



State of Vermont Unclaimed Property Reporting Manual - FAQs

Frequently Asked Questions

HOLDER REPORTING QUESTION	ANSWER
What is the due date for Vermont Unclaimed Property Reports?	May 1 is the due date for reports and remittances due for the previous calendar year. A May 1 postmark is acceptable. When due date occurs on week-end or holiday, due date is the following work day.
What happens if a holder refuses to file a report?	Any holder willfully failing to report and deliver unclaimed property can 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)).
What happens if notified of an audit? How far back will the audit process encompass?	The State of Vermont may require a holder to cover the expenses of an audit, if a holder is found to have willfully neglected to file. The audit may extend to the date the business formed.
Can holders charge service fees for items lost or misplaced?	No charges or fees may be assessed for failure to present the instrument for payment; however, when a valid and enforceable written contract exists between holder and owner that allows such charges or fees, then service charges or fees are deductible. Fees or charges are limited to reasonable amounts. A copy of the contract must be included with the report. (§1248 (e)) and the amounts must be identified by code. (See Table #5 Deductions / Withholdings in the Holder Reporting Manual for a list of codes.)
What is meant by "Aggregate"?	The aggregate includes all items valued at \$25.00 or less, combined together and reported as one lump sum (§1247 (b) (3)). The total number of aggregate accounts comprising the aggregate amount reported must be shown in section 3a of the Annual Report Cover Sheet. NOTE: summarize aggregate accounts by property type. The aggregate also includes any dollar amount where the owner detail cannot be ascertained or when the owner is "unknown."
Are names, addresses, social security numbers and individual account dollar amounts required for aggregate items?	No, but a detailed listing or report must be retained for your reference. This saves time and effort later when owners come forward to claim aggregate items. REMEMBER: list the number of accounts comprising the aggregate total in section 3a on the Annual Report Cover Sheet.
Can a third-party representative sign the affidavit if it has entered into an agreement with the Holder?	Statutes define this: <u>Public Corporation</u> - can designate a specific employee of the third-party to sign for the Holder. <u>Privately Held Corporation or Association</u> - no designation permitted: an officer must sign. <u>Partnership</u> - only a partner may sign.
What is the minimum dollar amount exempt from reporting?	None. All amounts are reportable to the State of Vermont, including a penny.



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PROPERTY TYPES REPORTED QUESTION	ANSWER
Should credit checks and memos (CK12) be reported?	Yes; they are considered unclaimed property with a dormancy period of three (3) years. Dormancy commences with the original credit or memo date. When an actual check was not issued, use the date the amount became payable to the owner.
Are checks with "Void After xxx Days" imprinted on their face considered unclaimed property?	Yes; statutes mandate that property is payable or distributable even when an owner fails to present the instrument for payment. (§1242 (e)). The underlying debt obligation remains with the item reportable upon reaching the requisite dormancy period limit.
When should Court-Ordered Minor Accounts be escheated?	Three years from the date the court indicated the majority date. Please reference (§1242 (a) (15))
Are unredeemed Gift Certificates and Cards (MS12) reportable to Vermont?	Unredeemed Gift Certificates and Cards (MS12) issued prior to July 1, 2006 (07/01/06) must be reported if unclaimed after the three-year dormancy period; however, those issued after 7/1/06 do not need to be reported. Gift certificates or cards donated as a prize are never escheatable, since no funds were exchanged for this type of gift.
A creditor received payment; however, the check never cleared the bank; is this reportable as 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.
How is property reported for a deceased owner when a beneficiary is listed?	Follow your internal reporting procedures for returning funds to rightful owner(s). The State of Vermont lists property owners as identified by the holder in its report.
When should <i>Burial Reserves</i> be escheated?	Three years from date of death of the owner/customer. See (§1242 (a) (15))
Who owns Bank Money Orders, Cashier Checks, Treasurer's Checks?	Follow internal reporting procedures in determining who is the rightful owner of a bank money order, cashier's check, treasurer's check, etc. Once owner has been identified, funds are to be reported as unclaimed property.
When should Bank Money Orders 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 (no known name or address) they are to be reported under Section 1241 (10) and are reportable under the seven-year dormancy period.
How should a Health Savings Account (HSA) be reported?	Report as abandoned three years after last owner contact for this and any related account. Use <i>Acct# HAS</i> as the account number when reporting. If owner reclaims the HSA and uses its funds for non-qualified expenses, unpaid taxes and a penalty are assessed.



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STOCKS, BONDS, MUTUAL FUNDS, ETC. QUESTION	ANSWER
Can property code SC50-Bonds be used to report both shares and cash?	No. Use this code for reporting only shares. Use codes SC13 – Liquidated/Redemption Stock/Bond or SC21–Cash in Lieu of Stock.
When should IRA accounts be reported if no date of birth or age is associated with account?	Vermont does not specifically assume an owner's age when an account was opened. Holder can determine escheat eligibility per 1242 (a)(14)(c).
How are Certificates of Deposit, IRAs and other time deposits reported as unclaimed property?	<p>CD Reporting: Report only Matured Account</p> <p>Return of post office mailings prior to the maturity time of the account (demand, savings, bank money order or time deposit) does not trigger the aging of the account for 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."</p> <p>If the:</p> <ul style="list-style-type: none">A. initial maturity is less than one year, start aging for abandonment after one year.B. account notice is returned as undeliverable, start aging on the date of the return.C. institution normally forfeits interest or charges a penalty for closing the CD prior to rollover, report the CD at its next maturity. <p>Note: Automatically renewable CDs can become dormant and reportable prior to the next rollover date.</p> <p>IRA Reporting: Report only Matured Account</p> <p>Return of post office mailings prior to the time account owner reaches 70 ½ (IRA) and 59 ½ (Roth IRA) <u>does not trigger the aging of the account for unclaimed property reporting, unless</u> 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:</p> <ul style="list-style-type: none">A. date of the distribution or attempted distribution of 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 USA income tax laws requiring distribution to begin to avoid a tax penalty.



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DIGITAL/ELECTRONIC REPORTING QUESTION	ANSWER
How do I access the HRS Pro software?	Go to the Wagers Web site and download there: URL: https://www.wagers.net/hrs/downloads.php Go to the NAUPA Web site for various reporting options: URL: https://www.unclaimed.org/reporting/free-compliance-tools/
Where do I obtain user manuals for HRS Pro?	Click HERE to open the How-To-Guide: URL: http://www.wagers.net/hrs/pdf/HRS_Pro_How_to_Guide.pdf
How do I remove an incorrect report from HRS Pro?	Highlight the report to be removed and select the delete key.
How do I create an .HDE file when not using HRS Pro?	Use the NAUPA File Encryption Utility available on the Wagers Web site to create encrypted .HDE (HRS Pro Digital Envelope) files.

MISCELLANEOUS QUESTION	ANSWER
How do potential owners check for unclaimed property?	To search throughout the United States, visit www.missingmoney.com ; To search for property held by the State of Vermont, visit the Unclaimed Property Web site or call the office: 802.828.2407. URL for Vermont Web site: (https://secure2.vermonttreasurer.gov/unclaimed/ownerSearch.asp)
