



Unclaimed Property

HISTORY - REPORTING

Montpelier, Vermont

2012

Nancy Scribner, Compliance Officer



AGENDA

PART I

- Unclaimed Property (UP)
- Reporting
- Dates To Remember
- Due Diligence
- Reportable Amounts



AGENDA

PART I – cont.

- Report Contents
- Owner Contact – After Reporting
- Negative Reporting
- Compliance Tips
- Failure To Comply



AGENDA

PART I – cont.

- Voluntary Compliance Program
- Examination Selection
- Helpful Websites
- Unclaimed Property Contacts
- Be Aware
- Questions



UNCLAIMED PROPERTIES

Part I



Unclaimed Property

What Is It?

Any type of financial assets, owed to individuals or businesses, that a holder has had in its possession for a certain period of time and that appears to have been abandoned by the owner.

(Ref: Reporting Manual Pg 5)



Unclaimed Property History - Early Period

- Unclaimed Property Laws Date Back to the English Common Law.
 - **Land** - Returned to Lord If tenant passed away without heirs.
 - **Personal Property** - Subject to claim only by the Crown – Based on the “royal prerogative”.



Unclaimed Property History - Modern Times

- American States Establish Their Own Abandoned Property Statues.
 - **1908** - MA Enacted Bank Deposit Statutes.
 - **1915** - CA Adopted Bank Deposit Statutes.

Statutes required judicial proceeding to declare deposits abandoned and turned over to states, thereby terminating owners rights to recover their funds.



Unclaimed Property History - Modern Times

- **1954** - First Uniformed Unclaimed Property Act Enacted
- **1966** - Model Legislation Slightly Amended
- **1981** - More Comprehensively Amended
- **1995** – Amended Again

Even after being amended several times the primarily characteristics of the Uniform Unclaimed Property Act remain the same.



Unclaimed Property History - Modern Times

- **Custodial** (legal custody) in nature;
- **Comprehensive In Scope**, covers extremely broad range of unclaimed property types;
- **Consumer Protection** law, serving to safeguard the owner's property and providing a mechanism for reuniting the owner with the property;
- **Revenue Measure** for the enacting states.



Unclaimed Property Origination

- Accounts become inactive due to address/name change, unawareness of assets, small values, owners illness/death.
- All attempts to locate owners fail.

(Ref: Reporting Manual Pg 5)



Unclaimed Property

Types of Property

Include, but not limited to:

- Savings/ DD/Share accounts
- Uncashed checks
(official/MO/interest/certified/expense);
- Matured bonds/CDs (principal/interest);
- Payroll/wages
- Trust property
- IRA accounts;
- Collateral deposits/unidentified deposits
- Gift cards (Reportable Prior to 7/1/2006)
- Safe deposit box contents

(Ref: Holder Reporting Manual Pg 6-17 & 41-43)



Unclaimed Property

Types of Property

Local Governments

- Warrants
- Uncashed checks
- Excess proceeds from property tax foreclosures
- Property tax overpayment or refunds
- Trust accounts
- Unclaimed debt service payments
- Unredeemed bonds and coupons
- Unrefunded utility deposits



Unclaimed Property

It Is The Law

Vermont Statutes
Title 27, Chapter 14
27 V.S.A. §§ 1241-1270



Unclaimed Property Presumption of Abandonment

Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth in §1242 (a) for the particular property type.

“Unclaimed” = the apparent owner has not communicated in writing with the holder concerning the property and has not otherwise indicated an interest in the property.



Unclaimed Property Purposes

- Safeguard and return property to the rightful owners;
- Place UP of unknown owners with the state to benefit the citizens of Vermont;
- Relieve holders of the liability;
- Establish one central place for owners to search for assets.



Unclaimed Property Overview - VT FY 2010 Funds

- **Collected:**
 - \$8.43 million in the unclaimed property;
- **Returned:**
 - \$4.26 million to 11,781 claimants;



REPORTING



Reporting General Scheme

- Dormant accounts are reported/remitted to State Administrators, in accordance with the statutory requirements.
- The state maintains this liability in perpetuity, trying to locate owners or their successors.

(Ref: Holder Reporting Manual Pg 3)



Reporting Holder's Responsibilities

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

(Ref: Holder Reporting Manual Pg 17)



Reporting Filing Responsibility

- All entities are responsible for filing reports on behalf of their branches, divisions or other affiliated groups.
- Third-Party Administrators, record keepers, paying agents are not obligated to report unclaimed property on behalf of a company but may enter into agreement with the company to do their reporting. These agreements do not relieve the company of its statutory responsibility.

(Ref: Holder Reporting Manual Pg 33)



Reporting

State's Responsibility

- Safeguard property until reunited with rightful owner;
- Make efforts to locate rightful property owner;
- Pay proceeds to the rightful owner;
- Outreach to business community, educating holders on UP Law.



Reporting Considerations

- Jurisdiction to Escheat
- Statutes of Limitations



Jurisdiction to Escheat

The right of a state to escheat property is well settled by the court.

The Supreme court in *Texas v. New Jersey* held that 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.

It was also decided that the secondary right to escheat belongs to the state of incorporation, if there was no owner's address in the holder's records.



Identify the State of your report

- **First Priority:**
 - Report to the state of the last known address of the owner
- **Second Priority, if first is not possible:**
 - Report to the holder's state of incorporation

Vermont can accept property for other states and countries under our reciprocal agreements.

(Ref: Holder Reporting Manual Pg 19)




Dormancy Periods

All property types may be combined by their dormancy periods into following groups:

- **1 year – Payroll;**
- **3 years – All Other Property Types.**
- 5 years – Safe Deposit Boxes;
- 7 years – Money Orders;
- 15 years – Traveler's Checks;



10 YEAR REPORTING PERIOD

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
1/1/2001 thru 12/31/2010	May 1, 2011
Current Yr Reporting  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



1 YEAR DORMANCY PERIOD


WAGES

Gov, Agencies, Courts, Schools,
Municipalities

WAGES - ONE YEAR DORMANCY PERIOD		REPORT BY
ITEMS THAT WERE ISSUED OR HAD A LAST ACTIVITY DATE DURING		
	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
	1/1/2000 thru 12/31/2009	May 1, 2011
Current Yr Reporting →	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



3 YEAR DORMANCY PERIOD

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
1/1/1988 thru 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
1/1/1998 thru 12/31/2007	May 1, 2011
Current Yr Reporting  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



Filing Date

Report Due Date – **May 1**

The cut-off date is December 31 of the preceding calendar year

§ 1247 (d)

(Ref: Holder Reporting Manual Pg 19 & 48)



IMPORTANT FILING DATES TO REMEMBER

Holder Type	Property Type	Dormancy Period	Last Activity Date	Reaching Dormancy	REPORT & REMIT DATE
All Holders	Wages	1 Year	01/01/10- 12/31/10	01/01/11- 12/31/11	5/1/2012
Corporations	Stock, Dividends, Vendor Checks, Credit Memos, Pensions, etc.	3 Years	01/01/08- 12/31/08	01/01/11- 12/31/11	5/1/2012
Banks & Financial Institution	Dormant Accounts, Uncashed Checks	3 Years	01/01/08- 12/31/08	01/01/11- 12/31/11	5/1/2012
Banks	Safe Deposit Boxes	5 Years	01/01/06- 12/31/06	01/01/11- 12/31/11	5/1/2012



Dormancy Periods

State Agencies & Local Governments

One year for **all** property types

(Ref: Holder Reporting Manual Pg 10)



IMPORTANT FILING DATES TO REMEMBER

Local Governments

Holder Type	Property Type	Dormancy Period	Last Activity Date	Reaching Dormancy	REPORT & REMIT DATE
Local/ State Govmnt	<ul style="list-style-type: none"> •Warrants •Uncashed checks •Excess proceeds from property tax foreclosures •Property tax overpayment or refunds •Trust accounts •Unclaimed debt service payments •Unredeemed bonds and coupons •Unrefunded utility deposits 	1 year	01/01/10 to 12/31/10	01/01/11 to 12/31/11	5/1/2012



Before Reporting

Prior to reporting holders must attempt to locate the missing owners through due diligence mailing.

Due Diligence Letter

Not more than 120 days or less than 60 days before report due date § 1247 (e)

(Ref: Holder Reporting Manual Pg 20 & 21)



Due Diligence Actions

- **Considered Unclaimed Property**
 - Letter returned as “Undeliverable”
 - No response from property owner
- **NOT Considered Unclaimed Property**
 - Property owner replies in writing



Due Diligence

1. The holder has an address in the holder's records for an apparent owner and the records do not indicate that the address is inaccurate.
2. The value of the property is, at least, **fifty** dollars.

(Ref: Holder Reporting Manual Pg 20 & 21)



Due Diligence Letter

- Notify owner of existence of property.
- Identify property.
- Notify owner of pending escheatment to the state.
- Include the escheatment date.
- Include actions required by payee to avoid escheatment – signature, turnaround time.

(Ref: Holder Reporting Manual Pg 20 & 21 - Due Diligence Letter Sample)



Due Diligence Letter

-

Sample

Due Diligence Letter - Sample

Miss Susan Smith
109 State Street
City Name, State, ZIP

Re: (Property Description or Account No.)

Our records indicate that we are holding unclaimed property in the amount of \$ _____ due to the person listed above. The owner may claim this property by contacting us at the address and/or phone number listed below.

Holder Information:

Company Name	<i>Your Company, Inc</i>
Address	<i>77 Main Street, Burlington, VT 05401</i>
Phone Number	<i>(802)-777-7777</i>

If we do not hear from the owner before (*insert the last day that the company can remove items for refund reporting and remitting to the State*), in accordance with Vermont unclaimed property law, these funds will be remitted to the state's Unclaimed Property Division.

Please take a minute to **call us at (802) 777-7777** so as to claim your property OR indicate below how you wish for us to handle your property. Please **mail your written response to the address listed above.**

Sincerely,

(*Company Contact Name*)
Street Address
City, State, Zip

PLEASE SIGN BELOW TO ACKNOWLEDGE OWNERSHIP OF THE ABOVE LISTED FUNDS

Print Owner Name Owner Signature

- Action to be taken (**PLEASE CHECK ONE**)
- Reissue Check (original is/is not enclosed)
 - Update Account (passbook is/is not enclosed)
 - Close Account and Send Check (passbook is/is not enclosed)
 - Other (explain)




Affidavit of Due Diligence

- Every holder is required to file an affidavit, stating the performance of the due diligence mailing. (§1248 (g)).
- Such affidavit is incorporated into the VT Compliance Reporting form.

(Ref: Holder Reporting Manual Pg 21 & Compliance Reporting Form)



Compliance Report Affidavit Location

	Vermont State Treasurer's Office -- Unclaimed Property Division 109 State Street, Montpelier, Vermont 05609-6200 * Phone: 802-828-2407 * Fax: 802-828-2884 UNCLAIMED PROPERTY ANNUAL COMPLIANCE REPORT (Cover Sheet Remittance <u>MUST</u> accompany report)
Submission Date: _____	HOLDER NAME: _____
REPORT DUE DATE: MAY 1, _____	REPORT TIME PERIOD: 1/1/20 _____ to 12/31/20 _____
Affidavit of Due Diligence	
The undersigned, (print name) _____ declares that the Due Diligence mailing has been performed in accordance with §1247 (g) V.S.A. Title 27, Chapter 14 on (indicate number) _____ accounts.	
Name of Previous Holder: If you are a successor to a previous holder of the property, or if you have changed your name, please list such prior holder: Name _____ Address _____	
The undersigned, (print name) _____, being duly sworn on oath, deposes and says that he/she has caused to be prepared and has examined this report of _____ pages, totaling \$ _____, as to property presumed abandoned under the Vermont Statutes Annotated, Title 27, Chapter 14, for the year ending as stated and that he/she, acting as duly authorized representative of _____, declares, in accordance with Title 13, Chapter 67, Section 3016 'False Claims', that, to the best of his/her knowledge and belief, said report is a true and complete statement of all abandoned property held or owing by the HOLDER at the close of business on this date, except such items as have since said date ceased to be abandoned.	
Print Name: _____	Signature _____ Title _____
Subscribed and sworn before me this _____ day of _____, in the year of _____.	
NOTARY: _____	My commission expires: _____
Make check payable and mail to:	Vermont State Treasurer's Office 109 State Street, 4th Floor, Montpelier VT 05609-6200



Are all Amounts Reportable?

YES

There is **NO** de minimis amounts. **ALL** amounts must be reported.

§1247 (b) (3).

(Ref: Holder Reporting Manual Pg 22)



“Aggregate”

- Amount due owner is less than \$25 can be reported in aggregate.
 - No detailed owner info is required (name, last known address, SSN) to be reported but retain owner info.
 - Can combined all amounts into one record and must be summarized by property type.
 - Total number of accounts reported must be entered on the Annual Report Cover Sheet – section 3a.

•Property code must always end in “99” (e.g., CK99).



Aggregate Property

HRS Pro
Aggregate
Property
Reporting

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

Cash* Shares Tangible Inventory Mineral Interest

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

Interest Rate: 0.0000 %

Owner Name	Address	Tax ID #	Type	Relation

Detail Add Remove

Edit Save Save and Add Next Property Cancel * = Required Field

Total MUST also be entered on Report Cover Sheet



Aggregate Owner

HRS Pro
Aggregate
Owner
Reporting

Adding Owner [Close]

Category: Individual Business Last Update:

Tax ID #: -- D.O.B.: / / |

*** Owner Type:** IN *** Relation to 1st Owner:** SO

*** Last Name:** AGGREGATE Suffix:
First Name: Prefix:
Middle Name: Title:

Address Line 1:
Address Line 2:
Address Line 3:
Zipcode: - City:
State: County: Country:

[Edit] [Save] [Save and Add Next Owner] [Cancel]

[Link to Existing Owner] * = Required Field

(Ref: Holder Reporting Manual Pg 23)



Compliance Report (Cover Page - 1)



Vermont State Treasurer's Office -- Unclaimed Property Division
109 State Street, Montpelier, Vermont 05609-6200 * Phone: 802-828-2407 * Fax: 802-828-2884
UNCLAIMED PROPERTY ANNUAL COMPLIANCE REPORT
(Cover Sheet Remittance MUST accompany report)

Submission Date: _____ **HOLDER NAME:** _____

REPORT DUE DATE: MAY 1, _____ **REPORT TIME PERIOD: 1/1/20** _____ **to 12/31/20** _____

Federal ID Number: _____ Contact Person: _____
1. Address: _____ Telephone: _____
City: _____ State of Incorporation: _____
State: _____ Zip: _____ Date of Incorporation: _____

Check Characteristic - Applicable to your Business	<input type="checkbox"/> Total Assets	<input type="checkbox"/> Premiums Written	<input type="checkbox"/> Yearly Deposits	<input type="checkbox"/> Sales/Gross Receipts			
Check Range (Millions):	<input type="checkbox"/> \$ 0 - 10	<input type="checkbox"/> \$ 11 - 25	<input type="checkbox"/> \$ 26 - 50	<input type="checkbox"/> \$ 51 - 100	<input type="checkbox"/> \$ 101+		
Employees:	<input type="checkbox"/> 1 - 20	<input type="checkbox"/> 21 - 50	<input type="checkbox"/> 51 - 100	<input type="checkbox"/> 101 - 250	<input type="checkbox"/> 251 - 500	<input type="checkbox"/> 501 - 900	<input type="checkbox"/> 901 +

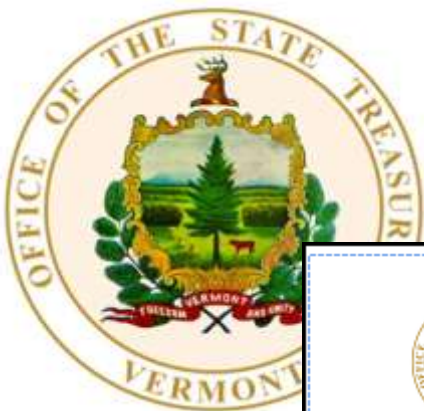
2. Did you file a report of unclaimed property last year? Yes No
If "No", please explain _____

2a. Did you file negative unclaimed property report last year? Yes No

~~3. Summary and classification of property reported/remitted on the following attached sheets:~~ _____ **Total**

a.	Accounts under \$25 (_____ # OF ACCOUNTS WITHIN AGGREGATE TOTAL).....	\$ _____
b.	Accounts over \$25 when owner's name is unknown.....	\$ _____
c.	Accounts over \$25 when owner's name is known	\$ _____
	Total Remitted (all accounts):	\$ _____

d. Shares Remitted Total



Compliance Report

(Verification & Check List – Page 2)



Vermont State Treasurer's Office * Unclaimed Property Office
 109 State Street, Montpelier, Vermont 05609-6200 * Phone: 802-828-2407 * Fax: 802-828-2884

UNCLAIMED PROPERTY ANNUAL COMPLIANCE REPORT

Verification Check List

Holder Name: _____ **Verification for the Period Ended:** _____

Every person, corporation or other business association, banking or financial organization, life insurance corporation, utility, court, or public authority must complete the following check list before filing its Vermont Annual Report of Unclaimed Property. This checklist includes by way of illustration, but not limitation, those items, which are covered by Chapter 14, Title 27 of the Vermont Statutes. All of the following types of property, with the exception of travelers checks and money orders, must be reported if they have remained unclaimed for one or more years. Travelers checks should be held fifteen (15) years and money orders seven (7) years. Please complete the checklist by checking

the box next to each applicable item. **Each checked item must be accounted for on the detail of the Annual Report of Unclaimed Property.**

ACCOUNT BALANCES

- A. Checking accounts
- B. Savings accounts
- C. Matured certificates of deposit or savings certificates
- D. Christmas Club accounts
- E. Money on deposit to secure funds
- F. Security deposits
- G. Unidentified deposits
- H. Suspense accounts
- I. Any sum owing to a shareholder, certificate holder, member, bond holder or other security holder, or participating member of a cooperative, such as:
 1. dividends
 2. interest
 3. principal payments
 4. equity payments
 5. profits
 6. other distributions
- J. Escrow funds

TRUST, INVESTMENT AND ESCROW ACCOUNTS

MISCELLANEOUS CHECKS AND INTANGIBLE PERSONAL PROPERTY HELD IN THE ORDINARY COURSE OF BUSINESS

- A. Wages, payroll or salary
- B. Commissions
- C. Expense checks
- D. Worker's Compensation benefits
- E. Pension checks
- F. Credit checks or memos
- G. Payments for goods and services
- H. Customer overpayments
- I. Unidentified remittance
- J. Unrefunded overcharges
- K. Accounts payable
- L. Credit balances - accounts receivable
- M. Discounts due
- N. Refunds
- O. Unredeemed gift certificates
- P. Vendor checks
- Q. Mineral proceeds
- R. Royalties
- S. Any other miscellaneous outstanding checks
- T. Any checks that have been written off to income or surplus



Rolling Up

You may not aggregate amounts greater than \$25.00. However, you may combine them, if:

1. payable to the same owner
2. in a given year and only,
3. if they are of the same property type.
 1. Use Last Check Number & Date as a reference for property.
 2. Use comment field to list number of dividends included.



Unclaimed Property Report Content

- Report full owner's name
- Last known address
- Social security number/FEIN
- Property type code
- The last activity/transaction date
- Ownership code
- Supporting account, check number or comments.



Ownership Codes

Property is paid to the owner in accordance with the reported ownership codes:

- SO = Sole owner
- AO = Joint AND/OR owners
- JT = Joint with/without right of survivorship
- CF/BF = Custodian/Beneficiary (UGMA)
- TE = Trustee



NEW Ownership Codes

HEALTH SAVINGS PLANS

- | | |
|--------|-----------------------------------|
| • HS01 | Health Savings Account |
| • HS02 | Health Savings Account Investment |

TRADITIONAL IRA, SEP IRA, SARSEP IRA & SIMPLE IRA

- | | |
|--------|--------------|
| • IR01 | Cash |
| • IR02 | Mutual Funds |
| • IR03 | Securities |



NEW Ownership Codes

- **ROTH IRA**

• IR05	Cash
• IR06	Mutual Funds
• IR07	Securities

- **EDUCATIONAL SAVINGS ACCOUNTS**

• CS01	Cash
• CS02	Mutual Funds
• CS03	Securities



“Unknown” Owners

Accounts with no last name on the records should be reported as the “unknown” owners’ funds, identifying each account separately, if greater than \$25.



Report Quality

Receiving good data in both the “owner information” and “property description” parts of the record:

- Facilitates processing of your report;
- Increases the likelihood of locating owners of the reported property;
- Significantly eases and expedites the claim processing.



Number of Items to Report

- I. More than *ten items* to report – **electronic reporting is required**. Free software from www.wagers.net.

- II. *Ten items or fewer* – manual reporting is allowed. Use Schedule A to provide details.

(Ref: Holder Reporting Manual Pg 28)



SCHEDULE A



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

UNCLAIMED PROPERTY REPORT - SCHEDULE A

Holder Name _____ Holder FEIN _____ Report Date _____

Holder ID _____ For Year Ended _____

Owner's Last Name, First Name, Middle Name; Owner's Last Known Street Address City, State, Zip	SSN/FEIN	Last Transaction or Date Property Became Payable or Distributable to the Owner	Account No.	Relationship Code	NAUPA Code	Cash Amount Remitted	Cash Amount Originally Owed to owner
1	2	3	4	5	6	7	8

Page No. _____ of _____

Number of Properties _____



Remittances

The check for the full amount of the report
made payable to the

“Vermont State Treasurer’s Office”

MAILED TO:

Unclaimed Property Division,
109 State Street, Pavilion Bldg (4th Floor)
Montpelier, VT 05609 – 6200

(Ref: Holder Reporting Manual Pg 46)



Negative Reports

- A negative report proves that the holder has reviewed its records for unclaimed property.

Not Required - But **Requested**

- Allows us to update our files and avoid sending any further compliance letters.

(Ref: Holder Reporting Manual Pg 24)



Service Charges and Fees

Are allowable only if:

1. There is an agreement signed by the owner in the consent of the future deductions;
2. There are special provisions in the bylaws;
3. Imposed uniformly (never reversed or reinstated);
4. Reasonable.
5. Provide agreement copy with each report each year.



Compliance Report

- An officer of the reporting organization must sign the compliance report;
- Signature must be notarized;
- By signing the compliance report, you will cover your entity against liability on claims for reported property.

(Ref: Holder Reporting Manual Pg 21)



Owner Makes Contact after Report is Filed

- Refer the owner to the state to make claim;
- Pay the owner and the state will reimburse you. Will need to fill out a Holder Reimbursement Form.

(Ref: Holder Reporting Manual Pg 31)



Holder Reimbursement



Revised 2005

HOLDER REQUEST FOR REIMBURSEMENT

State of _____ Report Year _____ Report Total _____

PART I HOLDER INFORMATION

Holder Name _____ Address _____ City _____ State _____ Zip _____

Tax ID# _____ Contact Name _____ Contact Telephone No. _____ Contact Fax No. _____

PART II CLAIM INFORMATION

Property Code _____ Acct. Reference No. (If Aggregate - Specify) _____ Date Pd. To Owner/Acct. Reactivated * _____ Dollar amount/number of shares _____

Owner's Name (Exactly as on Report) _____

Owner's Address (As Listed on Report) _____

Claimant's Name & Address (If Different than Owner) _____

***IF AMOUNT WAS REMITTED IN ERROR, ATTACH A SEPARATE SHEET DETAILING THE ERROR**

Total Request for Reimbursement: \$ _____

PART III HOLDER CERTIFICATION

Sworn to and subscribed before me this _____ day of _____ 20____

Notary: _____

My commission expires: _____

I, _____ a duly authorized representative of the holder listed above, do hereby certify that the above listed funds, or other property which was listed in the Report filed by the holder, have been paid to the rightful owner(s) or their appointed representative. I agree, upon payment of the above-described property to indemnify the State and hold it harmless from all claims and loss, demands, costs, and other expenses which the State may sustain by reason returning property to the holder and by reason further of its refusal to pay the property to any other person or persons:

Name and Title of Holder Representative (type or print) _____

Signature of Holder Representative _____ Date _____



Scenarios that Do NOT Eliminate the Need to Report

- Telephone contact;
- Internal activity;
- Automatic deposit from one dormant account into another;
- The statement “Void after XXX days”, printed on the face of the check.
- Poor records.



Failure to Comply

- Subject to Examination

Chapter 14 - § 1260 (e)

✓ \$200.00 per day per examiner

- Subject to Penalties

Chapter 14 - § 1264 (a) (1-4)

✓ Civil Penalty - \$200.00 per day/Max \$5,000

✓ Interest - Prime Rate per day



Examination Selection

- Non-reporting
- Negative reporting
- Gaps in reporting history
- Omission of property types
- Lump-sum aggregate reporting
- Unlawful deductions
- No look-back on initial report



Tips to Stay in Compliance

- Follow changes in Unclaimed Property Law
- Establish written procedures
- Establish strong internal controls
- Keep good records
- Create an Unclaimed Property liability account
 - *Debit Cash – Credit UP Liability Account*
- Research inactive accounts regularly (on-going due diligence)
- Report timely and on a regular basis



Voluntary Compliance Program

A one-time unique opportunity for holders to bring their entities into compliance with the Vermont Unclaimed Property Law without any penalties or interest assessed.

(Ref: Holder Reporting Manual Pg 35-37)



Voluntary Compliance Agreement

**Listed
years will
change
with each
reporting
year.**

VOLUNTARY COMPLIANCE AGREEMENT

This Agreement is made and entered into by and between the Vermont Unclaimed Property Division of the State Treasurer's Office (hereinafter "Division") and

(hereinafter "Holder") a _____ (type of business) whose primary business address is _____

The Holder has not previously complied with Vermont's Unclaimed Property Laws, and represents that it is eligible for participation in the Division's voluntary compliance program because:

- 1) The Holder has not been contacted for audit by the "Division" or a third party acting on behalf of the Division to determine compliance with Vermont Unclaimed Property Law (hereinafter "UPL"); and
- 2) The Holder would like to come forward voluntarily to correct any previous non-compliance with unclaimed property laws or underreporting, if any, under the terms of this voluntary compliance agreement (hereinafter "Agreement").

Holder understands that the Division is willing to negotiate a mutually agreeable settlement with respect to the Holder's reporting obligations under the UPL, subject to the following terms and conditions:

1. Within six month after execution of this agreement, the Holder shall file with the Division a report that shall include all delinquent unclaimed property items that became subject to reporting under UPL during the reporting periods from 2002 through 2011. This would include, but not be limited to unclaimed wages issued and/or payable from 2001 to 2010; and other general ledger items issued and/or payable from 1999 to 2008. The Division will provide support including education on applicable provisions of the unclaimed property law and assistance in identifying unclaimed property. With the report, the Holder shall deliver to the Department all of the property that is included in the report.



Important Things To Know

- Public may search reported owners at our website;
- There is no time limit to claim reported property;
- Owners are not charged to recover their property;
- Be aware of the heir finders.



Contact Information

<http://www.vermonttreasurer.gov/unclaimed-property/information-for-holders>

Email: UPCompliance@state.vt.us

General line: (802) 828-2407

Toll Free in Vermont 1-800-642-3191

- Compliance Officer,
- **Nancy Scribner**
- Email: nancy.scribner@state.vt.us
- Phone: (802) 828-1490

- Director, **Albert LaPerle**
- Email: al.laperle@state.vt.us
- Phone: (802) 828-2318



Unclaimed Property

QUESTIONS?

Phone: (802) 828-2407

Email: [UP Compliance@state.vt.us](mailto:UP_Compliance@state.vt.us)