VERMONT UNCLAIMED PROPERTY REPORTING MANUAL

State of Vermont
The State Treasurer's Office
Unclaimed Property Division

Vermont State Treasurer's Office
Unclaimed Property Division

Unclaimed Property Reporting Manual

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Vermont State Treasurer's Office
Unclaimed Property Reporting Manual

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GLOSSARY

COMMON UNCLAIMED PROPERTY TERMS

Activity: action taken on property by the owner, including making a deposit or withdrawal, or a written memorandum to the holder. It does not include automatic transfers, payments, or charges.

Aggregate: a group of related property type items reported as a single line item. The owner names and addresses are not required to be included with the report if the property is valued at $25 or less and reported as an aggregate.

Claimant: a person believing he or she is legally entitled to unclaimed property. The claimant is not necessarily the original owner of the property. A claimant could be an heir, or someone who has a legal right to claim the property on the owner's behalf.

Custodian: an individual or an entity that holds property for the benefit and care of the rightful owner until the property can be delivered to the rightful owner. The Vermont State Treasurer acts as a custodian until the rightful owners come forward and claim the property.

Cut-off date: the date prescribed in the Unclaimed Property Law for the determination of what items of property have met their dormancy thresholds.

Domicile: the state of incorporation of a corporation or the state of the principal place of business of an unincorporated person.

Dormancy Period: the time period during which an owner of property does not take any action on his or her property.

Due Diligence: the degree of effort a holder must use to find the rightful owner of unclaimed property before delivering the property to the state.

Escheat: a transfer of property that makes the state the legal owner. The state does not take permanent possession, but acts as custodian of the property in perpetuity on behalf of the rightful owner.

Holder: a person obligated to hold for the account of, or deliver or pay to, the owner property that is subject to this chapter.

Incidental Property: 10 or fewer properties, totaling $1,000 or less.

Indemnification: an agreement that protects a party from loss by transferring the responsibilities to a third party.

Intangible Property: property that represents or is negotiable to cash. Items such as a stock certificate that represent ownership interest in a company, or a savings bond that represents an obligation to pay a certain amount. Both are convertible to cash and represent cash values.

Last Known Address: a description of the location of the apparent owner sufficient for the purpose of the delivery of mail.

Lawful Charges: charges imposed by a holder against property in the holder's possession that are specifically authorized either by statutes, other than the state's unclaimed property law, or by a valid, enforceable contract.

National Association of Unclaimed Property Administrators (NAUPA): the national membership organization of state unclaimed property administrators.

Owner: the person having legal or equitable claim to the unclaimed property. (See "person".)

Person: any individual, business association, government or public subdivision, public corporation or authority, estate, trust, two or more persons having a join or common interest; or any other legal or commercial entity.

Reciprocity: an agreement of understanding between states whereby each state agrees to exchange information and collect unclaimed property for others.

Report: the forms or documents filed by the holder with the state, listing items of escheated property and applicable owner information as required by the state's Unclaimed Property Statutes.

Tangible Personal Property: personal property presented by itself. Content of a safety deposit box, i.e. coins, jewelry, personal papers.

Unclaimed Property: tangible or intangible property unpaid or undelivered to the rightful owner for the time period specified by law.

Underlying shares: duplicate shares of stock, which have been issued by a business association, banking or financial organization. The original certificate for these shares is in the possession of the shareholders, who have failed to either cash the dividends checks or correspond with the issuing corporation.

GENERAL OVERVIEW

The Vermont Unclaimed Property Law requires that entities, holding unclaimed property, report such property to the Unclaimed Property Division of the Vermont State Treasurer's Office. Banks, insurance companies and corporations are among the many entities the State of Vermont requires to report such property. The law requires organizations to review their records annually and transfer accounts that have reached specified dormancy thresholds to the State Treasurer, who serves as a custodian of the funds until the rightful owners claim them.

To access the full text of the law via Internet, go to: http://www.leg.state.vt.us/statutes/statutes2.htm. After accessing this site, select Title 27 – Property, Chapter 14 – Unclaimed Property, and the topic of interest (27 V.S.A. §§ 1241 – 1270).

The Vermont Unclaimed Property Law does not apply to land, real estate or any tangible property with the exception of the content of the safe deposit boxes, held by the banks.

The Unclaimed Property Reporting Manual might not provide all the information you need to complete your reporting responsibilities properly. If you cannot find an answer to your question, please contact our office and we would be glad to assist you. Our intent here is to familiarize reporters of unclaimed funds with general reporting requirements, procedures, and present options available for preparing an accurate and timely report. The issues this manual addresses are of interest to all reporting organizations. They include:

- Important General Information
- Review Of The Reporting Requirements And Process
- Reporting Process, Explanation Of The Various Types Of Reports, Format Options, Delivery and Payment, Important Considerations, and Holder Reimbursement
- Overview of the Voluntary Compliance Program
- Reference Tables and Contact Information
- Important Dates
- Forms

GENERAL REPORTING INFORMATION

As a reporter of unclaimed property, holders play an integral role by supplying Unclaimed Property Division with the proper account detail in the prescribed format.

We review each report for accuracy and, on approval, add the reported detail to our database of unclaimed property owners. Using this database - we process and pay claims against reported property. Maintaining the integrity of our data is very important to the proper and timely payment of claims. Adhering to the reporting requirements is critical to the process.

Holder Types
Include, but not limited to:

I. Banking and financial organizations, including:
- State and Federal Banks;
- Trust Companies;
- Savings Banks;
- Savings and Loan Associations;
- Credit Unions and Investment Companies.

II. Business associations wherever located, domiciled or incorporated, such as:
- Corporations;
- Joint Stock Companies;
- Partnerships;
- Business Trusts;
- Cooperatives;
- Insurance Companies

III. Utilities owned or operated for public use, including:
- Communications;
- Electricity;
- Gas;
- Water;
- Steam;
- Solid Waste Collection.

IV. Other Legal Entities including:
- State, County, and City Governments;
- Public Corporations;
- Nonprofit Organizations;
- Estates;
- Trust or other legal or commercial entities.

Property Type Codes and Property Description

Unclaimed property is intangible personal assets and contents of safe deposit boxes owed to an individual or business. Property is considered unclaimed after it is held for an extended period of time with no owner contact and an effort was made to locate the owner. Unclaimed property can be divided into two categories:

I. General Ledger Types:

- Wages
- Accounts Credits
- Uncashed Checks
- Utility Deposits
- Patients Refunds
- Insurance Proceeds

II. Securities-Related Types:

- Stocks
- Dividend Payments
- Interest
- Bonds

Preparing Your Report:

Select the property type code that best describes the original property of the missing owner. Use the miscellaneous outstanding check code (MS16) only as a last resort when the nature of the uncashed check is truly unknown.

***Reference**: UP Manual, Table 1 "NAUPA Property Code Tables"- Pages 41-43*

REPORTING REQUIREMENTS: SPECIFIC PROPERTY TYPES

Uncashed Checks and Amounts Owed

- **CK01 - CK99 - Uncashed Checks** – most are considered unclaimed after three years, with exceptions listed below. ***Dormancy commences on the date of the original check issue date.*** If an actual check was not issued, use the date the amount was payable to the owner. Reissuing a check does not change the date it should be remitted as unclaimed property.

EXCEPTIONS and CLARIFICATIONS:

- **CK07** - **Money Orders**, considered unclaimed after **seven years**

- **CK08** -**Traveler's Check,** considered unclaimed after **15 years**.

- **CK12** – **Credit Checks or Memos**, are considered unclaimed after **three years** and must be reported. Dormancy commences on the date of the original credit or memo issue date. If actual check was not issued, use the date of the amount that was payable to the owner.

- **CK13 - Vendor Checks** and **all other types of accounts payable** have the **three-year** dormancy period.

  CK17 – Bank Money Orders, payee's name and address are known - considered unclaimed after **three years**. No known payee name and address, considered unclaimed after **seven years.**

- **MS01 - Wages, Payroll, Salary or other compensation for personal services,** considered unclaimed after **one year** from the original check issue date. The **one-year** period applies to all methods of payroll distribution.

- **MS10, MS11 – Discounts and Refunds Due and UT03 – Rebates**, property with the applicable **three-year** dormancy period. Note, if a customer never submits his/her request for a discount, refund or rebate, these items should not be considered unclaimed property.

- **MS12** - **Unredeemed Gift Certificates**, *issued prior to 7/1/2006* are considered unclaimed after **three years** and must be reported. Reporting is not required for certificates issued *after 7/1/2006*.

NO AMOUNTS MAY BE WRITTEN OFF TO INCOME OR SURPLUS.

THERE ARE NO DE MINIMIS AMOUNTS
ALL AMOUNTS MUST BE REPORTED

Property Reported by Financial Institutions

- **AC01 – Checking Accounts, AC02 – Savings Accounts, AC03 Matured Certificates of Deposit or Savings Certificates (including automatically renewable) -** the property is considered abandoned three years after the statement of account or other associated mailing from the financial institution has been returned as undeliverable, unless the owner during that three years takes any action described in subdivisions (1), (2), (3) or (4) of §1242 (d).

  Note: depositing the CD interest in to another account with no previous activity or the non-return of interest checks by the post office does **not** constitute contact.

- **MS13, SD03 - Unclaimed Loan Collateral and Other Tangible Property -** has three-year dormancy period. This period begins on the date the loan was paid in full. There are three criteria for collateral to be reported as unclaimed:

  - The loan has been paid in full or charged off **and**
  - There has been no customer contact for three years **and**
  - The owner's whereabouts are unknown.

  Each time collateral in the vault is physically inventoried and matched to the collateral file receipts, items that cannot be matched to an unpaid loan should be identified. These items should be audited for the time span from payoff date. Letters should be mailed to the customers, reminding them to collect their collateral. Any items not retrieved are reportable as unclaimed property after the three-year dormancy has passed.

  When reporting unclaimed loan collateral, two property type codes are available. Select property type code **SD03** for other tangible property set aside for a loan. Examples of tangible property reported as collateral are jewelry, stock certificates, deeds, etc. In this case, please follow all requirements for reporting and remitting safe deposit boxes.

  Reference *UP Manual, SD01 and SD02 - Page 8*

  Loan collateral that will be remitted as **cash** should be coded with property type code **MS13**. Examples of unclaimed property type, reported as **MS13**, are savings accounts, certificates of deposit, etc.

  The person or entity that pledged the loan collateral should be listed as the owner of property. If the loan was in the name of a person or entity other than the owner of the collateral, enter the loan name in the comment field of the report.

  For charged-off or defaulted loans, any amount of money received for the collateral that exceeds the amount of the unpaid loan must be remitted as unclaimed property.

- **MS14 – Sums Payable Under Pension/Profit Sharing Plans (Individual Retirement Accounts) -** have a dormancy period of three years, which begins on the **mandatory distribution date.** Under federal law, the mandatory distribution date is April 1 of the calendar year following the calendar year in which the owner of the IRA reaches age 70 ½. If some event, such as death of an owner, occurs prior to the owner reaching age 70 ½, commence the dormancy period from the date of the owner's death, if the existence or whereabouts of any beneficiaries are unknown to you.

- **TR01 – TR99 - Corporate Trust Property and Paying Agent Accounts** – have three year dormancy periods. Separate reports must be filed for **each** issue of stock and **each** issuing company's Federal Employer Identification Number (FEIN) must be provided. This requirement does not apply to bearer bonds, which may be combined on one report using your institution's FEIN.

Safe Deposit Box Contents

- **SD01 – SD02 - Safe Deposit Boxes and Other Safekeeping Items** – the five-year dormancy period commences on the date the last rental payments expired. All boxes should be drilled and inventoried prior to preparing your report. Use special Safe Deposit Box Report Cover Sheet and Inventory Sheet to report safe deposit box content. **Do not send Annual Compliance Report Cover Sheet together with the contents of the safe deposit boxes**.

  Reference*: Safe Deposit Box - Cover Sheet and Safe Deposit Box - Inventory Report*

Funds Reported by Title Companies

- Any funds, including **TR04 - Escrow Accounts**, that have not been claimed and for which there has been no activity or current contact with the owner for three years, must be reported as unclaimed.

- **TR04 – Escrow Accounts (Earnest Money)** – funds held because of the nonperformance of the conditions of the escrow agreement. In transactions involving earnest money, both the buyer and the seller have an undivided interest in the entire amount. Therefore, both the buyer and the seller are considered the "owner" under the statutes, and both parties' names should be listed on your report. The person who placed the money in escrow, usually the buyer, should be reported as the primary owner. The other parties should be listed as additional owners. However, if you have communicated with both buyer and the seller within the last three years, and they cannot agree on the disposition of the funds, the account would not be unclaimed and should not be remitted as unclaimed property.

  If the contract stipulates that the seller may claim the funds under the specific conditions, and documenting evidence in your file indicates that those

conditions exist, the seller's name would then be listed as the owner on your report. The buyer would not be listed as an additional owner.

If you have contact with one party, but a release cannot be secured from missing party, the funds should be reported three years from the date of last contact with the missing party or date of scheduled closing. If one party believes he is entitled to the funds, his claim is not diminished when the funds are remitted as unclaimed property. If you have contact with both, the buyer and the seller, the funds should not be reported.

- **Other Escrow Funds -** amounts placed in escrow at closing should be reported in the name of the party who provided the funds. A portion of the seller's payoff held to ensure all taxes were paid and repairs were completed, as an example. Once the taxes are paid, repairs are made, or other conditions of the escrow agreement are met and funds remain unclaimed, the seller's name would be reported as the owner of the unclaimed funds. The buyer would not be entitled to the funds.

  Any kind of service charges or fees may not be deducted from funds that are reported as unclaimed property unless stipulated in the contract and acknowledged by the signatures on the contract.

Escrow funds and earnest funds should be reported using property type TR04.

NO AMOUNTS MAY BE WRITTEN OFF TO INCOME OR SURPLUS.

THERE ARE NO DE MINIMIS AMOUNTS
ALL AMOUNTS MUST BE REPORTED

Insurance – Related Property

Insurance related property has a three-year dormancy period.

- **IN01 - Individual Policy Benefits and Claim Payments** - provide policy numbers and names of insured; claim numbers if applicable;
- **IN02 -** All **Group Policy Benefits or Claim Payments**, excluding death benefits – provide employer names and policy numbers; names of insured; claim numbers if applicable;
- **IN03 - Death Benefits Due Beneficiaries** on individual or group policies – provide policy numbers and names of insured; claim numbers if applicable; dates of birth of insured if available. When reporting death benefits, the beneficiary should be listed as the owner of the property;
- **IN04 - Matured Policies, Endowments, and Annuities** – provide the policy number and name of insured;
- **IN05 - Premium Refunds on Individual Policies** – provide the policy number and name of insured;
- **IN06 - Unidentified Remittances** or premium payments – provide any information available; owner name will be reported as unknown;

- **IN07 -** All **Other Amount Due Under Policy Terms -** Insurance-related property not described above – provide a complete description of the property;
- **IN08 – Any** Agent **Credit Balances** – provide dates of employment and the agent's social security number;
- **IN99 – Aggregate Insurance Property -** insurance-related properties less than $25;
- **CK10 - Expense Checks or drafts** – provide check number; description of expense, if available;
- **CK13 - Vendor Checks or drafts** – provide invoice number and check number;
- **MS01 - Employee Wages** – provide employee's social security number.
- **Commission checks** - provide agent's social security number.

Mutual Funds – Related Property

Mutual Fund related property has a three-year dormancy period.

- **SC16 - Mutual Fund** shares – dormancy commences when either a sum payable is unclaimed or the first piece of mail is Returned by the Post Office (RPO). At the time the shares become unclaimed, the entire account and any cash proceeds due the owner are also considered unclaimed. The cash proceeds should be reported as dividends with property type code **SC01**.
- **SC01 – Dividends** (income distribution or capital gains distribution**)** checks. If checks, issued for distribution proceeds, are outstanding or returned by the Post Office, those check should be reported as credit balances, using property type **SC20 – Credit Balances – Security Notes**.

Property Reportable By Courts, Governments, Governmental Subdivisions, Agencies or Instrumentalities

- **CT01- CT99 –** Amounts **(Escrow Funds, Condemnation Awards, Missing Heirs' Funds, Suspense Accounts, Bail or Deposits Made With a Court or Public Authority, VR, and Aggregate Court Deposits)** distributable or payable **by a Court**. Dormancy period is **one year**.
- **Cities, Towns, Counties, Municipalities** are required to report all unclaimed property items under **one year** dormancy rule. Those items would include, but not be limited to **warrants, uncashed checks, excess proceeds from property tax foreclosures, property tax overpayments or refunds**; as well, as **unclaimed court monies, trust accounts, unrefunded utility deposit, unclaimed debt services payments, unredeemed bonds and coupons**.

SECURITIES REPORTING

Securities – Related Property Codes

Securities related property has a three-year dormancy period.

- **SC01 -** Cash **Dividends -**Include the issue name of the security in the description field.

- **SC02 – Interest Payable on Registered Bonds -** due an owner of a registered security. ***Do not use this code to report interest paid on a bearer bond***.

- **SC07 - Bearer Bond Interest & Matured Principal** The owner should be listed as "unknown". A complete description, including issue name, series, bond number and all outstanding coupon numbers must be provided. The total cash amount of unclaimed interest and principal should be provided in the cash amount remitted field.

- **SC08 – Shares of Stock** (Undelivered Shares - i.e. Stock Returned by the Post Office (RPO)). These types of shares are normally the results of stock splits or stock dividends. The issue name of the security must be included in the description field.

- **SC10 - Unexchanged Shares of Successor Corporation -** Arising from a merger or buy-out should be reported with this code. Provide the number of shares of the **successor corporation** in the shares field remitted field. These are the shares that will be remitted to the State Treasury with your report.

- **SC12 - Underlying Shares/Outstanding Certificate Of Owners -** These shares are presumed to be in the possession of the shareholder. The certificates must be canceled on the books of the issuer and reissued to the State of Vermont name.

- **SC13 – Liquidation/Redemption/Unsurrendered Stocks/Bonds** Proceeds **–** Report cash only under this property code. The issue name of the liquidated security and number of shares presumed to be in the possession of the shareholder should be listed in the description field. The shares remitted filed should not be completed. The total cash amount due each shareholder should be provided in the cash amount remitted field.

- **SC16 - Mutual Funds -** These shares must be reissued to the State of Vermont name. (Reference: Mutual Funds Reporting section – Page 14)

- **SC18 - Matured Principal on Registered Bonds -** Do not use this code to report matured principal on a bearer bond (use **SC07** – **Bearer Bond Interest And Matured Principal**).

- **SC19 - Dividend Reinvestment Plans –** Report DRP shares after the Dividend Reinvestment Plan statements have been returned from the post office (after those shares have been subjected to SEC-required due diligence efforts). Review the investment account history from the date of the RPO forward to determine if there was shareholder-generated activity during the state-prescribed dormancy period.

Securities - Physical Delivery

If physically remitting shares, they must first be registered to the State of Vermont Treasurer's Office.

Certificates must be mailed with the report. Mutual funds and dividend reinvestment plans should be transferred into the State of Vermont Treasurer's name (see information above) and a confirmation sent with the report. When reporting Mutual Funds, please be sure to include the complete fund name and the CUSIP Number for the fund. If you are reporting dividends along with securities, you can put them on the same report. Please include the following information on your report of securities: (Mutual fund reporting instructions: Reference – Page 14)

- Owner's Name
- Last Known Address
- Social Security Number
- Last Activity Date
- NAUPA Property Type
- CUSIP Number and/or Any Other Identifying Number

The aggregate amount does not apply when securities and dividends are reported together.

Reference: *Reporting 10 Items or Less – Schedule B (Securities)*

IMPORTANT

SECURITIES MAILING INSTRUCTIONS

SECURITIES must be registered to:

Vermont State Treasurer's Office
Tax ID 03-6000264

Mail your REPORT, SECURITIES, RELATED CASH to:
Vermont State Treasurer's Office
Unclaimed Property Division
Pavilion Bldg (4th Floor)
109 State Street
Montpelier, VT 05609-6200

Securities - Electronic Remittance

If remitting shares electronically, you must **deliver securities** to the state's custodian, the **Unclaimed Property Clearinghouse**.

Before delivering securities electronically, a holder **MUST notify the Clearinghouse** via fax 617-722-9660 or email upch.custody@acs-inc.com, at least **48 hours in advance** with a list of the securities to be delivered. Attn: Paul Fernandez, Senior Client Liaison, Affiliated Computer Services, A Xerox Company, 100 Hancock St., 10th Floor Quincy, MA 02171.

The fax or email MUST include the following information:

- Issue name
- Issue CUSIP number
- Share amount per issue
- Holder's DTC number

Please note on your report that the shares are being settled electronically through DTC (Depository Trust Corporation).

IMPORTANT

DTC DELIVERY INSTRUCTIONS

DTC # 0954
Account #: AUZF2000002
Account Name: State of Vermont
Agent bank # 26017

Worthless or Non-Transferable Securities

Please do not report non-transferable securities to our office. If these do become transferable, or gain value, report and remit the shares at that time. You will not be penalized for late reporting in these situations.

Mutual Fund Securities

Reporting mutual funds: please use the "Mutual Funds Reporting" instructions listed on page 14 and applicable reporting forms.

Reference: *Reporting 10 Items or Less – Schedule B (Securities)*

Safe Deposit Box Securities

Reporting securities from a safe deposit box, please use the "Reporting Safe Deposit Box Contents" instructions listed on page 15 and 16 and applicable reporting forms.

Reference*: Safe Deposit Box Reporting - Cover Sheet and Inventory Report.*

MUTUAL FUND REPORTING

Mutual Fund – Related Property Codes

Mutual Fund related property has a three-year dormancy period.

- **SC16 - Mutual Fund** shares – dormancy commences when either a sum payable is unclaimed or the first piece of mail is "Returned by the Post Office" (RPO). At the time the shares become unclaimed, the entire account and any cash proceeds due the owner are also considered unclaimed. The cash proceeds should be reported as dividends with property type code **SC01**.
- **SC01 – Dividends** (income distribution or capital gains distribution) checks. If checks, issued for distribution proceeds, are outstanding or returned by the Post Office, those checks should be reported as credit balances, using property type **SC20 – Credit Balances – Security Notes**.

Reporting of Mutual Funds

Holder remains the custodian of all mutual funds. These shares must be reissued into the State of Vermont Treasurer's name. Change the name on the account to the State of Vermont. Submit a **confirmation report** with the owner's identification information (see listings below). When owner comes forward to claim funds, the State of Vermont will send you the required paperwork to have the funds transferred back to the rightful owner.

HOLDER REMAINS THE CUSTODIAN OF ALL MUTUAL FUNDS.

IMPORTANT: When reporting Mutual Funds, please be sure to include the complete fund name and CUSIP Number for the fund. Dividends can also be reported on the same report. Please include the following information on your report of mutual funds:

- Owner's Name
- Last Known Address
- Social Security Number or FEIN Number
- Last Activity Date
- Relationship Code
- NAUPA Property Type
- Security Name
- CUSIP Number and/or Any Other Identifying Number
- Number of Shares
- **MUST** document shares have been remitted **and** are included with report.
  - Confirmation documentation should include fund name, posted and trade dates, transaction descriptions, number of and price of shares, as well as the total number of shares being remitted.

The aggregate amount does not apply when mutual funds and dividends are reported together.

Reference: *Reporting 10 Items or Less – Schedule B (Securities)*

SAFE DEPOSIT BOX REPORTING

Safe Deposit Boxes – Related Property Codes

Safe Deposit Boxes related property has a five-year dormancy period.

- **SD01 –** Safe Deposit Box Contents **–** are considered unclaimed five years after the expiration date of the last rental payment. **Required:** Inventory Reporting Sheet detailing list of box contents - and Cover Sheet.

- **SD02 –** Other Safekeeping Items **–** are considered unclaimed five years after the expiration date of the last rental payment. **Required:** Inventory Reporting Sheet detailing list of box contents - and Cover Sheet.

Safe Box Reporting is due on or before May 1. Completed Cover Sheet and Inventory Report paperwork must be attached together. Affix **original** reporting forms to outside of box **or** Mail Separately from the Annual Compliance Report Cover Sheet.

Physical Delivery of Safe Deposit Boxes

DO NOT SEND Cover Sheet (report of Safe Deposit Boxes) with ANNUAL Compliance Report. *MAIL* SEPARATELY or AFFIX to BOX. DO NOT put Cover Sheet inside box. EXPECTED DELIVERY DATE:_____

- **Reporting Date –** May 1 - ***REQUIRED*** to be reported on or before this date.
- **Box Preparation –** Drill and inventory prior to preparing report.
- **Reporting Forms –** Complete special Safe Deposit Box Report Cover Sheet and Inventory Report sheet. List expected box delivery date.
  - **Cover Sheet** – Complete Holder information. Form must be notarized.
  - **Inventory Report** –Complete Holder information, provide safe box codes, and **clear** and **legible** detailed itemized description of contents.

  Reference: *UP Manual, Table 2 "Safe Deposit Box Codes" – Page 44*

- ***CAUTION: DO NOT SEND Safe Box Reports WITH ANNUAL HOLDER REPORT.***

SAFE BOX DELIVERY INSTRUCTIONS

- **Delivery:** Mail **"copies"** of original completed Report Cover sheet and Inventory Report sheet **two weeks prior** to physical delivery of safe deposit box. Box must have **"original"** completed reporting forms **affixed to outside of box**.

SAFE BOX DELIVERY ADDRESS

Vermont State Treasurer's Office
Unclaimed Property Division
Pavilion Bldg (4th Floor)
109 State Street
Montpelier, VT 05609-6200

Reference: *Safe Deposit Box– Cover Sheet and Safe Deposit Box – Inventory Report*

OTHER TANGIBLE PROPERTY REPORTING

Other Tangible Property – Related Property Code

Other Tangible Property has a three-year dormancy period.

- **SD03 –** Other Tangible Property – property used as collateral is considered unclaimed three years after:
  - Loan was paid in full or charged off and
  - Item cannot be matched to an unpaid loan
  - No customer contact for three years and
  - Owner whereabouts is unknown: Item cannot be matched to an unpaid loan. **Required:** Inventory Reporting Sheet detailing list of box contents - and Cover Sheet.

  Examples of tangible property:
  - Jewelry
  - Stock Certificates
  - Deeds
  - Etc.

Physical Delivery of Other Tangible Property

Please follow all requirements for reporting and remitting safe deposit boxes.

Reference: *Safe Deposit Box Reporting – Page 15-16*

REPORTING RESPONSIBILITIES

Holder Reporting Responsibilities

- Maintain unclaimed property intact until remitted to the Unclaimed Property Division.
- Make a diligent effort to locate owners.
- Report yearly and accurately.
- Retain records for 10 years after filing report.

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REPORTING PROCESS

Process For Reporting Unclaimed Funds:

- **Review the Unclaimed Property Law** to determine which sections of the Law apply to your organization.

- **Review your books and records** to determine which items are dormant.
  Based on the statute's provisions, you must determine the types of properties to be examined and their associated dormancy periods. Using this information, review your books and records to establish which properties are subject to reporting.

- **Perform due diligence**.
  All reporting organizations are required to perform due diligence prior to remitting any funds to the State of Vermont. **According to §1247 (h), a holder now shall file with the report an affidavit stating that the holder has performed due diligence mailing and so forth has complied with §1247 (e).** Please review the mandated statutory requirements of the Unclaimed Property Law, considering due diligence timing, accounts value, and affidavit signing.

- **Calculate the number of items to be reported**.
  Report format options are based on the number of items you report. Important considerations in determining this number are: multiple owner accounts, aggregation and account roll up. Each of these considerations is described in detail in the "*Report Detail Considerations" – UP Manual Page 22*.

- **Select a format** based on the number of items and allowable parameters.
  Choose a format based on the number of accounts to report. Please note that using an **electronic NAUPA format is REQUIRED** when reporting more than 10 items.

- **Enter data** into chosen format.
  Provide complete owner and account information.

- **Update the report** as required.
  Once you have prepared a report, you should make routine updates that note any account activity, e.g., customer contact, re-activation, etc. You should update reports continually until the report is final.

- **Finalize report**.
  After completing all account adjustments, recalculate the amount being remitted within property type and in total.

- **Remit cash/securities**.
  Reference: property type for cash/securities remittance requirements. Depending on the type of property due, arrangements may need to be made prior to remittance delivery.

Jurisdiction to Escheat

The primary right to escheat intangible personal property belongs to the state of the owner's last known address, as shown on the records of the holder.

If no last known address is shown on the holder's records, the property is escheatable by the state of holder's domicile, i.e. the lack of address does not relieve holder from the obligation to report and remit unclaimed property.

Reciprocity

Reciprocity provides holders with the opportunity to file unclaimed property reports for many states through one agent state. Agent state is the state in which the holder's place of business is located.

The State of Vermont can accept property for other states and countries under the reciprocal agreements, although it is the holder's responsibility to follow each state's unclaimed property law when reporting through Vermont, as an agent state.

Safe deposit boxes are exceptions from reciprocal reporting and must be reported to the state in which boxes are located.

Reciprocal reporting is not a requirement. It is up to each holder to decide if they want to report directly to each state.

Issues to consider if a holder decides to take advantage of reciprocal reporting:

- Report and remit in accordance with **each state's** Unclaimed Property Law;
- Identify and subtotal all accounts by state;
- Do not aggregate out-of-state accounts with Vermont property;
- Notify each reciprocal state of your intent to file unclaimed property report through the state in which you are located.

Important Dates

Vermont's filing date of the unclaimed property report is **May 1**. This is the date when reports with remittances are due for the previous calendar year.

***Reference**: Important Dates*

Dormancy Periods

Applicable dormancy periods for each property type are referenced by statute listed in NAUPA Property Codes. All property types may be combined and grouped by their dormancy periods into the following groups:

1 year -- Wages/Payroll related items (§1242 (a)(12));
Properties reported by court or governmental entities (§1242 (a) (11)),
Property Distributable in Dissolution (§1242 (a) (9));
2 years – Demutualization Proceeds (§1244 (a) (1-2), (b) (c));
3 years - All Other Property Types (§1242 (a) (15));
Includes Bank Money Orders (§1242 (a) (6));
5 years – Safe Deposit Box Contents (§1243);
7 years – Money Orders (§1242 (a) (2));
15 years - Traveler's Checks (§1242 (a) (1));

Reference: *UP Manual, Table 1 "NAUPA Property Codes" – Page 41-43*

Customer Contact or Last Transaction Date

Customer contact is an owner–generated activity on the dormant account or written correspondence from the customer, in regards of the particular account. The absence of the customer contact is one of the criteria for property to be reported as unclaimed.

If customers respond to your due diligence mailing, you are excused from reporting their property to the State Treasurer's Office for another two or three years from the date of their responses or the date of the last activity on the account.

The last activity date is the date of the last deposit or withdrawal made by the owner, the date dividends became payable, or the date the check or draft was issued. It may also be the date when property became distributable to the owner or the date of mandatory withdrawal. If the reported property was an instrument payable on demand, the date it was issued should be used.

The date of computer conversion or the check reissue date **shall not** be used as the date of last contact.

Phone contact is not regarded as a customer contact.

Customer contact restarts dormancy clock.

Due Diligence

The holder must make an effort to locate the missing owner before the annual Unclaimed Property Report is filed. The holder is obligated under §1247 (e) Chapter

14, V.S.A. Title 27 to attempt to communicate with the owner before property is presumed abandoned, if all of the following apply:

1. The holder has in its records an address for the apparent owner and the records do not indicate that the address is inaccurate.
2. The claim of the apparent owner is not barred by the statutes of limitation.
3. The value of the property is at least **$50.00** dollars.

The holder shall send a written notice to the owner advising the owner that the property is about to be turned over to the Unclaimed Property Division. This is to be done at no cost to the owner and not more than 120 days or less than 60 days prior to filing an Unclaimed Property Report. Due diligence is the responsibility of the holder.

Due Diligence Actions

Property Considered as Unclaimed Property.

1. Due diligence letter returned as undeliverable.
2. No response from the owner of the property.

Property **NOT** Considered as Unclaimed Property.

1. Owner replies **in writing** stating their intentions on how their funds are to be handled.

Reference: *Due Diligence Letter Sample*

Affidavit Completion

According to §1247 (h), a holder now shall file with the report an affidavit stating that the holder has performed due diligence mailing and so forth has complied with §1247 (e). Completing the affidavit section, listed on the Annual Compliance Report Cover Sheet, and signing the report will cover your entity against liability on claims for reported property.

An officer of the reporting organization must:

1. Complete the affidavit section
2. Sign the Annual Compliance Report Cover Sheet
3. Submit report with notarized signature

REPORT DETAIL CONSIDERATIONS

THERE ARE NO DE MINIMIS AMOUNTS
ALL AMOUNTS MUST BE REPORTED

Number of Items to Report

If you have ***more than 10 items*** to report, it is **REQUIRED** your report be submitted in **electronic NAUPA format** on a formatted CD-R or standard high-density, 3.5-inch diskette.

If you have ***10 or fewer items*** to report, you are allowed to report manually, using provided form.

Reference*: Reporting 10 Items or Less – Schedule A and Schedule B (Securities)*

Aggregating

By law, reporters of unclaimed property need not provide owner or property information for unclaimed accounts valued at $25.00 or less. These items may be aggregated and described on your unclaimed property report as explained below. When aggregating items $25.00 or less, you must group the individual items into one aggregate amount for each property type. ***The total number of accounts within the aggregate amount must be listed in section 3a on the Unclaimed Property Annual Compliance Report & Verification Checklist - Cover Sheet.*** This type of record should contain data as follows:

Owner's Last Name	The word **"Aggregate"**
Property Type	Appropriate code from the Property Type Table that should **always end in "99" (e.g., CK99).**
Escheated Amount	Aggregate sum for the property type entered.
Number of Accounts	List total number of accounts included within the aggregate total.

If a single owner has multiple amounts under $25.00 payable in the same year for the same property type, it is in the best interest of the owner to sum these amounts prior to aggregating. If the sum of the multiple amounts is greater than $25.00, you should exclude them from aggregate reporting and report them as a single item, using the property information from the most recent item and the sum of all items as the escheated value. Refer to the "Rolling Up" section below if the sum is $25.00 or less, you may include the multiple amounts in an aggregate record.

Records containing unclaimed securities cannot be aggregated.

Records with owners' addresses outside the state of Vermont cannot be aggregated on the Vermont report.

Aggregate - HRS Pro Record Samples

Adding Property

Last Update:

* Report Prop. To: VT
* Prop. Status: Reportable
* Owner Status: Known
* Property Type: CK99 - AGGREGATE UNCASHED CHECKS
Last Activity Dt.: / /
Account Num.:
Check Num.:
Comments: 44 ACCOUNTS WITHIN AGGREGATE TOTAL

Total MUST also be entered on Report Cover Sheet

Cash* | Shares | Tangible Inventory | Mineral Interest

Cash to Report:		Additions:	Reason:		Deductions:	Reason:		Cash to Remit:
$658.00	+	$0.00		-	$0.00		=	$658.00

Interest Rate: 0.0000 %

Adding Owner

Last Update:

Category: Individual Business
Tax ID #: - -
D.O.B.: / /
* Owner Type: IN
* Relation to 1st Owner: SO
* Last Name: AGGREGATE
Suffix:
First Name:
Prefix:

Rolling Up

You may not aggregate amounts greater than $25.00. However, you may combine amounts of **$25.01 or greater** payable to a **single owner** in a **given year** and reportable under the **same property type**, e.g., quarterly dividend checks. When rolling up dividends, use the last check number and date as a reference for the property. You should use the Comment field to indicate the number of dividends included.

Rolling Up - HRS Pro Record Sample

* Report Prop. To: VT
* Prop. Status: Reportable
* Owner Status: Known
* Property Type: SC01 - DIVIDENDS
Last Activity Dt.: 03/01/2006
Account Num.:
Check Num.: 1234
Comments: JP MORGAN CHASE & CO. - 4 DIVIDEND CHECKS

Cash* | Shares | Tangible Inventory | Mineral Interest

Cash to Report:		Additions:	Reason:		Deductions:	Reason:		Cash to Remit:
$200.00	+	$0.00		-	$0.00		=	$200.00

Interest Rate: 0.0000 %

NEGATIVE REPORT

A “negative report” is a statement attesting to the fact that you have reviewed your books and records and determined that there are no unclaimed properties to report. Negative reports are not required by Vermont statute; however, companies are **requested** to file this report with the Treasurer’s Office. Filing of Negative Reports will assist us in updating our internal files for your account. Please use the “Unclaimed Property Annual Compliance Report & Verification Checklist - Cover Sheet” form to file a negative report. An authorized officer of the reporting organization must sign the report, and the signature must be notarized.

***Reference**: **ANNUAL** Report Cover Sheet*

REPORT DELIVERY AND PAYMENT

Annual Reporting Package

The annual reporting package shall include:

1. "Unclaimed Property Annual Compliance Report & Verification Checklist";

2. Number of accounts under $25.00 reported in Aggregate total - section "3a".

3. "Affidavit of Due Diligence" – special gray section (mid way) on the Annual Compliance Report & Verification Checklist - Cover Sheet that verifies the number of accounts due diligence mailing have been performed on;

4. Detail of **NAUPA formatted** report on a formatted CD-R or on a standard high density 3.5-inch diskette (less than 10 accounts may be manually reported);

5. Hard copy of the report detail **must** accompany electronic report;

6. Check payable to "Vermont State Treasurer's Office" for the total amount of the report. ACH. And EFT payments are also acceptable forms of payment.

7. May 1st postmark will be accepted as an "On Time" filing.

In accordance with V.S.A. 27, Ch 14, §1247 (h) verification and affidavit shall be executed by:

a. Chief fiscal officer or his/her designee, in case of a public corporation;
b. Partner, in case of a partnership;
c. Officer, in case of unincorporated association or private corporation.

REQUIRED TOTAL PAYMENT AMOUNT MUST ACCOMPANY EACH REPORT

Payment by ACH or EFT:

ACH (automated clearing house) and EFT (electronic fund transfers) payments are acceptable forms of payment. Wire instructions can be obtained by ***calling***: **(802)828-2407** or ***emailing:*** **UPCompliance@state.vt.us** Please provide your fax number and contact information.

Payment by Check:

Make **payable to the Vermont State Treasurer's Office** for the total amount of report and deliver to the following address:

Vermont State Treasurer's Office
Unclaimed Property Division
Pavilion Bldg (4th Floor)
109 State Street
Montpelier, VT 05609-6200

ANNUAL COMPLIANCE REPORT COVER SHEET - INSTRUCTIONS

After the manual unclaimed property report has been completed, the holder is required to completed and include the Annual Compliance Report Cover Sheet with their manual report. This form is automatically generated when reporting electronically but must be manually completed when manually reporting less than ten (10) accounts.

Annual Compliance Report – Form Completion

Top of Form:

Submission Date – Date report is mailed.

Holder Name – Business Name

Report Due Date: May 1 – Enter **Current Filing Year**

Report Time Period – End date of **pervious** calendar year. Ex: 12-31-2010

Federal ID Number – company's seven digit EIN number

1. ***Holder Information***:
   a. Enter business address, city, state, zip, contact name, telephone number, state and date of business incorporation.
   b. Company Criteria - *Gray Box Section*
      i. Characteristics - choose "one" characteristic for your company.
      ii. Range – choose "one" amount that identifies the characteristic selected above.
      iii. Employees – choose range for number of employees
2. ***Last Year's Filing*** – select either "yes" or "no"

   If "No" – Explain why.

   a. File negative report? Select either "yes" or "no"
3. ***Summary and Classification*** of property reported
   a. Accounts under $25 - Enter # of **accounts within aggregate total** Enter total funds being remitted for this section.
   b. Accounts over $25 – **Unknown Owner** – Enter total funds being remitted for this section.
   c. Accounts over $25 – **Known Owner** – Enter total funds being remitted for this section.

   Total Remitted – Enter **sum of sections** a, b, and c.

   d. Share Remitted Total – Enter only the **number of shares** being remitted, otherwise leave blank.

Affidavit of Due Diligence

Name of Previous Holder – Enter previous business name and address, if applicable or your Name and/or Address change.

The Undersigned - enter name of person who performed the due diligence process and the number of accounts (letters) mailed.

Authorized Company Representative – "print" name of the duly authorized company representative, number of pages within report, total remitted amount, and company name.

Print Name – of authorized company representative

Signature – of authorized company representative

Title – of authorized company representative

Authorized Signer Clarification

Public Corporations - chief fiscal officer signs or the chief fiscal officer can designate someone to sign such as a third-party administrator.

Privately Held Corporations or Associations – No designation can be assigned. Company officer must sign.

Partnership – Partner must sign.

Notary

Subscribed and sworn – enter day, month, and year

Notary information – notary signature and date commission expires

REPORT CONTENT and REPORT FORMATS

Report Content

Regardless of the format, every report should contain the following:

- Owner's Name (Last, First, Middle)
- Owner's Last Known Address
- Social Security Number
- Last Activity Date;
- NAUPA Property Type
- Any Supporting Account, Check Numbers or Comments

Electronic Reporting

All holders reporting **more than 10 items are required to file** their reports **electronically** and in **NAUPA format**. The report must be on a formatted CD-R or 3.5 inch standard high density diskette and mailed to: Unclaimed Property Division, 109 State Street, Montpelier, Vermont 05609-6200, along with a hard copy of the report for our backup.

To create the electronic file, there are three on-line options available to choose from, two are available from Wagers & Associates and one is available from Eagle Technology Management, Inc. These options are:

1. Wagers Holder Reporting System - Wagers & Associates
2. NAUPA Standard Electronic format - Wagers & Associates
3. NAUPA II Electronic Reporting Standard – ETM – UPExchange here

HRS Pro Standard Edition may be downloaded at no cost. Prior to downloading the software, you will find the *HRS Pro User's Guide* and *HRS Pro How To* sections on the download page helpful to print and read before you download the software. The guide provides advice in the preparation and filing of your electronic report. Bookmarking the Wagers & Associates page on your browser will enable you to easily download periodic updates in the software

UPExchange may be accessed here at ETM at no cost. This is a software-as-a-service offering (SaaS), it's accessible from anywhere, with any standard Web browser, and has no software to install or maintain. The help tools include a User Guide, interactive tutorials, pre-recorded videos on the system's capabilities, a four-minute overview of its optional models, frequently asked questions (and answers), and

training webinars. Access to all these tools is accessible here at ETM. ETM (Eagle Technology Management, Inc.) also offers complete, ongoing product support, available at uphelp@eagletm.com, or (319) 739-3557.

Manual Reporting

A holder with **fewer than ten (10) accounts** may report using Schedule A & B. When reporting on the paper form, all information ***must*** be typed or clearly printed in ink.

***Reference**: Reporting 10 Items or Less – Schedule A and Schedule B (Securities)*

Return of Non-Compliant Report

The report shall be returned to the holder for corrections, if not filed in a prescribed format (§ 1247 (b)):

1. Using wrong form;
2. Fails to identify names, addresses, property types, last transaction dates or other information, as specified by statutes;
3. Illegitimately withholding fees and penalties from owners accounts;
4. Fails to provide electronic version of the reports in required **NAUPA** format.

REPORT DISK ERRORS – What Now?

HRS Pro Reporting Software Used:

1. Must use the most recent version of the HRS Pro software.
    a. Free software download is available from Wagers & Associates website. Note: May need your IT support to complete software download.
2. Outdated version of HRS Pro software was used:
    a. Download updated HRS Pro software from Wagers & Associates
        i. Data entered into the outdated version of HRS Pro will automatically transfer into the new version of HRS Pro.
    b. Verify report totals from the outdated HRS Pro software match the updated reporting software.
        i. Check ensures all reporting data has been correctly transferred.
    c. Save data reported on the updated HRS Pro software to a newly formatted disk. Follow your IT disk save instructions.
    d. Check disk drive (**do not open file on disk**) to ensure data file is on disk.
    e. Mail newly formatted disk containing report with hard copy of report.

UPExchange Used:

1. All UPExchange software-as-a-service (SaaS) support is provided by EMT (Eagle Technology Management, Inc.). They can be contacted by:
    a. Email: uphelp@eagletm.com
    b. Phone: (319) 739-3557
    c. Website: http://www.unclaimed.org/reporting/

Other Reporting Software Used ex:

- Tracker
- APECS

1. Check to ensure software "Save" procedures have been correctly followed.
    d. Check to ensure roll back procedures were followed correctly.
    e. It is important that the original "Start" report date is the same as what was entered on the original report.
    f. Verify report totals f original report and rerun report match.
        i. Check ensures all reporting data has been captured for the listed reporting time period.
    g. Both reports (original and rerun) totals match.
        i. Save data to newly formatted disk. Follow your IT disk save instruction.
    h. Check disk (**do not open file on disk**) to ensure data file is on disk.
    i. Mail newly formatted disk containing report with hard copy of report.
2. Still having reporting problems:
    a. Contact your product software support for a resolve:

    Tracker – made by StoneRiver

    (800) 593-0403 tracker.support@stoneriver.com

    APECS MF – made by StoneRiver.

    (877) 527 8475 apecs.support @stoneriver.com

    APECS MT – made by StoneRiver

    (877) 527-8475 apecsmt.support@stoneriver.com

3. No product support, consider using HRS Pro Wagers & Associates free reporting software.
    a. Contact your IT support staff to assist with download.

REMINDER: ALL REPORTS ARE DUE "MAY 1" EACH YEAR

HOLDER REIMBURSEMENT - INSTRUCTIONS

After a report is submitted, a holder may choose to repay the owner directly or may determine that items within the report were filed in error. In these cases, the holder may seek reimbursement by submitting the completed "Holder Request for Reimbursement" form along with the required documentation* substantiating the repayment or error.

Content Request – Form Completion

In order for the State of Vermont to process the holder's reimbursement request all required data must be provided so as to identify property for which the holder is seeking reimbursement.

1. **Top of Form:**
    a. State of - Vermont
    b. Report Year - year holder reported the property to Vermont.
    c. Report Total - total report amount remitted.
2. **PART I – *Holder Information*:**
    a. Enter Holder (business) name, Federal Tax ID number, contact name, contact and fax telephone numbers.
3. **PART II – *Claim Information*:** Information provided in this section **must** be identical to how the property was originally reported.
    a. Property Code: Code property was remitted under.
    b. Account Reference No (if aggregate-specify): the identification number of the property as it was reported.
    c. Date Paid To Owner (Claimant)/Account Reactivated - the date the claim was paid to the owner (or their representative) or the date when the holder reactivated the account.
    d. Dollar Amount/Number of Shares Remitted - the amount transmitted by the holder, to the State, for the property in question.
    e. Owner Name and Address – the full name and address of the owner as it is *shown on the report*. If "unknown" at time of reporting, indicate that on the request. If the account was reported in the aggregate, please indicate in the "Account/Reference Number" column.
    f. Total Request for Reimbursement – Amount to be returned.
4. **PART III – *Holder Certification*:**
    a. Notarized statement must be completed with officer's signature before reimbursement request can be processed.
    b. Proof claimant was paid must be attached to the reimbursement form.

**Supporting documentation consists of a copy of cancelled check(s)—front and back or proof of account reactivation.*

Totals of reimbursement requested cannot be subtracted from subsequent reports.

***Reference**: Holder Reimbursement Request*

IMPORTANT CONSIDERATIONS

Extensions

If you are unable to comply with any statutory or regulatory requirement in a timely manner you may request an extension of time to file the unclaimed property report (§1247 (f)).

Request for extensions must describe the circumstances that prevent timely compliance and indicate the amount of additional time needed to properly comply. Request for extension can be made by mail, on your company letterhead or by e-mail (UPCompliance@state.vt.us) and should be submitted at least 30 days before the report due date. Please **include your FEIN number and company name** with your extension request.

Inactivity Fees and Charges

In accordance with V.S.A. 27, Chapter 14, § 1248 (e) a holder shall not deduct any fees or cease payment of interest on any demand, savings account or matured certificate of deposit or time deposit unless:

1. There is a written agreement signed by the customer in the consent of future deductions. An agreement shall clearly explain the conditions under which a service charge may be imposed or the payment of interest terminated;
   1.a. A signature card is not a written agreement.

2. The holder regularly imposes inactivity charges and do not regularly reverse or otherwise cancelled them.

3. The holder shall be able to give cost substantiation for charges withheld and the amount of the charge shall be limited to an amount that is not unconscionable;

4. The holder shall have special provisions in its by-laws establishing uniform policy of charging inactive accounts.

Documentation of Inactivity Fees and Charges – ***included in holder report***

REQUIRED A copy of the valid and enforceable written agreement, between the holder and the owner, that allows such charges or fees **must** accompany each report each year for approval by the Unclaimed Property Administrator.

Early Reporting

In cases when premature reporting is in the best interest of the owner, the holder may file the report prior to the date of the required reporting, upon the written permission of the Administrator, V.S.A. 27, Chapter 14 § 1257 (b).

Retention of Records

Holders are required to maintain the records containing the information required to be included in the report for 10 years after the holder files the report (§1261 (a)). Holders may be contacted by the Division to verify previously reported information.

Penalties, Interest, & Fees

A holder who **fails to report, pay, or deliver property** within the time prescribed by this chapter shall pay the interest assessed at the prime rate, as reported in the Wall Street Journal on the day the invoice is issued (§1264 (a) (1)).

In addition to interest, a civil penalty of $200 per each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of $5,000 (§1264 (a) (2)).

Willful noncompliance with the Unclaimed Property Law is subject to interest, civil penalty of $1,000 per day the report, payment, or delivery is withheld, or duty is not performed, up to a maximum of $25,000, plus 25 percent of the property value that should have been reported (§1264 (a) (3)).

Knowingly makes a false representation is subject to interest, civil penalty of $1,000. For each, false representation up to a maximum of $25,000., plus 25 percent of the property value that should have been reported (§1264 (a) (4)).

If an examination become necessary and results in the disclosure of reportable property, an **examination fee** of $200 per day for each examiner may also be assess (§1260 (e).

Third Party Administrators

Each business entity is responsible for filing reports on behalf of its branches, divisions or other affiliated entities.

In case of the third party administrators, an entity, providing payroll services, managing account records or serving as a transfer agent, paying agent or registrar and paying agents are not obligated to report unclaimed property on behalf of a company but may enter into agreements with the company to do the reporting. These agreements **do not** relieve the company of its statutory responsibility.

Scenarios that Do Not Eliminate the Need to Report

The following scenarios Do Not eliminate the need for reporting property to the State of Vermont:

- Telephone or verbal contact
- Internal activity, such as service charges, crediting of interest and dividends, automatic dividend reinvestment, or automatic withdrawals
- Automatic deposit from one otherwise dormant account into another dormant account, as in the case of a transfer of interest from a time account into another dormant savings account.
- The statement “Void after XXX days” printed on the face of check. Even though the business indicates the check is not valid after a specified period of time, the underlying obligation still exists and funds should be reported as unclaimed property after reaching their dormancy thresholds.

VOLUNTARY COMPLIANCE PROGRAM OVERVIEW

Every business entity is required to report unclaimed property assets to the State of Vermont annually. As an ongoing effort to promote compliance with the Unclaimed Property Law, The State Treasurer's Office has established a Voluntary Compliance Program, which is available for the holders that have not been in compliance with the Unclaimed Property Law, but want to become compliant. The Voluntary Compliance Program is a one-time unique opportunity for Holders to come forward to report their unclaimed property liability without any penalties and interest being assessed.

General Guidelines

- ***Eligibility***

Any Holder who wants to comply with the Vermont Unclaimed Property Law is eligible to file a Voluntary Compliance Agreement, **except** when**:**

- A holder is currently under the Unclaimed Property examination;
- A holder, which includes any subsidiary and all related parties, has been contacted by the State Treasurer's Office or the third party, acting on behalf of the State Treasurer's Office of its intent to conduct an unclaimed property examination.

- ***Look Back Period***

The Holder shall complete a review of its books and records looking back 10 years, file their report beginning with the calendar year 1996, report year 1999, as well as for all subsequent report years, and pay over all unclaimed property due to the State of Vermont for those years.

- ***Duration of Program***

Under a Voluntary Compliance Agreement, a holder receives six months to complete its review, to perform due diligence and to file the report. Six month period extends from the date the authorized representative of the Division approves and signs the agreement.

- ***Examination Provision***

The State of Vermont reserves the right to audit a Holder issued a Voluntary Compliance Agreement. Interest and penalty may be assessed pursuant to §1264 of the Vermont Unclaimed Property Law on all unclaimed property due for all reporting years, if it is determined that the property reported under a Voluntary Compliance Agreement is materially under-reported. The State of Vermont reserves the right to fully audit the Holder in such case.

- ***Enrollment***

1. A holder, considering participation in the Voluntary Compliance Program, must request a "Voluntary Compliance Agreement" by mail, fax or e-mail.

Vermont Unclaimed Property Division
109 State Street
Montpelier, VT 05609-6200

Fax: 802-828-2884

E-mail: UPCompliance@state.vt.us

- ***Steps In Brief***

1. Holder's request to participate must contain all of the following information:
   - Business name, type of business, primary address location
   - Mailing address
   - List of all subsidiaries and all related party entities to also be considered for participation in the Voluntary Compliance Program
   - Federal Employer Identification Number for each entity requesting participation
   - Business contact information: name, title, phone number, email address

   Reference: *Voluntary Compliance Agreement*

2. Upon confirmation of the eligibility of your company to participate in the Voluntary Compliance Program, the Voluntary Compliance Agreement and General Business Questionnaire will be mailed to your designated authorized representative. The original completed agreement and questionnaire must be signed by an authorized officer of your organization.

3. Once the original completed and executed Agreement and General Business Questionnaire are returned to the Vermont Unclaimed Property Division, the Agreement will be reviewed and, if approved, signed by an authorized representative of the Division. The holder will then be furnished the special "VCA Unclaimed Property Annual Compliance Report and Verification Checklist - Cover Sheet" with the report due date printed on the top of the front page. The holder must submit the completed "VCA Unclaimed Property Annual Compliance Report and Verification Checklist – Cover Sheet" with the Holder Report by the indicated due date in order to avoid assessment of any penalties and interest.

   Reference*: VCA - Compliance Report Cover Sheet*

4. The State reserves the right to assess interest on any liability being reported under this Voluntary Compliance Agreement, if the Agreement has not been received or an extension has not been granted within the six-month period.

Important Agreement Considerations

- The Voluntary Compliance Agreement **may not** be altered without written consent of the State.

- The “Original” completed and executed Voluntary Compliance Agreement must be returned with the completed business questionnaire to the Vermont Unclaimed Property Division.

- The State of Vermont reserves the right to audit a holder of a Voluntary Compliance Agreement after the holder has filed their report and paid over property under the Voluntary Compliance Agreement.

- The State of Vermont reserves the right to deny or void the Voluntary Compliance Agreement if a holder does not adhere to the Program policies and procedures.

FINAL CHECK and REVIEW

Checklist

Review checklist before mailing your unclaimed property report:

- ❑ Owner notification/due diligence letters mailed.
- ❑ Required holder and remittance information entered on the front page of your Holder Report Cover Sheet.
- ❑ Enter number of accounts within the Aggregate total - section “3a”.
- ❑ Signed Affidavit of Due Diligence and list number of accounts.
- ❑ Verification Checklist completed - page 2 of Report Cover Sheet.
- ❑ Report Cover Sheet, signed and notarized.
- ❑ Check made payable to the Vermont State Treasurer's Office and enclosed.
- ❑ ACH (automated clearing house) or EFT (electronic fund transfers) payment. Please **call (802)828-2407** or **email UPCompliance@state.vt.us** for wire instructions.
- ❑ Instructions followed for Securities Remittance.

  Reference: *UP Manual - Page 11 to 14.*

- ❑ Report hardcopy and either a formatted CD-R, or standard high-density 3.5-inch diskette containing owner details in **NAUPA format** are enclosed.
- ❑ Recheck CD or diskette to ensure

Reporting Mutual Funds:

- ❑ Mutual funds transferred to an account in the name of the Vermont State Treasurer's Office, Unclaimed Property Division.
- ❑ Mutual fund confirmation statements are enclosed.
- ❑ Need help – ***Reference:*** *UP Manual - Page 14*

COMPLIANCE TIPS

Tips To Stay In Compliance:

- Follow changes in the Unclaimed Property Law.

  Law changes (if any) are posted to the Unclaimed Property web page http://www.vermonttreasurer.gov/unclaimed-property/information-for-holders

- Reference Unclaimed Property Statues

  http://www.vermonttreasurer.gov/unclaimed-property/state-statues

- Establish written unclaimed property procedures.
- Establish strong internal controls.
- Keep good records.
- Create an Unclaimed Property liability account.
  a. Debit Cash; Credit UP Liability Account
- Research inactive accounts regularly and perform due diligence on an on-going bases.
- Report yearly – May 1st of every year.
- Ask for help.

WORKSHOP INFORMATION

The Unclaimed Property Division offers unclaimed property workshops to educate Vermont holders on the Unclaimed Property Law, rules, and reporting requirements. Whether you are new or experienced in unclaimed property, workshops will provide valuable information to assist your organization with reporting and compliance responsibilities. To access scheduled Workshop Dates and Agenda, Request a Speaker, Register for a Workshop, Review Unclaimed Property History-Reporting slides, or HRS Pro Informational slides, select the appropriate box below. To receive a notification when a workshop is scheduled or need further assistance please e-mail UPCompliance@state.vt.us

Unclaimed Property Workshop DATES	Unclaimed Property REQUEST a SPEAKER	Unclaimed Property HISTORY-REPORTING Slides
Unclaimed Property Workshop AGENDA	Unclaimed Property Workshop REGISTRATION FORM	Unclaimed Property HRS PRO Slides

REFERENCE TABLES

REFERENCE TABLE - 1

NAUPA Property Types
(Dormancy periods listed in parenthesis)

ACCOUNT BALANCES DUE
AC01 (**3**) Checking Accounts
AC02 (**3**) Savings Accounts
AC03 (**3**) Matured Certificates of Deposit or Savings Certificates
AC04 (**3**) Christmas Club Accounts
AC05 (**3**) Money on Deposit to Secure Funds
AC06 (**3**) Security Deposits
AC07 (**3**) Unidentified Deposits
AC08 (**3**) Suspense Accounts
AC09 (**3**) IRA & 401 Accounts
*AC99 (**3**) Aggregate Account Balances Due*

UNCASHED CHECKS
CK01 (**3**) Cashier's Checks
CK02 (**3**) Certified Checks
CK03 (**3**) Registered Checks
CK04 (**3**) Treasurer's Check
CK05 (**3**) Drafts
CK06 (**3**) Warrants
CK07 (**7**) Money Orders
CK08 (**15**) Traveler's Check
CK09 (**3**) Foreign Exchange Checks
CK10 (**3**) Expense Checks
CK11 (**3**) Pension Checks
CK12 (**3**) Credit Checks or Memos
CK13 (**3**) Vendor Checks
CK14 (**3**) Any Checks Written Off to Income/Surplus
CK15 (**3**) Outstanding Official Checks or Exchange Items
CK16 (**3**) CD Interest Checks
CK17 (**3**) Bank Money Orders
*CK99 (**3**) Aggregate Uncashed Checks*

COURT DEPOSITS
CT01 (**1**) Escrow Funds
CT02 (**1**) Condemnation Awards
CT03 (**1**) Missing Heirs' Funds
CT04 (**1**) Suspense Accounts
CT05 (**1**) Bail or Deposits Made With a Court or Public Authority
*CT99 (**1**) Aggregate Court Deposits*

INSURANCE
IN01 (**3**) Individual Policy Benefits or Claim Payments

IN02 (3) Group Policy Benefits or Claim Payments
IN03 (3) Death Benefits Due Beneficiaries
IN04 (3) Proceeds from Matured Policies/Endowments/Annuities/Limited Age *
IN05 (3) Premium Refunds on Individual Policies
IN06 (3) Unidentified Remittances
IN07 (3) Other Amounts Due Under Policy Terms
IN08 (3) Agent Credit Balances
IN10 (2) Demutualization Funds
IN99 (3) Aggregate Insurance Property

* Person Outlives Policy Term

MINERAL PROCEEDS

MI01 (3) Net Revenue Interests
MI02 (3) Royalties
MI03 (3) Overriding Royalties
MI04 (3) Production Payments
MI05 (3) Working Interests
MI06 (3) Bonuses
MI07 (3) Delay Rentals
MI08 (3) Shut-in Royalties
MI09 (3) Minimum Royalties

MISCELLANEOUS INTANGIBLE PROPERTY

MS01 (1) Wages, Payroll, Salary or other compensation for personal services, including Commissions
MS02 (3) Commissions, other than for personal services
MS03 (3) Worker's Compensation Benefits
MS04 (3) Payment for Goods and Services
MS05 (3) Customer Overpayments
MS06 (3) Unidentified Remittances
MS07 (3) Unrefunded Overcharge
MS08 (3) Accounts Payable
MS09 (3) Credit Balances/Accounts Receivable
MS10 (3) Discounts Due
MS11 (3) Refunds Due
MS12 (3) Unredeemed Gift Certificates (Prior to 7/1/2006)
MS13 (3) Unclaimed Loan Collateral – Paid in Full's Charged Off
MS14 (3) Sums Payable under Pension/Profit Sharing Plans
MS15 (1) Property Distributable as Result of Dissolution
MS16 (3) Miscellaneous Outstanding Checks
MS17 (3) Miscellaneous Intangible Personal Property
MS18 (3) Suspense Liabilities
MS99 (3) Aggregate Miscellaneous Property

SECURITIES

SC01 (3) Dividends
SC02 (3) Interest Payable on Registered Bonds
SC04 (3) Equity Payments

SC05 (**3**) Profits
SC06 (**3**) Funds Paid Toward Purchase Shares/Interest in Financial
SC07 (**3**) Bearer Bond Interest And Matured Principal
SC08 (**3**) Shares of Stock (Returned by Post Office)
SC09 (**3**) Cash for Fractional Shares
SC10 (**3**) Unexchanged Stock of Successor Corporation
SC11 (**3**) Any Other Certificates of Ownership
SC12 (**3**) Underlying Shares/Outstanding Certificates of Owners
SC13 (**3**) Liquidated/Redemption Unsurrendered Stocks/Bonds
SC14 (**3**) Debentures
SC15 (**3**3) U.S. Government Securities
SC16 (**3**) Mutual Funds
SC17 (**3**) Warrants
SC18 (**3**) Matured Principal on Registered Bonds
SC19 (**3**) Dividend Reinvestment Plans
SC20 (**3**) Credit Balances – Security Notes
SC21 (**3**) Cash in Lieu of Stock
SC22 (**3**) Stock Split
SC50 (**3**) Bonds
*SC99 (**3**) Aggregate Securities - Related Cash*

TANGIBLE PROPERTY
SD01 (**5**) Safe Deposit Box Contents
SD02 (**5**) Other Safekeeping Items
SD03 (**3**) Other Tangible Property

TRUST, INVESTMENT, AND ESCROW ACCOUNTS
TR01 (**3**) Paying Agent Accounts
TR02 (**3**) Undelivered Dividends or Uncashed Dividends
TR03 (**3**) Funds Held in a Fiduciary Capacity
TR04 (**3**) Escrow Accounts
TR05 (**3**) Trust Vouchers
*TR99 (**3**) Aggregate Trust Property*

UTILITIES
UT01 (**3**) Utility Deposits
UT02 (**3**) Membership Fees
UT03 (**3**) Rebates
UT04 (**3**) Capital Credit Distributions
*UT99 (**3**) Aggregate Utility Property*

VT01 (**3**) Cash Assets
VT02 (**3**) Miscellaneous

Property held by a court, government, or governmental subdivision, agency, or instrumentality should be reported under the applicable property type, but based on one year dormancy. For instance, vendor's check from the municipality would be reported as CK13 (**1**).

REFERENCE TABLE - 2

OWNERSHIP AND RELATIONSHIP CODES

ADMINSTRATOR	AD
ATTORNER FOR	AF
AGENT FOR	AG
AND	AN
AND/OR	AO
BENEFICIARY	BF
CO-CONSERVATOR	CC
CUSTODIAN FOR	CF
CONSERVATOR	CN
ESTATE OF	ES
EXECUTOR OR EXECUTRIX	EX
FOR BENEFIT OF	FB
GUARDIAN	GR
HEIRS	HR
INSURED	IN
IN TRUST FOR	IT
JOINT TENNANTS IN COMMON	JC
JOINT W/RIGHT OF SURVIVORSHIP	JT
OR	OR
PAYEE	PA
POWER OF ATTORNEY	PO
PERSONAL REPRESENTATIVE	PR
REMITTER	RE
SOLE OWNER	SO
AS TRUSTEE FOR	TE
UNIFORM GIFT MINORS ACT (UGMA)	UG
UNKNOWN	UN

REFERENCE TABLE - 3

SAFE DEPOSIT BOX CODES

SAVINGS BONDS & OTHERS	BOND
COINS	CNS
CURRENCY	CURR
PAPER DOCUMENTS	DOC
JEWELRY	JEWL
OTHER TANGIBLE PROPERTY	MISC
STAMPS	STMP
VARIOUS WEAPONS	WEAP
SIGNED WILLS	WILL

CONTACT INFORMATION

HOLDER ASSISTANCE

Contact Information: Visit our Web site: www.vermonttreasurer.gov

Inquire via e-mail**:** UPCompliance@state.vt.us

Inquire via phone: (802)-828-2407 or

TOLL-FREE (800)-642-3191 (VT Only)

Mailing Address: Mail report to:

Vermont State Treasurer's Office
Unclaimed Property Division
109 State Street, 4th Floor
Montpelier, VT 05609-6200

SCHEDULES

IMPORTANT DATES

Vermont's filing date of the unclaimed property report is **May 1**. This is the date when reports with remittances are due for the previous calendar year.

Holder Type	Property Type	Dormancy Period	Last Activity Date	Reporting Period	Report & Remit Due
All Holders	Wages	**1 year**	**01/01/09-12/31/09**	01/01/10-12/31/0910	**05/01/2011**
Courts, Governments, Governmental subdivisions	Any amounts payable or distributable	**1 year**	**01/01/09-12/31/09**	01/01/10-12/31/10	**05/01/2011**
Corporations	Stock, Dividends, Vendor Checks, Credit Memos, Pensions, etc.	3 years	01/01/07-12/31/07	01/01/10-12/31/10	**05/01/2011**
Banks & Financial Institution	Dormant Accounts, Uncashed checks	3 years	01/01/07-12/31/07	01/01/10-12/31/10	**05/01/2011**
Banks	Safe deposit boxes	5 years	01/01/05-12/31/05	01/01/10-12/31/10	**05/01/2011**

UNCLAIMED PROPERTY REPORTING SCHEDULE

PROPERTY SUBJECT TO REPORTING ITEMS THAT WERE ISSUED OR HAD A LAST ACTIVITY DATE DURING	REPORT BY
1/1/1990 thru 12/31/1999	May 1, 2000
1/1/1991 thru 12/31/2000	May 1, 2001
1/1/1992 thru 12/31/2001	May 1, 2002
1/1/1993 thru 12/31/2002	May 1, 2003
1/1/1994 thru 12/31/2003	May 1, 2004
1/1/1995 thru 12/31/2004	May 1, 2005
1/1/1996 thru 12/31/2005	May 1, 2006
1/1/1997 thru 12/31/2006	May 1, 2007
1/1/1998 thru 12/31/2007	May 1, 2008
1/1/1999 thru 12/31/2008	May 1, 2009
1/1/2000 thru 12/31/2009	May 1, 2010
Current Yr Reporting 1/1/2001 thru 12/31/2010	May 1, 2011
1/1/2002 thru 12/31/2011	May 1, 2012
1/1/2003 thru 12/31/2012	May 1, 2013
1/1/2004 thru 12/31/2013	May 1, 2014
1/1/2005 thru 12/31/2014	May 1, 2015

WAGES - ONE YEAR DORMANCY PERIOD ITEMS THAT WERE ISSUED OR HAD A LAST ACTIVITY DATE DURING	REPORT BY
1/1/1996 thru 12/31/2005	May 1, 2007
1/1/1997 thru 12/31/2006	May 1, 2008
1/1/1998 thru 12/31/2007	May 1, 2009
1/1/1999 thru 12/31/2008	May 1, 2010
Current Yr Reporting 1/1/2000 thru 12/31/2009	May 1, 2011
1/1/2001 thru 12/31/2010	May 1, 2012
1/1/2002 thru 12/31/2011	May 1, 2013
1/1/2003 thru 12/31/2012	May 1, 2014
1/1/2004 thru 12/31/2013	May 1, 2015

MOST PROPERTY - 3 YEAR DORMANCY PERIOD ITEMS THAT WERE ISSUED OR HAD A LAST ACTIVITY DATE DURING	REPORT BY
1/1/1987 thru 12/31/1996	May 1, 2000
1/1/1988thru 12/31/1997	May 1, 2001
1/1/1989 thru 12/31/1998	May 1, 2002
1/1/1990 thru 12/31/1999	May 1, 2003
1/1/1991 thru 12/31/2000	May 1, 2004
1/1/1992 thru 12/31/2001	May 1, 2005
1/1/1993 thru 12/31/2002	May 1, 2006
1/1/1994 thru 12/31/2003	May 1, 2007
1/1/1995 thru 12/31/2004	May 1, 2008
1/1/1996 thru 12/31/2005	May 1, 2009
1/1/1997 thru 12/31/2006	May 1, 2010
Current Yr Reporting 1/1/1998 thru 12/31/2007	May 1, 2011
1/1/1999 thru 12/31/2008	May 1, 2012
1/1/2000 thru 12/31/2009	May 1, 2013
1/1/2001 thru 12/31/2010	May 1, 2014
1/1/2002 thru 12/31/2011	May 1, 2015

GENERAL QUESTIONS / ANSWERS

GENERAL QUESTIONS AND ANSWERS

HOLDER REPORTING

- **What happens if a holder does NOT report unclaimed property?**

  A holder who willfully fails to report and deliver unclaimed property will be assessed a 25% interest penalty and a civil penalty of $1,000 for each day report is withheld up to a maximum of $25,000. (§1264 (a) (3)).

- **I have been selected for an unclaimed property audit. How far back will the audit process encompass?**

  The State of Vermont has the right to audit as far back as to the date your business was established.

- **Can I charge service fees for items that are lost or misplaced?**

  No charges or fees may be assessed for failure to present the instrument for payment; however, if there is a valid and enforceable written contract between the holder and the owner that allows such charges or fees, then service charges or fees may be deducted. Also, when reporting, include a copy of the contract with the report. (§1248 (e)).

- **Is there a minimum dollar amount that Vermont exempts from reporting?**

  No. All amounts are reportable to the State of Vermont.

- **What is meant by "Aggregate"?**

  The aggregate includes all items that are $25.00 or less, which should be combined together and reported as one lump sum. (§1247 (b) (3)). Total aggregate amount and number of accounts within the aggregate total must be reported in section 3a of the Report Cover Sheet. Remember that you need to summarize aggregate amounts by property type. The aggregate also includes any dollar amount where the owner detail cannot be ascertained or when the owner is "unknown."

- **Do I need to include the detail (names, addresses, social security numbers, and amounts) for aggregate items?**

  No, but you should retain a detailed listing or report for your reference. This will save you time and effort later if owners come forward to claim aggregate items. NOTE: You must also list the number of accounts included within the aggregate amount in section 3a on the Cover Report.

- **My business issues checks that have "Void after xxx days" printed on the face of the check. Are these still considered unclaimed property?**

Yes. The law states that property is payable or distributable even if the owner fails to present the instrument for payment. (§1242 (e)). Even though the business indicates that the check is not valid after a specified period of time, the underlying obligation still exists. These items would need to be held for the requisite abandonment period and then reported as unclaimed property.

- **Are credit checks and memos (CK12) reportable as unclaimed property?**

  Yes, they are considered unclaimed property and have 3 year dormancy periods. Dormancy commences on the date of the original credit or memo date. If actual check was not issued, use the date of the amount that was payable to the owner. Reference page 6 of manual for more information.

- **How do potential owners check for unclaimed property?**

  Individuals, businesses, or organizations may check for unclaimed property by contacting the Unclaimed Property Division at 802-828-2407, or by visiting our Web Site at www.vermonttreasurer.gov

- **Reporting to Other States**

  Texas v. New Jersey: This 1965 Supreme Court decision set the rule for escheatment. It mandated that unclaimed property should go to the State of the last known address of the owner, (§1245 (1)); however, Vermont now exchanges property with all states, so a Vermont holder can report all unclaimed property to Vermont and we will exchange it with the appropriate state.

- **Creditor received payment yet check has not cleared my bank. Is this reportable unclaimed property?**

  No. The creditor has been satisfied; they received payment for their service/product. The fund issue is between your company and your bank.

- **CD's or IRA Accounts - Time Deposits: When should they be remitted to the State as unclaimed property?**

  CD Reporting: *Report only Matured Account*

  Return of post office mailings prior to the maturity time of the account (demand, savings, bank money order or time deposit) *should not trigger the aging of the account for the purposes of the unclaimed property reporting*. Reporting Time Deposits: Section 1242 (6) "...including automatically renewable, three years after the earlier of the maturity or the last indication by the owner of interest in the property; however, *a deposit that is automatically renewable is deemed matured for purposes of this section upon its initial date of maturity*."

  A) If the initial maturity is less than one year, start aging for abandonment after one year.

  B) If account notices are returned as undeliverable, start aging on the date of the return.

C) Automatically renewable CDs may become dormant and reportable prior to the next rollover date.

D) If the institution would normally forfeit interest or charge a penalty for closing the CDs prior to rollover, postpone reporting and report the CDs at its next maturity.

IRA Reporting: *Report only Matured Account*

Return of post office mailings prior to the time the account's owner reaches 70 ½ (IRA) and 59 ½ (Roth IRA) should *not trigger the aging of the account for the purposes of the unclaimed property reporting*, unless considered together with the abandonment conditions specified by the law. Reporting Time Deposits: Section 1242 (14) "property in an individual retirement account, defined benefit plan, or other account or plan that is qualified for tax deferral under the income tax laws of the United States, three years after the earliest of the following dates:

A) Date of the distribution or attempted distribution of the property;

B) Date of the required distribution as stated in the plan or trust agreement governing the plan; or

C) Date, if determinable by the holder, specified in the income tax laws of the United States by which distribution of the property must begin in order to avoid a tax penalty.

- **Bank Money Orders – when are they to be reported?**

Bank has payee's name and address for their money orders, these fall under Section 1242 (a) (3) and are reportable under the three-year dormancy rule, otherwise they are to be reported under Section 1241 (10) and are reportable under the seven-year dormancy period.

- **Bank Money Orders, Cashier Checks, Treasurer's Checks – who are the owners?**

Financial institutions must follow their internal reporting procedures in determining who is the rightful owner of their bank money orders, cashier's checks, treasurer's checks, etc. Once owner has been identified, funds are to be reported as unclaimed property.

- **Can the property code SC50-Bonds be used to report both shares and cash?**

No. This code is used for reporting shares only. Use codes SC13 – Liquidated/Redemption Stock/Bond or SC21–Cash in Lieu of Stock.

- **Mutual Funds – How are they reported?**

Holder remains the custodian of all mutual funds. Mutual fund accounts must be transferred into the State of Vermont Treasurer's name (see page 14 of Reporting Manual for reporting instructions). When reporting Mutual Funds, be sure to include the complete fund name and CUSIP Number for the fund. Dividends can also be reported on the same report.

- **Deceased Owners – How is property to be reported when a beneficiary is listed?**

  Financial institutions must follow their internal reporting procedures for returning funds to their rightful owner(s). These unclaimed funds will be listed as the Holder reports them to the Unclaimed Property Office.

VOLUNTARY COMPLIANCE PROGRAM

- **What is the Voluntary Compliance Program About?**

  Every business entity is required to report unclaimed property assets to the State of Vermont annually. As an ongoing effort to promote compliance with the Unclaimed Property Law, The State Treasurer's Office has established a Voluntary Compliance Program, which is available for the holders that have not been in compliance with the Unclaimed Property Law, but want to become compliant. The Voluntary Compliance Program is a one-time unique opportunity for Holders to come forward to report their unclaimed property liability without any penalties and interest being assessed.

  More program information can be found in the section labeled "Voluntary Compliance Program" located on the Unclaimed Property web page http://www.vermonttreasurer.gov/unclaimed-property/information-for-holders or on page 35 of the Unclaimed Property Holder Reporting Manual.

- **Is more in-depth reporting information required with the Voluntary Compliance Program?**

  No, your system generated report is sufficient, however if you extrapolate, the basis for the extrapolation will be required at the time of your report submission. After review of your report, we may ask for additional items.

- **How far back do I have to review my records if accepted into the Voluntary Compliance Program?**

  The look back period is 10 years. The State of Vermont does reserves the right to audit any Holder issued a VCA Agreement, in which an audit can go back to the date the business was established.

- **Is there a specific way to calculate estimates and perform the extrapolation for the reporting years with no available records?**

  No, but if your company has been approximately the same size for the last 10 years, the easiest way is to average the amount for unclaimed property that you do have records for and apply that to the years with no records. Check with your accountant for other ways to extrapolate. The lack of records does not relieve the organization of their responsibility to report under V.S.A. 27, Chapter 14.

HRS PRO

- **Where can I find the link to the HRS Pro software?**

  HRS Pro software can be downloaded from one of two websites:

  1. Wagers & Associates
  2. NAUPA website . http://www.unclaimed.org/reporting/free-compliance-tools/
     a. Scroll to Reporting Sources
     b. Select NAUPA Standard Electronic File Format

  NOTE: Will need system administrator rights to load software onto your system.

- **How do I download the HRS Pro (Free Addition) software?**

  Wagers & Associates website provides a step by step "**How To Guide**" that is extremely helpful in assisting you in accomplishing a successful download of the HRS-Pro software. How To Guide has been designed for those who may not be comfortable or familiar with computers or unclaimed property in general. How To Guide is available at: http://www.wagers.net/hrs/downloads.php

- **Are there instructions available on how to use the HRS Pro software?**

  Wagers & Associates website provides a step by step "**HRS-Pro User's Guide**" detailing each step to successfully entering data manually or by importing your preformatted data into the existing HRS-Pro Excel template. User Guide is available at: http://www.wagers.net/hrs/downloads.php

- **How is an incorrect report removed from HRS Pro system?**

  Highlight the report to be removed and select the delete key.

- **How should aggregate reporting be performed using HRS Pro?**

  Aggregate amounts must be summarize and entered by each property type. The aggregate includes all items that are less than $25.00, which should be combined together and reported as one lump sum. (§1247 (b) (3)). Total aggregate amount and number of accounts within the aggregate total must also be reported in section 3a of the Report Cover Sheet. Remember that the aggregate also includes any dollar amount where the owner detail cannot be ascertained or when the owner is "unknown." Reference page 23 of manual for record samples.

- **Disk Reporting Errors – What Now?**

  Using HRS Pro Reporting Software:

  Must use the most recent version of the HRS Pro software. Download the free software from Wagers & Associates website. If data was entered into the older version of HRS Pro it will automatically transfer into the new version of the HRS Pro software. Verify data matches on both the original and new report. Save transferred data on updated software onto a newly formatted disk. Follow your IT disk save instructions. Check disk (**do not open file on disk**) before mailing to ensure data file is listed. Mail to Unclaimed Property Office.

Using Other Reporting Software (ex:Tracker, APECS etc):

Verify software "Save" and "Roll Back" (reset to original date data was reported) procedures were followed correctly. Verify data matches on both the original and new report. Save new data to newly formatted disk. Follow your IT disk save instructions. Contact product software support to resolve any other reporting problems.

Tracker – made by FISERV
APECS – made by Freedom Group.

No product support, contact your IT support staff for a resolve or consider using HRS Pro Wagers & Associates free reporting software.

Note: All reports are due "May 1" each year.

- **More Frequently Asked Questions About Unclaimed Property**

Reference Office of the State Treasurer, Unclaimed Property Web Site http://www.vermonttreasurer.gov/unclaimed-property/information-for-holders.

UPEXCHANGE

- **What is UPExchange?**

UPExchange is a free web application for creating and submitting unclaimed property reports in the NAUPA II Electronic Reporting Standard. Because it's a software-as-a-service offering (SaaS), it creates an exchange of functionality that takes location out of the equation. It's accessible from anywhere, with any standard Web browser, and with no software to install or maintain. Because it permits holders to grant access to stakeholders of their choosing, it creates an exchange of information that enables efficient collaboration.