

Best Practices in Unclaimed Property Reporting

Presented by Sara Withrow
West Virginia State Treasurer's Office

**UNCLAIMED
PROPERTY**



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Identifying the Liability

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

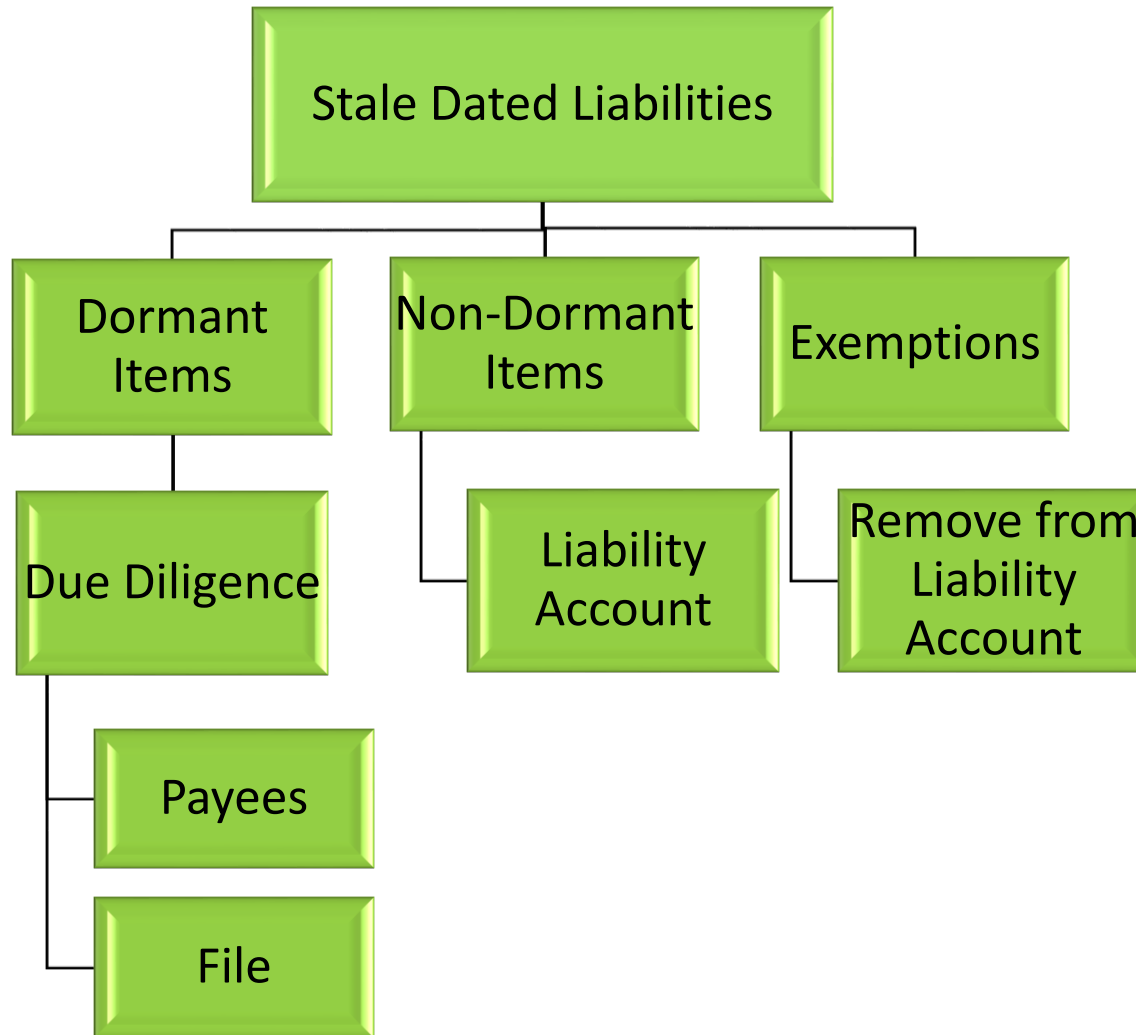


Stages of the UP Lifecycle

- 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 **mandated** 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



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

Provide all Required Information

- Full 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>



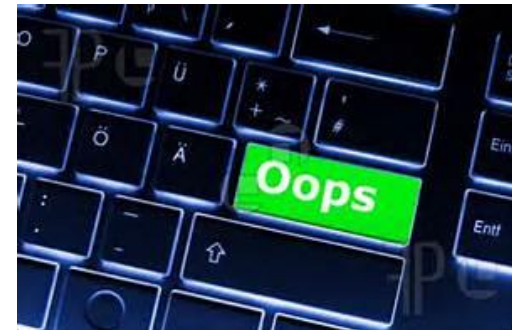
Common Reporting Errors

- 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

**West Virginia State Treasurer - Unclaimed Property
Holder Reporting Extension Request
Form UP-8-12**

| Section 1 - Holder Information | | | |
|---------------------------------|-------|------------------------|----------------------|
| Holder | | FEIN | |
| Street Address | | Reporting Month & Year | |
| City | State | Zip Code | Contact Phone Number |
| Reporting Agent (if applicable) | | | Contact e-mail |
| Contact Person | Title | Contact Fax Number | |

| Section 2 - Request Information | | | |
|--|--|----------------------------------|--------------------------------|
| Extension Period Requested | | | |
| <input type="checkbox"/> 30 Days | <input type="checkbox"/> 60 Days | <input type="checkbox"/> 90 Days | <input type="checkbox"/> Other |
| <small>This extension period will be added to the original filing due date (November 1/May 1 for Life Insurance Companies)</small> | | | |
| We are applying for an extension based on the reason(s) below. Please check as appropriate and provide a brief explanation. | | | |
| <input type="checkbox"/> System Problems | <input type="checkbox"/> New System | | |
| <input type="checkbox"/> Transfer Agent Change | <input type="checkbox"/> Personnel Changes | | |
| <input type="checkbox"/> Reorganization/Merger | <input type="checkbox"/> Other _____ | | |
| Please Explain: _____ | | | |
| Signature | | Title or Agent Relationship | |
| Print Name | | Date | |

Instructions

Required Information:

- Complete Section 1 entirely. Please provide an explanation of why the extension is being requested under Section 2. This extension is automatic for the term checked in Section 2, up to 90 days.
- Submit this form to the State Treasurer's Office, Unclaimed Property Division, at least 30 days prior to the original filing due date.
Mail to:
Office of the State Treasurer
Unclaimed Property Division
One Player's Club Drive
Charleston, WV 25311
Fax to: 304-340-1502 Phone: 1-800-642-6687
- All reports, including negatives, are required to be submitted online when filing an extension.
<https://apps.wvsto.com/EHolder/>
- If you have any questions regarding this form please contact Sara Withrow at 304 340-1574 or by e-mail at sara.withrow@wvsto.com

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What is a Holder Reimbursement?

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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

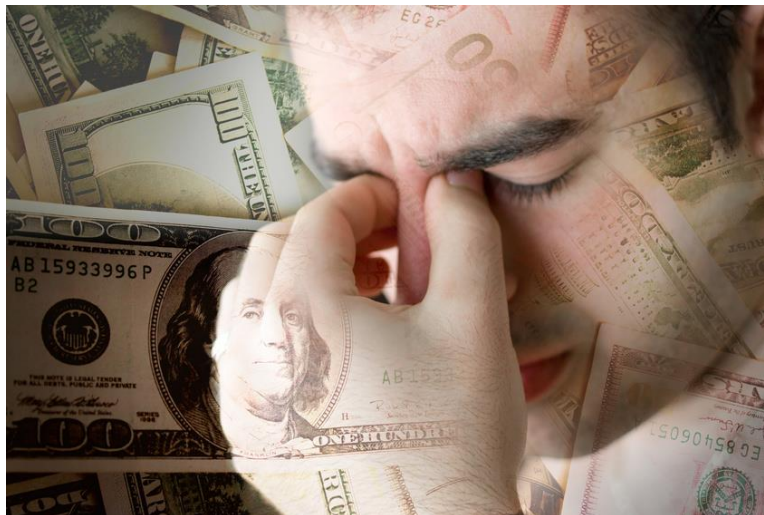


When should a Holder Reimbursement Form be Submitted?

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



Filing the Holder Claim

State of West Virginia
John D. Perdue, Treasurer

Holder Claim Form Claim and Affidavit for Recovery of Property

| | |
|---|--|
| Please complete each section. | |
| Holder | Owner |
| Name _____ | Name _____ |
| Address _____ | Address _____ |
| (City) _____ (State) _____ (Zip) _____ | (City) _____ (State) _____ (Zip) _____ |
| Phone Number _____ | Social Security Number _____ |
| Report Date _____ Sheet 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: Phone Number (800) 642-8687 |
| If interest bearing or security related please complete a W-9 form. | Please allow approximately 60 to 90 days for your claim to be processed. |
| Amount _____ | Note: if the person signing is not the holder contact please send in a photo id. |

Claim is hereby filed for unclaimed property held by the Treasurer of the State of West Virginia in accordance with the Uniform Unclaimed Property Act, WV Code § 36-8-1, et seq.

State of _____
County of _____

I, _____ (individual representing the business), first being duly sworn under penalty of perjury hereby affirm that I am authorized to make this claim on behalf of the holder named above (the "Holder"). I further certify that the Holder has paid the property described above to the person reasonably appearing to be entitled to payment, and that the Holder is therefore entitled to reimbursement as provided in West Virginia Code '36-8-10.

Representative Signature _____

Subscribed and sworn to before me this _____ day of _____ My commission expires _____.

Notary Public Signature _____

Notary
Stamp



Are We Holding YOUR Money?

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- Create an Eclaim by going to the WVSTO Website:

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

OR

- Submit a Claim Form



Have Questions or Need Help?

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