

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

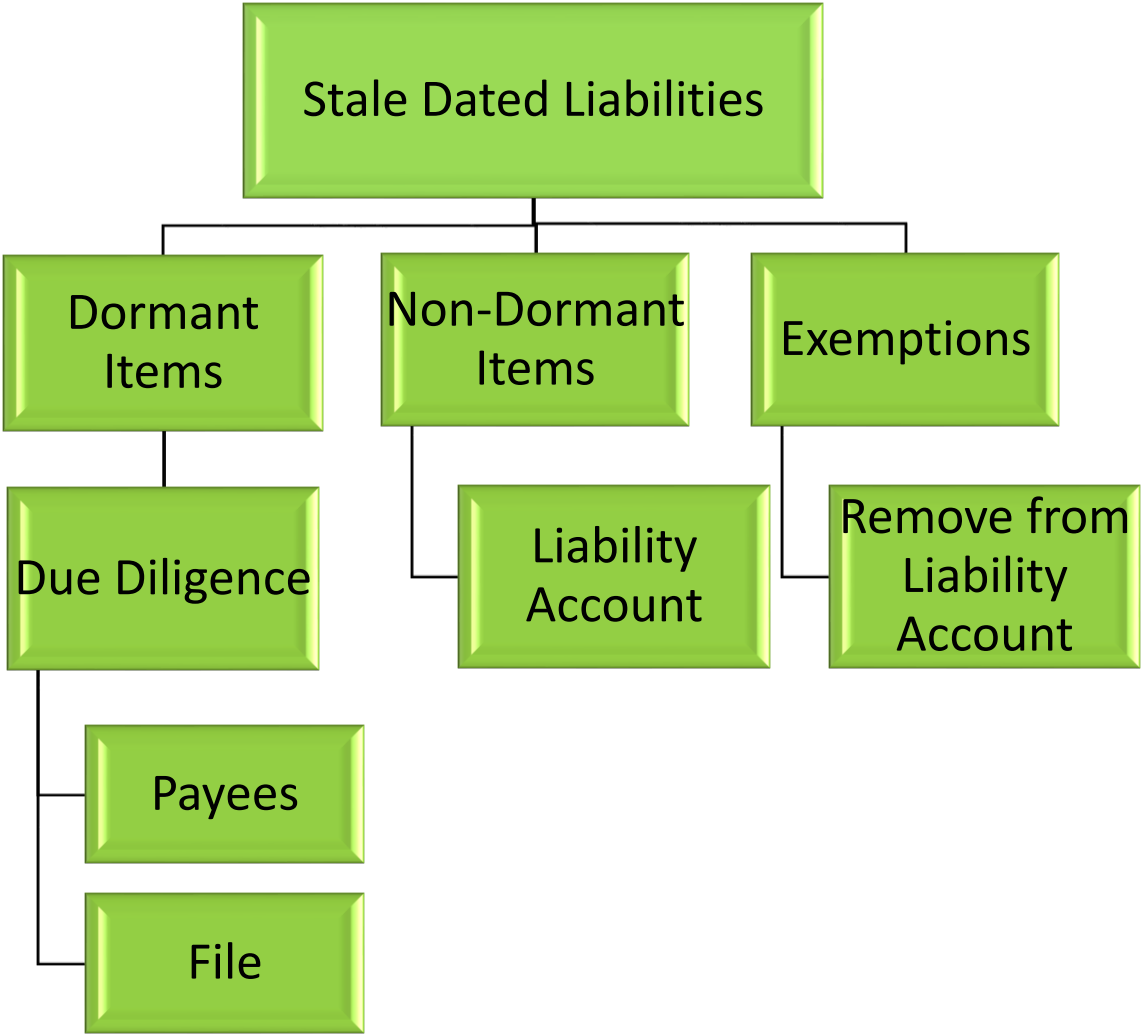


Stages of the UP Lifecycle

- 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
SALES & FINANCIAL INSTITUTIONS		
001	SALES OF REAL ESTATE	2
002	SALES OF PERSONAL PROPERTY	2
003	SALES OF REAL ESTATE	2
004	SALES OF PERSONAL PROPERTY	2
005	SALES OF REAL ESTATE	2
006	SALES OF PERSONAL PROPERTY	2
007	SALES OF REAL ESTATE	2
008	SALES OF PERSONAL PROPERTY	2
009	SALES OF REAL ESTATE	2
010	SALES OF PERSONAL PROPERTY	2
011	SALES OF REAL ESTATE	2
012	SALES OF PERSONAL PROPERTY	2
013	SALES OF REAL ESTATE	2
014	SALES OF PERSONAL PROPERTY	2
015	SALES OF REAL ESTATE	2
016	SALES OF PERSONAL PROPERTY	2
017	SALES OF REAL ESTATE	2
018	SALES OF PERSONAL PROPERTY	2
019	SALES OF REAL ESTATE	2
020	SALES OF PERSONAL PROPERTY	2
COLLEGE SAVING ACCOUNTS		
021	COLLEGE SAVING ACCOUNTS	2
022	COLLEGE SAVING ACCOUNTS	2
COURTS & GOVERNMENT OFFICES		
023	COURTS & GOVERNMENT OFFICES	2
024	COURTS & GOVERNMENT OFFICES	2
025	COURTS & GOVERNMENT OFFICES	2
026	COURTS & GOVERNMENT OFFICES	2
027	COURTS & GOVERNMENT OFFICES	2
028	COURTS & GOVERNMENT OFFICES	2
029	COURTS & GOVERNMENT OFFICES	2
030	COURTS & GOVERNMENT OFFICES	2
031	COURTS & GOVERNMENT OFFICES	2
032	COURTS & GOVERNMENT OFFICES	2
033	COURTS & GOVERNMENT OFFICES	2
034	COURTS & GOVERNMENT OFFICES	2
035	COURTS & GOVERNMENT OFFICES	2
036	COURTS & GOVERNMENT OFFICES	2
037	COURTS & GOVERNMENT OFFICES	2
038	COURTS & GOVERNMENT OFFICES	2
039	COURTS & GOVERNMENT OFFICES	2
040	COURTS & GOVERNMENT OFFICES	2
QUALIFICATION		
041	QUALIFICATION	2
042	QUALIFICATION	2
HEALTH SAVING ACCOUNTS		
043	HEALTH SAVING ACCOUNTS	2
044	HEALTH SAVING ACCOUNTS	2
INVESTMENTS		
045	INVESTMENTS	2
046	INVESTMENTS	2
047	INVESTMENTS	2
048	INVESTMENTS	2
049	INVESTMENTS	2
050	INVESTMENTS	2
051	INVESTMENTS	2
052	INVESTMENTS	2
053	INVESTMENTS	2
054	INVESTMENTS	2
055	INVESTMENTS	2
056	INVESTMENTS	2
057	INVESTMENTS	2
058	INVESTMENTS	2
059	INVESTMENTS	2
060	INVESTMENTS	2
IRAS, 529 PLANS, 527(b)(29) PLANS AND SIMPLE IRAS		
061	IRAS, 529 PLANS, 527(b)(29) PLANS AND SIMPLE IRAS	2
062	IRAS, 529 PLANS, 527(b)(29) PLANS AND SIMPLE IRAS	2
RETIREMENTS		
063	RETIREMENTS	2
064	RETIREMENTS	2
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066	RETIREMENTS	2
067	RETIREMENTS	2
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070	RETIREMENTS	2
071	RETIREMENTS	2
072	RETIREMENTS	2
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075	RETIREMENTS	2
076	RETIREMENTS	2
077	RETIREMENTS	2
078	RETIREMENTS	2
079	RETIREMENTS	2
080	RETIREMENTS	2
LAW ENFORCEMENT		
081	LAW ENFORCEMENT	2
082	LAW ENFORCEMENT	2
MARITAL PROCEEDS AND MARITAL ASSETS		
083	MARITAL PROCEEDS AND MARITAL ASSETS	2
084	MARITAL PROCEEDS AND MARITAL ASSETS	2
085	MARITAL PROCEEDS AND MARITAL ASSETS	2
086	MARITAL PROCEEDS AND MARITAL ASSETS	2
087	MARITAL PROCEEDS AND MARITAL ASSETS	2
088	MARITAL PROCEEDS AND MARITAL ASSETS	2
089	MARITAL PROCEEDS AND MARITAL ASSETS	2
090	MARITAL PROCEEDS AND MARITAL ASSETS	2
MISCELLANEOUS CHECKS AND MISCELLANEOUS PERSONAL PROPERTY		
091	MISCELLANEOUS CHECKS AND MISCELLANEOUS PERSONAL PROPERTY	2
092	MISCELLANEOUS CHECKS AND MISCELLANEOUS PERSONAL PROPERTY	2
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099	MISCELLANEOUS CHECKS AND MISCELLANEOUS PERSONAL PROPERTY	2
100	MISCELLANEOUS CHECKS AND MISCELLANEOUS PERSONAL PROPERTY	2

<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>Holder</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>Owner</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>
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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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