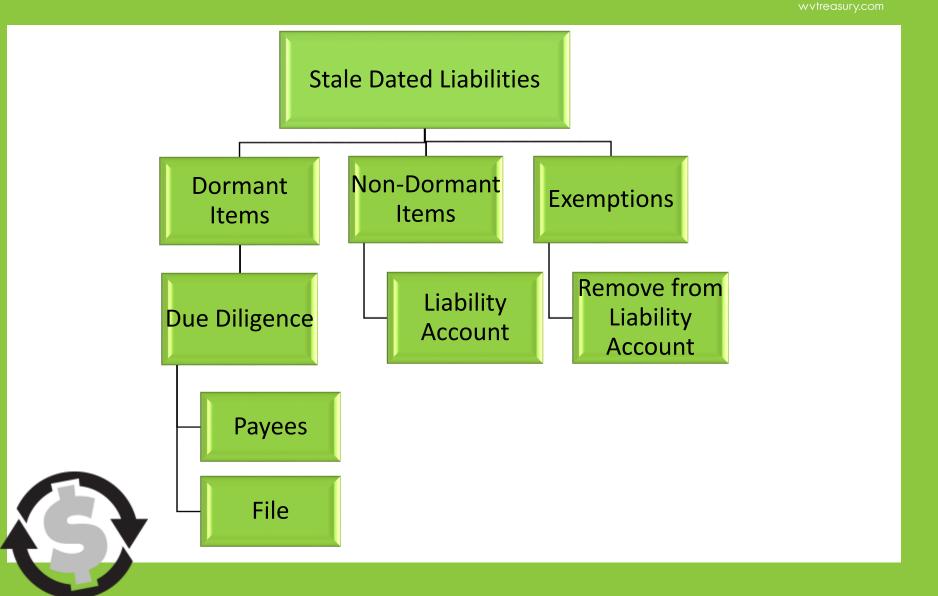
- Data Collection
- Consolidation & Analysis
- Due Diligence
- Reporting
- Reconciliations & Adjustments





Unclaimed Property Lifecycle





How a State Agency Check Becomes Reportable



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Payroll Check Implemented

Debit – Payroll Expense

Credit – A/P Payroll Liability

Check Goes Stale

- Debit –Cash
- Credit Suspense Liability

Remitted As UP

- Debit –
 Unclaimed
 Liability
 Acct.
- Credit Cash











Payroll Check Issued

Debit – A/P Payroll Liability Credit - Cash

Identified As UP

- Debit Suspense Liability
- Credit –
 Unclaimed
 Property Liability



Identifying the Basics



- Where to Report Property
- When to Report Property
- Due Diligence Requirements
- Property Type
- Dormancy Periods
- Relationship Codes





Where Do I Report?



- Identify reporting schedules by Holder Type
- Bank, Corporate Life Insurance, Non-Life Insurance, Utility
- Identify states where Holder must file an unclaimed property report
- Create a matrix by State & Holder
- Identify filing period i.e. 7/1 6/30



Due Diligence



What is Due Diligence?

Due Diligence is the process of a holder attempting to contact the true owner of dormant property to give them a last opportunity to claim the property from the holder before it is turned over to a State Unclaimed Property Administration.





Due Diligence



Why Perform Due Diligence?

- Due Diligence is <u>mandated</u> by state law
- Good customer relations
- Smart business practice





Performing Due Diligence in WV



WV UP Act 36-8-7 (e) Holder must:

- Send written notice to apparent owner
- Not less than 60 days or more than 120 days before filing the report
- Value of Property is over \$50.00
- Address of owner does not appear to be inaccurate



Property Types



- What are the choices?
- Why are they important?
- Where can I find them?
- Which one do I use?





http://www.wvsto.com/dept/UP/Documents/UPBooklet.pdf

Owner and Property Details



Receiving "Good Data" in both the "Owner Information" and "Property Description" fields of the record:

- Increases the likelihood of locating claimants property
- Significantly eases and expedites the claims process



Owner and Property Details



<u>Report. Search. Clai</u>m

Provide all Required Information

- <u>Full</u> name and last known address (if known) for all owners
- Social security number or Tax ID
- Date of birth
- Date of Death
- Last transaction date
- Email (if available)
 - Drivers License (if available)

Dormancy Periods



- Determine dormancy periods for relevant property types
- Add dormancy periods to Property Type Matrix
- Change in dormancy and effect on reporting





Dormancy Charges



When can a fee be imposed based on inactivity?

- Valid and enforceable written contract
- Not regularly reversed or cancelled
- Limited to amount that is not unconscionable



Relationship Codes



- What are the choices?
- Why are they important?
- Where can I find them?





http://www.wvsto.com/dept/UP/Documents/UPBooklet.pdf

Common Reporting Errors

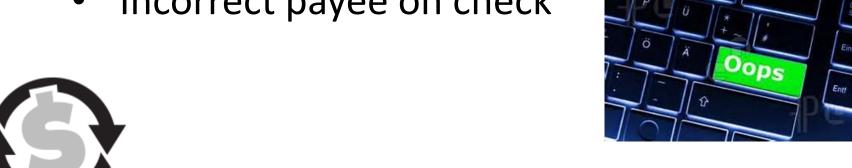


- Report & Remittance do not balance
- Inconsistent or missing information
- Incorrect Property Type Code
- Incorrect Relationship Type Code
- Property reported before appropriate dormancy period is met
- Unable to open password protected file

Reporting Errors Cont'd



- Missing date of last activity
- No second owner or beneficiary reported
- No interest rate given on interest bearing accounts
- Reports with no WV owners
- Incorrect payee on check



Negative Reports



- Are they required?
- Submission format





Extensions – Why & When?



Why?

- Ensure Compliance
- Establishes "good faith"
- Reduces audit risk

When?

Within 30 days of reporting deadline



Reasons to Request an Extension



- Technology changes or updates
- Change in Personnel
- Transfer Agent change
- Reporting Agent change
- Merger or Acquisition





Filing the Extension



Report. Search. Claim.

				Form UP-	-8-12			
	l - Holder Info	rmation						
Holder						FEN		
Street Addres						Reporting Month & Year		
City		State		Zip Code		Contact Phone Number		
	ent (ff applicable)					Contact e-mail		
Contact Perso			Title			Contact Fax Number		
Section 2	2 - Request In	formation						
30 Day	-	90 Days	Other					
		ed to the original filling due d		I/May I for Life Insuran	ce Companies.)			
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					=			
	Trans	fer Agent Change			ш	Personnel Changes		
	Reorg	anization/Merger				Other		
Please Ex	plain:							
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What is a Holder Reimbursement?



Return (recovery) of monies to the holder after the annual Unclaimed Property Report has been filed

and

the money as been received by the state





When should a Holder Reimbursement Form be Submitted?



- Item previously paid out
- Item reported in error
- Item paid out after report was filed





Filing the Holder Claim



Report. Search. Claim.

State of West Virginia

Holder Claim Form

Please complete each section.	
lolder	Owner
Vame	Name_
Address	Address
(City) (State) (Zip)	(City) (State) (Zip)
Phone Number	Social Security Number
Report DateSheet Number	
Property Description	Please mail form to: Office of State Treasurer
	Unclaimed Property Division
	Post Office Box 4228Charleston, WV 25364
Property Type	If you have questions:
f interest bearing or security related please complete	Phone Number (800) 642-8687
W-9 form.	N
Amount	Please allow approximately 60 to 90 days for your claim to be processed
	Note: if the person signing is not the holder contact please send
Claim is hereby filed for unclaimed property haccordance with the Uniform Unclaimed Property of County of (individual sworm under penalty of perjury hereby behalf of the holder named above (the paid the property described above the payment, and that the Holder is therefor Virginia Code '36-8-10. Representative Signature	Note: if the person signing is not the holder contact please send in a photo id. eld by the Treasurer of the State of West Virginia in erry Act, WV Code § 36-8-1, et seq. nal representing the business), first being duly affirm that I am authorized to make this claim on "Holder"). I further certify that the Holder has the person reasonably appearing to be entitled to ree entitled to reimbursement as provided in West
Claim is hereby filed for unclaimed property haccordance with the Uniform Unclaimed Property in County of	Note: if the person signing is not the holder contact please send in a photo id. eld by the Treasurer of the State of West Virginia in entry Act, WV Code § 36-8-1, et seq. tal representing the business), first being duly affirm that I am authorized to make this claim on "Holder". In further certify that the Holder has the person reasonably appearing to be entitled to re-entitled to reimbursement as provided in West day of My
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Claim is hereby filed for unclaimed property haccordance with the Uniform Unclaimed Property behalf of the holder named above (the paid the property described above to the payment, and that the Holder is therefor Virginia Code '36-8-10. Representative Signature Subscribed and sworn to before me thiscommission expires	Note: if the person signing is not the holder contact please send in a photo id. eld by the Treasurer of the State of West Virginia in erry Act, WV Code § 36-8-1, et seq. nal representing the business), first being duly affirm that I am authorized to make this claim on "Holder"). I further certify that the Holder has the person reasonably appearing to be entitled to ree entitled to reimbursement as provided in West



Are We Holding YOUR Money?



 Create an Eclaim by going to the WVSTO Website:

http://www.wvsto.com/UnclaimedProperty/Search-Claim

OR

Submit a Claim Form



Initiating a Claim

Office of the State Treasurer John D. Perdue, State Treasurer Unclaimed Property Division 800-642-8687 or 304-558-2937

Claimant's Individual - First & Last Name OR Business

Claim Form and Instructions

Claimant's Mailing Address

					- 1					
a Clai	mant's Street Add	dress			3 Cit	у		State	e	Zip
Clai	mant's Phone No	. & Email Addre	ess - if applica	able	5 Cl	aimant's Soci	al Security	# OR B	usiness F	EIN
	s yours the listed NO, Print the Liste		or NO	(check one)	-	the Owner De f Yes what is Open, Clos Open print t	the status sed, or Nev	of the e ver Ope	estate? ned (circl	•
e follo	wing must be inc	cluded with thi	is form: (We r	may require a	ddition	al information	on ANY c	laim sub	omitted)	
TOP	Under penalty o attachments is tr	y questions file of perjury, each one and complete	ling this clain of the undersig of that, to the be	n, please fol gned claimant est of his/her l	agrees mowled	to the follow ge, he/she has	ing: that all a legal or e	the info	ormation o interest in	on this form and
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Have Questions or Need Help?





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Receipts Manager

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