

Essentials of Reporting & Compliance

Presented by Sara Withrow
West Virginia State Treasurer's Office

**UNCLAIMED
PROPERTY**

Report. Search. Claim.
wvtreasury.com

What is Unclaimed Property?

Common Types of Unclaimed Property

- Accounts Payable Checks
- Credit Balances
- Expense Checks
- Miscellaneous Outstanding Checks



What is Unclaimed Property?

Common Types of Unclaimed Property

- Payments for Goods or Services
- Payroll/Wages
- Refund Checks
- Vendor Checks



What is Unclaimed Property?

Specialty Types of Unclaimed Property

1. Magistrate Clerks Offices

- Court Ordered Refunds/Restitution
- Bonds

2. Nursing Homes

- Funds Held in Fiduciary Capacity

3. Municipalities, PSD's & Utility Providers

- Utility Deposits
- Utility Refunds



Identifying the Liability

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

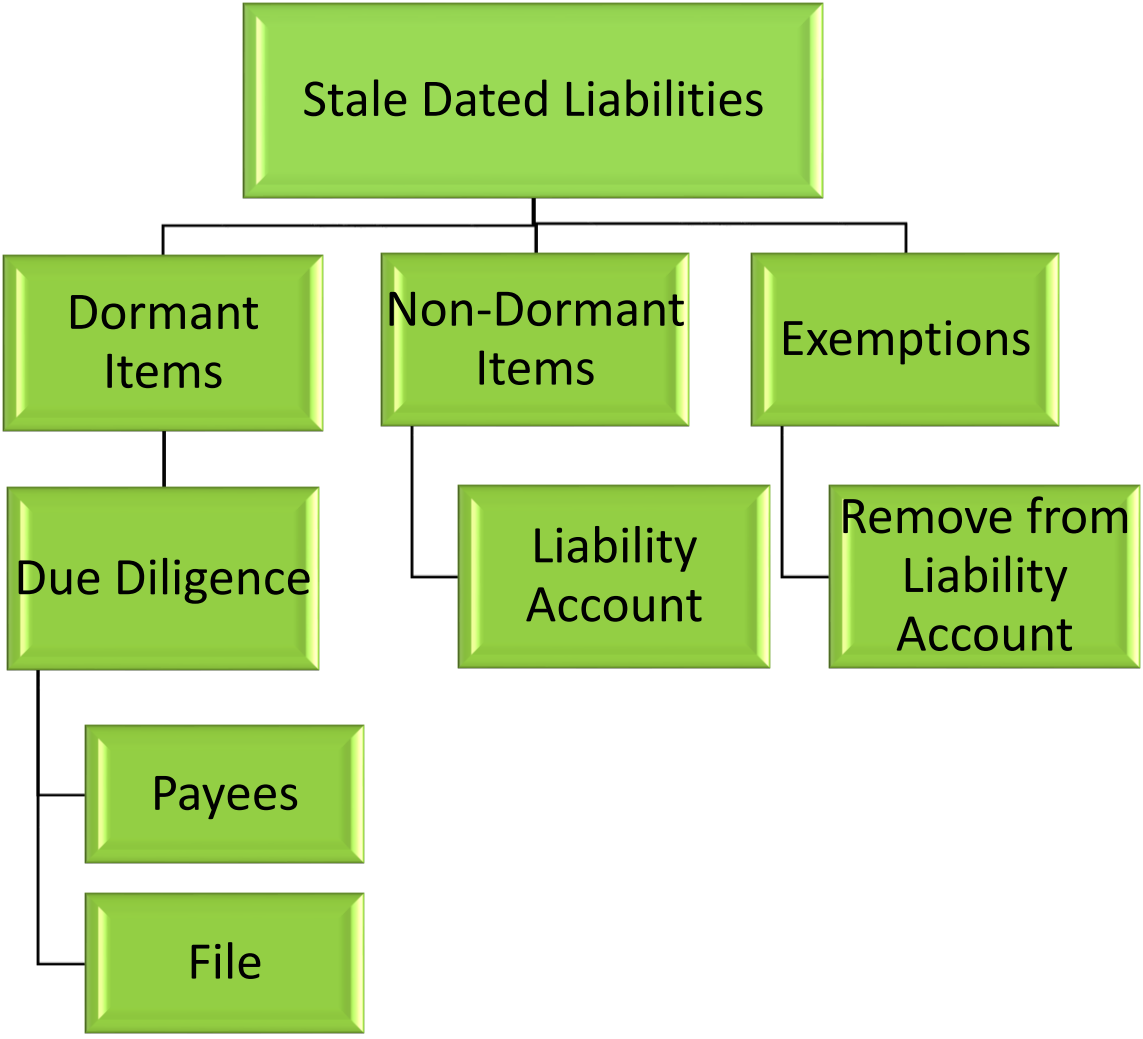


Stages of the UP Lifecycle

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



Unclaimed Property Lifecycle



How a Payroll Check Becomes Reportable

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
- Reporting Dates
- Due Diligence Requirements
- Property Type
- Dormancy Periods
- Relationship Codes



Where Do I Report?

Rules of Jurisdiction as defined by Texas v. New Jersey

- Property is reportable to state of owner's last known address
- State is entitled to keep the property if the owner's last known address is in that state
- If no address of record – to the state of incorporation



Reciprocal Risks

- Not all States participate
- Does not release holder liability
- Exposure to Penalties & Interest
- Prolonged time for claimant to locate property



When Do I Report?

Due Date Nov 1st
Filing Period 7/1 – 6/30



John D. Perdue, Treasurer



Due Diligence

What is it?

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.



Time is
money.



Why Perform Due Diligence?

Due Diligence is mandated by state law

- W. Va. Code 36-8-7
- W. Va. Legislative Rule 112-5-6

Good customer relations

Smart business practice

Penalties for failing to perform due diligence



Due Diligence Requirements

- 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



What Is Considered Contact?

Activities that Prevent Abandonment

- Written Communication
- Phone Contact
- Electronic Contact



What Is NOT Considered Contact?

- Recurring, automatic electronic transactions
- Statements or notices mailed to the customer **not returned** as undeliverable (RPO)
- Service Charges applied to the Account
- Unrelated Payments



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)



Property Types

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

WV Property Type Codes

CODE	PROPERTY*	YEARS
BANKS & FINANCIAL INSTITUTIONS		
001	Bank Cash	1
002	Bank Checking Account	1
003	Bank Savings Account	1
004	Bank Money Market Account	1
005	Bank Certificate of Deposit	1
006	Bank IRA	1
007	Bank 401(k)	1
008	Bank Other Retirement Account	1
009	Bank Other Financial Account	1
010	Bank Other Financial Account	1
011	Bank Other Financial Account	1
012	Bank Other Financial Account	1
013	Bank Other Financial Account	1
014	Bank Other Financial Account	1
015	Bank Other Financial Account	1
016	Bank Other Financial Account	1
017	Bank Other Financial Account	1
018	Bank Other Financial Account	1
019	Bank Other Financial Account	1
020	Bank Other Financial Account	1
COLLEGE SAVINGS ACCOUNTS		
021	College Savings Account	1
022	College Savings Account	1
COURTS & GOVERNMENT ENTITIES		
023	Court Judgment	1
024	Government Entity	1
025	Government Entity	1
026	Government Entity	1
027	Government Entity	1
028	Government Entity	1
029	Government Entity	1
030	Government Entity	1
DUPLICATE COPIES		
031	Duplicate Copy	1
HEALTH SAVINGS ACCOUNTS		
032	Health Savings Account	1
033	Health Savings Account	1
INVESTMENTS		
034	Investment Account	1
035	Investment Account	1
036	Investment Account	1
037	Investment Account	1
038	Investment Account	1
039	Investment Account	1
040	Investment Account	1
041	Investment Account	1
042	Investment Account	1
043	Investment Account	1
044	Investment Account	1
045	Investment Account	1
046	Investment Account	1
047	Investment Account	1
048	Investment Account	1
049	Investment Account	1
050	Investment Account	1
IRAS, 401(K)s, 403(b)s, 457(s), 529(s) AND 528(s) PLANS		
051	IRA	1
052	IRA	1
053	IRA	1
054	IRA	1
055	IRA	1
056	IRA	1
057	IRA	1
058	IRA	1
059	IRA	1
060	IRA	1
061	IRA	1
062	IRA	1
063	IRA	1
064	IRA	1
065	IRA	1
066	IRA	1
067	IRA	1
068	IRA	1
069	IRA	1
070	IRA	1
071	IRA	1
072	IRA	1
073	IRA	1
074	IRA	1
075	IRA	1
076	IRA	1
077	IRA	1
078	IRA	1
079	IRA	1
080	IRA	1
REAL ESTATE		
081	Real Estate	1
082	Real Estate	1
083	Real Estate	1
084	Real Estate	1
085	Real Estate	1
086	Real Estate	1
087	Real Estate	1
088	Real Estate	1
089	Real Estate	1
090	Real Estate	1
091	Real Estate	1
092	Real Estate	1
093	Real Estate	1
094	Real Estate	1
095	Real Estate	1
096	Real Estate	1
097	Real Estate	1
098	Real Estate	1
099	Real Estate	1
100	Real Estate	1
RETIROUNTS		
101	Retirement Account	1
102	Retirement Account	1
103	Retirement Account	1
104	Retirement Account	1
105	Retirement Account	1
106	Retirement Account	1
107	Retirement Account	1
108	Retirement Account	1
109	Retirement Account	1
110	Retirement Account	1
111	Retirement Account	1
112	Retirement Account	1
113	Retirement Account	1
114	Retirement Account	1
115	Retirement Account	1
116	Retirement Account	1
117	Retirement Account	1
118	Retirement Account	1
119	Retirement Account	1
120	Retirement Account	1
SECURITIES		
121	Securities	1
122	Securities	1
123	Securities	1
124	Securities	1
125	Securities	1
126	Securities	1
127	Securities	1
128	Securities	1
129	Securities	1
130	Securities	1
UNEMPLOYMENT COMPENSATION		
131	Unemployment Compensation	1
WARRANTS, PROBATE AND ESTATE ASSETS		
132	Warrant	1
133	Warrant	1
134	Warrant	1
135	Warrant	1
136	Warrant	1
137	Warrant	1
138	Warrant	1
139	Warrant	1
140	Warrant	1
141	Warrant	1
142	Warrant	1
143	Warrant	1
144	Warrant	1
145	Warrant	1
146	Warrant	1
147	Warrant	1
148	Warrant	1
149	Warrant	1
150	Warrant	1
MISCELLANEOUS CHECKS AND OTHER PERSONAL PROPERTY		
151	Miscellaneous Check	1
152	Miscellaneous Check	1
153	Miscellaneous Check	1
154	Miscellaneous Check	1
155	Miscellaneous Check	1
156	Miscellaneous Check	1
157	Miscellaneous Check	1
158	Miscellaneous Check	1
159	Miscellaneous Check	1
160	Miscellaneous Check	1

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



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>



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

Revised 4/30/2014



Negative Reports

- Are they required?
- Submission format



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?

UNCLAIMED
PROPERTY

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



Filing the Claim

State of West Virginia
John D. Perdue, Treasurer

Holder Claim Form Claim and Affidavit for Recovery of Property

Please complete each section.	
<p><u>Holder</u></p> <p>Name _____</p> <p>Address _____ _____ (City) (State) (Zip)</p> <p>Phone Number _____</p> <p>FEDN or SSN _____</p> <p>Report Date _____ Sheet Number _____</p> <p>Property Description _____ _____</p> <p>Property Type _____</p> <p>Amount _____</p>	<p><u>Owner</u></p> <p>Name _____</p> <p>Address _____ _____ (City) (State) (Zip)</p> <p>Social Security Number _____</p> <hr/> <p>Please mail form to:</p> <p>Office of State Treasurer Unclaimed Property Division Post Office Box 4228 Charleston, WV 25364</p> <p>If you have questions: Phone Number (800) 642-8687</p> <p>Please allow approximately 60 to 90 days for your claim to be processed</p>

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.

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 WV Code §§ 36-8-1.

Representative Signature _____

State of _____
County of _____

Subscribed and sworn before me this _____ (date)

by _____ (name of person acknowledged)

My commission expires _____

Notary Public

Notary
Stamp



Have Questions or Need Help?

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