#### NORTH CAROLINA DEPARTMENT OF STATE TREASURER



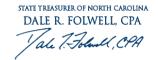
TILL CPA

STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA

#### UNCLAIMED PROPERTY DIVISION

# Compliance with Unclaimed Property Regulations December 7, 2022





#### **Culture of Compliance**

#### Our vision is to create a "Culture of Compliance" leading to an increase in holder compliance in North Carolina.

# Purpose of NC's Unclaimed Property Act (Chapter 116B, Article 4)

- Recover and take custody of abandoned or unclaimed property.
- Reunite abandoned properties with their rightful owner(s).
- Remit Escheat Fund earnings to the North Carolina State Educational Assistance Authority to provide loans and grants to worthy and needy North Carolina students enrolled in State-supported institutions of higher education.

Are you owed any of the \$1.02 billion in the T unclaimed property fund?

Treasurer Folwell explains the new NCCash Match Program



#### NCCash Claims

Claims are processed in the order they are received. Normal processing time is approximately 90 days. Once your claim is assigned to a processor, they will contact you if any additional information or documents are needed. You will be notified via email if/when your claim is approved for payment. You may check the progress of your claim by clicking on the "Claim Status" block below.



NCCash Match is the Department of State Treasurer's new program designed to make it easier for unclaimed property owners to receive their money.

Click here for details →

\$105,158,116

Like You from July 1, 2021 through June 30, 2022

(North Carolina Constitution, Article IX, Section 10)

state treasurer of north carolina DALE R. FOLWELL, CPA Valu 7. Folimett, CPA

Unclaimed Property Division







#### What is Unclaimed Property?

- Unclaimed Property consists of tangible and intangible property that has been abandoned and is not specifically exempt from law.
- According to NCGS §116B-52(11), "Property means (i) money or tangible personal property held by a holder that is physically located in a safe deposit box or other safekeeping depository held by a financial institution within this State or (ii) a fixed and certain interest in intangible property or money that is held, issued, or owed in the course of a holder's business, or by a government, governmental subdivision, agency, or instrumentality, and all income or increments therefrom."

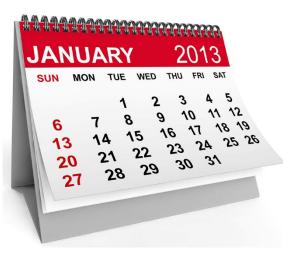






#### When is a Property Considered Abandoned?

Property is considered abandoned or unclaimed when there has been no documented transaction or contact between the owner and the holder for a period of time known as the "dormancy period".



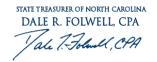




#### **Unclaimed Property Terminologies**

- <u>Owner</u>: A person who has a legal or equitable interest in property including: depositor in case of a deposit, a beneficiary in case of a trust, a creditor, claimant or payee in case of other choices in action, or any person having a legal or equitable interest in property subject to unclaimed property law.
- <u>Holder</u>: Any entity in possession of a specific asset/property that is legally owned by and owed to a specific owner.
- **Dormancy period:** The time frame from which property becomes payable or distributable until the time period required to report the property to the state as unclaimed property.





#### Common Myths

- 1) Our company does not have unclaimed property liability.
- 2) Unclaimed property compliance is voluntary.
- 3) We are only required to report to states in which we conduct business.
- 4) Our business would never be the owner of unclaimed property.

➤The truth is: Mostly all businesses will have an unclaimed property liability at some time.



STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA Tale 7. Folunt, CPA

#### Four Step Reporting Process







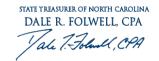
IDENTIFYING UNCLAIMED PROPERTY

ATTEMPTING TO LOCATE OWNERS PREPARING THE REPORT

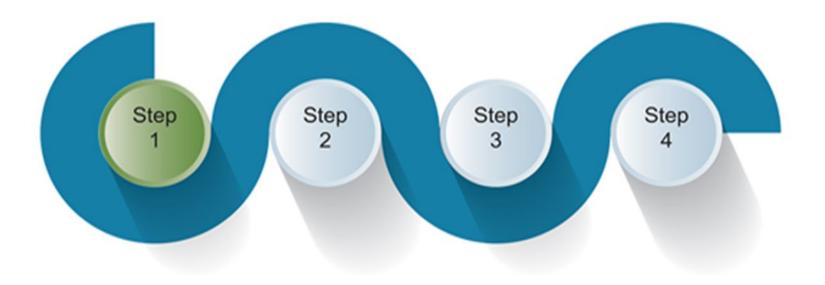


SUBMITTING THE REPORT AND REMITTING THE FUNDS

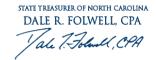




### Step 1: Identifying Unclaimed Property



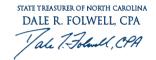




### Common Types of Unclaimed Property

- Salary, Wages, and other Compensation for Employment Services
- Overpayments/Refunds Due
- Customer Deposits
- Claim Payments Under an Insurance Policy
- Stocks & Bonds (including Dividend & Interest Payments)
- Bank and other Financial Accounts
- Escrow accounts or Accounts held in fiduciary capacity
- Contents of Safe Deposit Boxes

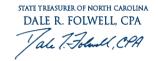




#### **General Ledger Review**

- Accounts Payable
- Accounts Receivable
- Miscellaneous Expense
- Income/Revenues
- Suspense Accounts
- Security Deposits
- Bond Obligations





### **Journal Entry Reviews**

- Entries to the wrong ledger account
- Reversing journal entries
- Year-end adjusting entries
- Ledger account balancing entries



STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA Tale T. Folunt, CPA

## **Disbursement Account Review**

- Open disbursement accounts
  - Bank account reconciliations
  - Outstanding check listings
- Closed disbursement accounts

– Disposition of outstanding checks

- Written off or voided checks
- Stale dated checks
- Checks returned by the post office





# Exempt Property in North Carolina (NCGS §116B-54)

- Forfeited Reservation Deposit
- Gift Certificate or Electronic Gift Card if it does not bear an expiration date
- Prepaid Calling Card issued by a Public Utility
- Mobile Home Deposits
- Business to Business Credit Balances
- Unclaimed Lottery Prizes
- A Merchandise Credit if it meets all the requirements of an exempted Gift Certificate or Electronic Gift Card





# Burden of proof NCGS §116B-58

Affirmative defenses established by the holder:

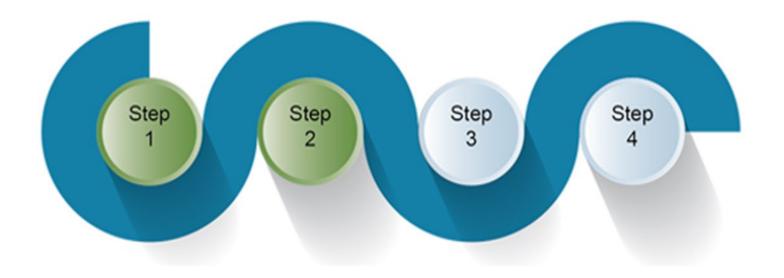
- Payment
- Satisfaction
- Discharge
- Want of consideration

Holder may obtain written acknowledgment from the payee that a particular check is not owed.

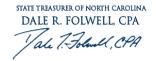




#### Step 2: Attempting to Locate Owners







## What is Due Diligence?

Due diligence is the process of attempting to locate apparent owner(s) of unclaimed property on a holder's books and records before remitting the property to the state.





# Due Diligence (NCGS §116B-59)

- The owner has not communicated with the holder or indicated interest in the property for a specified period of time.
- The property is a value of \$ 25 or more for security related property and \$50 or greater for all other property.
- Make good faith effort to locate owner.
- Send notice to the owner 60 to 120 days prior to filing.





# Due Diligence (NCGS §116B-59)

Make a good faith effort to locate an apparent owner

- Use resources such as LexisNexis (Accurint), Google, etc. to obtain a current address
- Search your own database for current vendors, customers, or employees





### When to Perform Due Diligence

#### Life Insurance Businesses

- Complete due diligence for applicable reportable items which have met their dormancy period as of December 31<sup>st</sup>
- Mail Due Diligence Letter in February to maintain compliance with NCGS §116B-59(b).

#### All other Business and Organizations

- Complete due diligence for applicable reportable items which have met their dormancy period as of June 30<sup>th</sup>
- Mail Due Diligence Letter in August to maintain compliance with NCGS §116B-59(b).





### Writing an Effective Letter

- Include a deadline for receipt of response allowing enough time to respond.
- Letter must include an area to indicate interest in the property.
- Provide contact information for customer questions.
- The letter should clearly state that the property will be escheated to the State if a timely response isn't received.

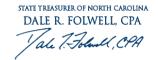


STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA Tale T. Folunt, CPA

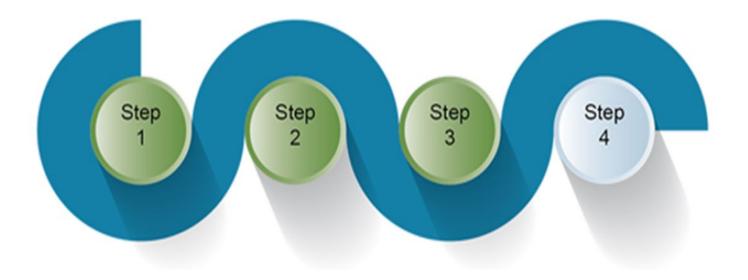
#### **Due Diligence Sample Letter**

August 15, 20XX (February 15, 20XX if life insurance company)	)				
Recipient Name 1234 Any Road St. N Anytown, NC 99999-9999					
Our records indicate you appear to be the owner of the funds or p for a significant period of time.	property listed below. No transaction or other activity has been noted				
	such as check or account number, date of item or last transaction additional information which would assist the owner in identifying the				
If you have an interest in the funds or property, and wish to prevu to the State of North Carolina, please sign this notice and return	ent the funds or property from being reported as unclaimed property it to:				
ABC Corporation 1st Avenue S. Big City, US 99999-9999					
to remit these funds or property to the North Carolina Departmer (May 1 <sup>st</sup> for life insurance) to whom all further claims must be di	(April 1, if holder is a life insurance company), the law requires us to of State Treasurer –Unclaimed Property Division by November 1 <sup>st</sup> rected. If deposited with the State, the funds or property should be flice –Unclaimed Property Division after January 1 <sup>st</sup> (July 1 <sup>st</sup> for life				
Once property is placed in the custody of the Treasurer, all will remain with the Treasurer, even if the owner subsequen	interest, dividends, income, and gains earned on the property tly reclaims the property from the Treasurer.				
If you have any questions concerning this request, please see th	e contact information below:				
Jane Doe, Controller (919) 555-1212 Jane.Doe@xxxxx.com					
Please sign below to acknowledge ownership of the above listed	I funds or property.				
Signature	Joint Owner Signature				
Print Name	Print Joint Owner Name				
Print Street Address Daytime Phone Number					
Print City, State, ZIP	Print E-mail Address				





#### Step 3: Preparing the Report





STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA Tale T. Folunt, CPA

## **Reporting Unclaimed Property**

• Where to Report?





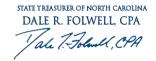


### Rules of Custody – NCGS § 116B-56

Unclaimed property is subject to North Carolina laws if:

- 1. The last known address of the apparent owner is a North Carolina address.
- The identity and/or last known address of the apparent owner is *unknown*, and the holder is incorporated in North Carolina.
- The last known address of the apparent owner is in a foreign country, and the holder is domiciled in North Carolina.





#### Rules of Custody - Tangible Property, Traveler's Checks, and Money Orders

- Traveler's checks and money orders are reported to the state in which they were purchased.
- Contents of safe deposit boxes are reported to the state in which the box was drilled.

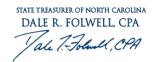




NORTH CAROLINA DEPARTMENT OF STATE TREASURER

UNCLAIMED PROPERTY

UT99 Aggregate Utility Property < \$50



Dormant

5

#### **NAUPA Class Codes** and Dormancy Period Charts

Class		CLASS	CODES	AND DORMAN
Code		eriod	Code	
coue	ACCOUNT BALANCES		coue	INSU
AC01	Checking Accounts	5	IN01	Individual Policy
AC02	Savings Accounts	5	11401	Payments
AC03	Matured CD or Savings Cert.	10	IN02	Group Policy Be Benefits
AC04	Christmas Club Funds	5	IN03	Proceeds Due B
AC05	Money-Deposit to Secure Funds	5	IN04	Proceeds from M Endowments or
AC06	Security Deposits	5	IN05	Premium Refun
AC07	Unidentified Deposits	5	IN06	Unidentified Rer
AC08	Suspense Accounts	5	IN07	Other Amounts Terms
AC99	Aggregate Account Balances <\$50		IN08	Agent Credit Ba
	UNCASHED CHECKS		IN99	Aggregate Insur
CK01	Cashier's Checks	7	TRU	ST, INVESTME
CK02	Certified Checks	7		ACCO
CK03	Registered Checks	7	TR01	Paying Agent Ar
CK04	Treasurer's Checks	5	TR02	Undelivered/Und
CK05	Drafts	5	TR03	Funds held in Fi Escrow Account
CK06	Warrants	5	TR05	
CK07	Money Orders	7	TR99	Trust Vouchers Aggregate Trust
CK08	Traveler's Checks	15		INERAL PROC
	Foreign Exchange Checks	5		INTERAL
	Expense Checks	5	MI01	Net Revenue Int
CK11	Pension Checks	3	MI02	Royalties
CK12	Credit Checks or Memos	5	MI03	Overriding Roya
CK13	Vendor Checks	5	MI04	Production Payr
CK14	Checks Written Off to Income	5	MI05	Working Interest
CK15 CK16	Other Outstanding Official Checks CD Interest Checks	5	MI06	Bonuses
	Aggregate Uncashed Checks < \$50	5	MI07	Delay Rentals
			MI08	Shut-In Royaltie
	RADITIONAL IRA, SEP IRA, SARSEP, and SIMPLE IRA		MI09	Minimum Royalt
IR01	Traditional IRA - Cash	3	MI99	Aggregate Miner
	Traditional IRA - Mutual Funds Traditional IRA - Securities	3	INT	MISCELLANE
			MS01	Wages, Payroll,
	ROTH IRA	-	MS02	Commissions
	Roth IRA - Cash	3	MS03	Workers' Compe
	Roth IRA - Mutual Funds	3	MS04	Payment for Go
	Roth IRA - Securities	3	MS05	Customer Overp
	DEPOSIT BOXES & SAFEKEEP		MS06	Unidentified Ren
SD01	Safe Deposit Box Contents *	2	MS07	Unrefunded Ove
SD02	Safekeeping/Loan Collateral *	5	MS08	Accounts Payab
SD03	Other Tangible Property *	5	MS09	Credit Balances
			MS10	Discounts Due
	DEMUTUALIZATION		MS11	Refunds Due
DM01	Cash	3	MS12	Unredeemed Gi
DM02		3	MS13	Unclaimed Loan
	Aggregate Demutualization Property <\$50	3	MS14	Pension & Profit
			MS15	Dissolution or Li
	UTILITIES		MS16	Misc Outstandin
	Utility Deposits	1	MS17	Misc Intangible F
	Membership Fees	1	MS18 MS19	Suspense Liabil Layaway Deposi
	Refunds or Rebates Capital Credit Distributions	1	MS19 MS20	Rents
0104 (	Capital Credit Distributions	3	MIS20	Nents

				ALLEN
ODES	AND DORMANCY PERIODS FO		-GOVER	NMENTAL HOLDERS
	Dorn	nant	Class	
Code	Pe	riod	Code	
	INSURANCE			SECURITIES
IN01	Individual Policy Benefits or Claim	5		Dividends
IN02	Payments Group Policy Benefits or Claim Benefits	5		Interest (Bond Coupons Principal Payments
IN03	Proceeds Due Beneficiaries	3	SC04	Equity Payments
IN04	Proceeds from Matured Policies	3		Profits
	Endowments or Annuities			Funds Paid to Purchase Funds For Stocks & Bo
IN05	Premium Refunds	5		Shares of Stock (Return
IN06 IN07	Unidentified Remittances Other Amounts Due Under Policy	5		Office
INOS	Terms Agent Credit Balances	5		Cash for Fractional Sha Unexchanged Stock &
IN99	Aggregate Insurance Property <\$50		3010	Shares of Successor C
	ST, INVESTMENTS, AND ESCRO ACCOUNTS	wc		Other Cert of Ownershi Underlying Shares or O
TR01	Paying Agent Accounts	3		Outstanding Certificates
TR02	Undelivered/Uncashed Dividends	3	SC13	Funds for Liquidation R
TR03	Funds held in Fiduciary Capacity	5		Surrendered Stocks or I
TR04	Escrow Accounts	5		Debentures
TR05	Trust Vouchers	5		US Govt Securities
TR99	Aggregate Trust Property <\$50			Mutual Fund Shares
M	INERAL PROCEEDS & MINERAL INTERESTS	-	SC18	Warrants (Rights) Matured Bond Principal
MI01	Net Revenue Interest	5		Dividend Reinvestment
MI02	Royalties	5		Credit Balances
MI03	Overriding Royalties	5	SC99	Securities Property Not
MI04	Production Payments	5		Above
MI05	Working Interest	5		MISCELLANE
MI06	Bonuses	5	7777	Properties Not Identifie
MI07	Delay Rentals	5	~~~~~	Properties Not identifie
MI08	Shut-In Royalties	5	* Prop	erty should be reporte
MI09	Minimum Royalties	5		e deposit box contents
			reviev	v the report and provid
MI99	Aggregate Mineral Interests < \$50	5	instru	ctions if applicable
	Aggregate Mineral Interests < \$50 MISCELLANEOUS CHECKS &	5		ctions, if applicable.
			** 60	% of the unredeemed
INT	MISCELLANEOUS CHECKS &		** 60 value	% of the unredeemed if an expiration perior
INT. MS01	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT	TY	** 60 value the ce	% of the unredeemed if an expiration perior ertificate. Gift certificat
INT. MS01 MS02 MS03	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPER Wages, Payroll, Salary Commissions Workers' Compensation Benefits	1 1 5	** 60 value the ce expira expira	% of the unredeemed if an expiration perior artificate. Gift certificat ation date, or a statem ation date does not ap
INT. MS01 MS02 MS03 MS04	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services	1 1 5 5	** 60 value the ce expira expira	% of the unredeemed if an expiration period artificate. Gift certificat ation date, or a statem
INT/ MS01 MS02 MS03 MS04 MS05	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPER Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments	1 1 5 5 ^3/5	** 60 <sup>4</sup> value the ce expira carol	% of the unredeemed if an expiration period ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat.
INT/ MS01 MS02 MS03 MS04 MS05 MS06	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances	1 1 5 5	** 60 <sup>4</sup> value the ce expira Caroli ^If as	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin
INT. MS01 MS02 MS03 MS04 MS05 MS06 MS07	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unrefunded Overcharges	1 1 5 5 ^3/5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin
INT. MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unrefunded Overcharges Accounts Payable	1 1 5 ^3/5 ^3/5 ^3/5 5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin dormancy period; othe
INT/ MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08 MS09	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Accounts Payable Credit Balances (3 Retail/5 Other)	TY 1 5 5 ^3/5 ^3/5 *3/5 5 ^3/5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin dormancy period; othe
INT. MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08 MS09 MS09 MS10	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unirefunded Overcharges Accounts Payable Credit Balances (3 Retail/5 Other) Discounts Due	TY 1 5 5 *3/5 *3/5 *3/5 *3/5 *3/5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busit dormancy period; othe
INT, MS01 MS02 MS04 MS04 MS06 MS06 MS06 MS07 MS08 MS09 MS10 MS11	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due	TY 1 1 5 5 ^3/5 ^3/5 ^3/5 ^3/5 ^3/5 ^3/5 ^3/5 ^3/5 ^3/5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin dormancy period; othe
INT, MS01 MS02 MS03 MS05 MS06 MS05 MS06 MS07 MS08 MS09 MS10 MS11 MS12	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Unidecemed Gift Certificates **	1 1 5 5 43/5 43/5 43/5 43/5 43/5 43/5 3 3	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busit dormancy period; othe
INT. MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08 MS09 MS08 MS09 MS10 MS11 MS12 MS13	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unrefunded Overcharges Accounts Payable Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Unredeemed Gift Certificates ** Unclaimed Loan Collateral	1 1 5 43/5 43/5 5 43/5 43/5 43/5 43/5 3 5 5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busit dormancy period; othe
INT. MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08 MS09 MS08 MS09 MS10 MS11 MS12 MS13	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Unidentified Remittances Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Unidecemed Gift Certificates **	TY 1 5 5 ^3/5 ^3/5 ^3/5 ^3/5 ^3/5 3 5 3	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin dormancy period; othe
INT, MS01 MS02 MS04 MS04 MS06 MS06 MS06 MS07 MS08 MS09 MS10 MS11	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unrefunded Overcharges Accounts Payable Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Unredeemed Gift Certificates ** Unclaimed Loan Collateral	TY 1 1 5 5 5 4 3 5 5 4 3 5 5 4 3 5 5 4 3 3 5 5 4 3 3 5 5 3 5 3	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busit dormancy period; othe
INT. MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08 MS09 MS10 MS11 MS12 MS13 MS14	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unidentified Remittances Accounts Payable Credit Balances (3 Retail/S Other) Discounts Due Refunds Due Unredeemed Gift Certificates ** Unclaimed Loan Collateral Pension & Profit Sharing Plans	<b>FY</b> 1 1 5 5 - 3/5 5 - 3/5 - - 3/5 - - - - - - - - - - - - -	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busit dormancy period; othe
INT, MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08 MS09 MS10 MS10 MS11 MS12 MS13 MS14 MS15	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unrefunded Overcharges Accounts Payable Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Unrefeemed Gift Certificates ** Unclaimed Loan Collateral Pension & Profit Sharing Plans Dissolution or Liquidation	<b>FY</b> 1 1 5 - ^ 3/5 - - 3/5 - - 3/5 - - 3/5 - - - - - - - - - - - - -	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busit dormancy period; othe
INT, MS01 MS02 MS03 MS04 MS05 MS06 MS07 MS08 MS09 MS10 MS10 MS11 MS12 MS13 MS14 MS15 MS16	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unrefunded Overcharges Accounts Payable Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Unredeemed Gilt Certificates ** Unclaimed Loan Collateral Pension & Profit Sharing Plans Dissolution or Liquidation Misc Outstanding Checks Misc Intangible Prop Suspense Liabilities	<b>FY</b> 1 1 5 5 4 3 5 5 3 1 5 5 5 5 5 5 5 5 5 5 5 5 5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busit dormancy period; othe
INT, MS01 MS02 MS03 MS04 MS05 MS06 MS06 MS08 MS09 MS10 MS10 MS11 MS12 MS13 MS14 MS15 MS16 MS17 MS18 MS19	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unidentified Remittances Unrefunded Overcharges Accounts Payable Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Refunds Due Unredeemed Gilt Certificates ** Unclaimed Loan Collateral Pension & Profit Sharing Plans Dissolution or Liquidation Misc Outstanding Checks Misc Intangible Prop	<b>PY</b> 1 1 5 5 5 5 5 5 1 5 5 3 1 5 5 3 1 5 5 3 1 5 5 5 5 5 5 5 5 5 5 5 5 5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin dormancy period; othe
INT, MS01 MS02 MS03 MS04 MS05 MS08 MS07 MS08 MS09 MS10 MS10 MS11 MS12 MS13 MS14 MS15 MS16 MS17 MS18	MISCELLANEOUS CHECKS & ANGIBLE PERSONAL PROPERT Wages, Payroll, Salary Commissions Workers' Compensation Benefits Payment for Goods & Services Customer Overpayments Unidentified Remittances Unrefunded Overcharges Accounts Payable Credit Balances (3 Retail/5 Other) Discounts Due Refunds Due Unredeemed Gilt Certificates ** Unclaimed Loan Collateral Pension & Profit Sharing Plans Dissolution or Liquidation Misc Outstanding Checks Misc Intangible Prop Suspense Liabilities	<b>FY</b> 1 1 5 5 4 3 5 5 3 1 5 5 5 5 5 5 5 5 5 5 5 5 5	** 604 value the ca expira Caroli ^If as year o	% of the unredeemed if an expiration perior ertificate. Gift certificat ation date, or a statem ation date does not ap ina, do not escheat. a result of retail busin dormancy period; othe

Code	Period
SECURITIES	
SC01 Dividends	3
SC02 Interest (Bond Coupons)	) 3
SC03 Principal Payments	3
SC04 Equity Payments	3
SC05 Profits	3
SC06 Funds Paid to Purchase	Shares 3
SC07 Funds For Stocks & Bon	ds 3
SC08 Shares of Stock (Return	ed by Post 3
Office	
SC09 Cash for Fractional Shar	es 3
SC10 Unexchanged Stock & F	fractional 3
Shares of Successor Co	rp
SC11 Other Cert of Ownership	3
SC12 Underlying Shares or Oth	her 3
Outstanding Certificates	
SC13 Funds for Liquidation Re Surrendered Stocks or B	
SC14 Debentures	3
SC15 US Govt Securities	3
SC16 Mutual Fund Shares	3
SC17 Warrants (Rights)	3
SC18 Matured Bond Principal	3
SC19 Dividend Reinvestment F	Plans 3
SC20 Credit Balances	3
SC99 Securities Property Not I	dentified 3

DALE R. FOLWELL CPA

Vale T. Foland, CPA ALLEN MARTIN

MISCELLANEOUS ZZZZ Properties Not Identified Above

\* Property should be reported prior to delivery of safe deposit box contents. The UPD will review the report and provide delivery instructions, if applicable.

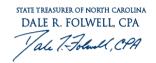
\*\* 60% of the unredeemed portion of the face value if an expiration period is displayed on the certificate. Gift certificates with no expiration date, or a statement that the expiration date does not apply in North Carolina, do not escheat.

Alf as a result of retail business transaction, 3 year dormancy period; otherwise, 5 year dormancy period.

> REV 08/2022 **Dormancy Chart**

3200 Atlantic Avenue \* Raleigh, North Carolina 27604 Telephone: (919) 814-4200 \* Fax: (919) 855-5811 \* www.NCCash.com







UNCLAIMED PROPERTY

TATE TREASURER OF NORTH CAROLIN DALE R. FOLWELL, CPA 1. T. Folenell CPA

ALLEN MARTIN DEPUTY TREASURER

### **Reporting Timetables**

#### North Carolina Unclaimed Property Report Conversion Table Businesses and Organizations Only

Use the tables below to determine specific holding periods, timing of due diligence notices and reporting deadlines for the various unclaimed property types. Refer to the <u>NAUPA Class Code and Dormancy Period Chart for Non-Governmental Holders</u> to determine the appropriate class code and dormancy period when preparing unclaimed property reports.

#### **Conversion Tables**

How to access conversion tables:

Visit <u>https://www.nccash.com</u>. Click on "Holder Information and Reporting" and then click "Reporting Library".

1 YEAR PROPERTY				
ISSUE	HOLD	NOTICE TO	REPORT	
YEAR	PERIOD	OWNERS	DUE	
7/1/17 TO 6/30/18	6/30/19	8/15/19	11/1/19	
7/1/18 TO 6/30/19	6/30/20	8/15/20	11/1/20	
7/1/19 TO 6/30/20	6/30/21	8/15/21	11/1/21	
7/1/20 TO 6/30/21	6/30/22	8/15/22	11/1/22	
7/1/21 TO 6/30/22	6/30/23	8/15/23	11/1/23	
7/1/22 TO 6/30/23	6/30/24	8/15/24	11/1/24	

_	, LEARTHOP ERT				
7	ISSUE	HOLD	NOTICE TO	REPORT DUE	
	YEAR	PERIOD	OWNERS	PRIOR TO	
	7/1/11 TO 6/30/12	6/30/19	8/15/19	11/1/19	
	7/1/12 TO 6/30/13	6/30/20	8/15/20	11/1/20	
	7/1/13 TO 6/30/14	6/30/21	8/15/21	11/1/21	
	7/1/14 TO 6/30/15	6/30/22	8/15/22	11/1/22	
	7/1/15 TO 6/30/16	6/30/23	8/15/23	11/1/23	
	7/1/16 TO 6/30/17	6/30/24	8/15/24	11/1/24	

VEAD DRODEDTY

2 YEAR PROPERTY				
ISSUE YEAR	HOLD PERIOD	NOTICE TO OWNERS	REPORT DUE PRIOR TO	
7/1/16 TO 6/30/17	6/30/19	8/15/19	11/1/19	
7/1/17 TO 6/30/18	6/30/20	8/15/20	11/1/20	
7/1/18 TO 6/30/19	6/30/21	8/15/21	11/1/21	
7/1/19 TO 6/30/20	6/30/22	8/15/22	11/1/22	
7/1/20 TO 6/30/21	6/30/23	8/15/23	11/1/23	
7/1/21 TO 6/30/22	6/30/23	8/15/23	11/1/23	

נו	10 YEAR PROPERTY					
11	ISSUE	HOLD	NOTICE TO	REPORT DUE		
	YEAR	PERIOD	OWNERS	PRIOR TO		
] [	7/1/08 TO 6/30/09	6/30/19	8/15/19	11/1/19		
11	7/1/09 TO 6/30/10	6/30/20	8/15/20	11/1/20		
11	7/1/10 TO 6/30/11	6/30/21	8/15/21	11/1/21		
11	7/1/11 TO 6/30/12	6/30/22	8/15/22	11/1/22		
11	7/1/12 TO 6/30/13	6/30/23	8/15/23	11/1/23		
] ]	7/1/13 TO 6/30/14	6/30/24	8/15/24	11/1/24		

3 YEAR PROPERTY				
ISSUE	HOLD	NOTICE TO	REPORT DUE	
YEAR	PERIOD	OWNERS	PRIOR TO	
7/1/15 TO 6/30/16	6/30/19	8/15/19	11/1/19	
7/1/16 TO 6/30/17	6/30/20	8/15/20	11/1/20	
7/1/17 TO 6/30/18	6/30/21	8/15/21	11/1/21	
7/1/18 TO 6/30/19	6/30/22	8/15/22	11/1/22	
7/1/19 TO 6/30/20	6/30/23	8/15/23	11/1/23	
7/1/20 TO 6/30/21	6/30/24	8/15/24	11/1/24	

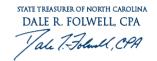
_							
		15 YEAR PROPERTY					
JE	1	ISSUE	HOLD	NOTICE TO	REPORT DUE		
)		YEAR	PERIOD	OWNERS	PRIOR TO		
		7/1/03 TO 6/30/04	6/30/19	8/15/19	11/1/19		
		7/1/04 TO 6/30/05	6/30/20	8/15/20	11/1/20		
		7/1/05 TO 6/30/06	6/30/21	8/15/21	11/1/21		
		7/1/06 TO 6/30/07	6/30/22	8/15/22	11/1/22		
		7/1/07 TO 6/30/08	6/30/23	8/15/23	11/1/23		
k.		7/1/08 TO 6/30/09	6/30/24	8/15/24	11/1/24		

5 YEAR PROPERTY				
ISSUE YEAR	HOLD PERIOD	NOTICE TO OWNERS	REPORT DUE PRIOR TO	
7/1/13 TO 6/30/14	6/30/19	8/15/19	11/1/19	
7/1/14 TO 6/30/15	6/30/20	8/15/20	11/1/20	
7/1/15 TO 6/30/16	6/30/21	8/15/21	11/1/21	
7/1/16 TO 6/30/17	6/30/22	8/15/22	11/1/22	
7/1/17 TO 6/30/18	6/30/23	8/15/23	11/1/23	
7/1/18 TO 6/30/19	6/30/24	8/15/24	11/1/24	

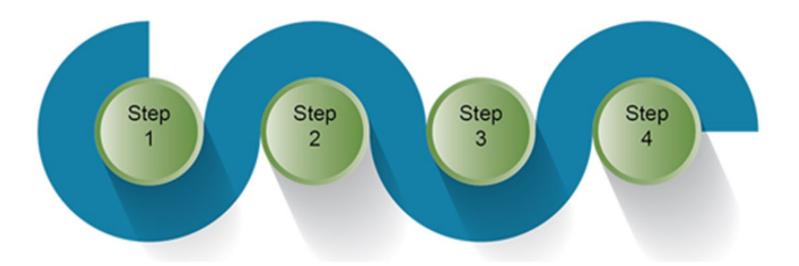
3200 Atlantic Avenue • Raleigh, North Carolina 27604 Telephone: (919) 814-4200 • Fax: (919) 855-5811 • www.NCCash.com

Last Updated 10/6/2022



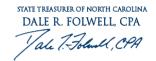


# Step 4: Submitting the Report and Remitting the Funds



**Note:** ONLY the holder can submit the report and a third party can not do so. (Please see NCGS §116B-60).





#### When to Report

#### Life Insurance Businesses

• Report due by May 1<sup>st</sup>

#### All other Business and Organizations

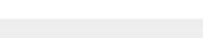
• Report due by November 1<sup>st</sup>





STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA Tale T. Folmell, CPA

#### How to Report Unclaimed Property



#### I have created my NAUPA report

If you have already created your NAUPA report and simply need to submit it, click the button below.

#### **UPLOAD A REPORT**

#### I need to create a report

NORTH CAROLINA

MENT OF STATE TREASURER

Vale T. Folmel, CPA

TATE TREASURER OF NORTH CAROLI DALE R. FOLWELL, CPA

If you do not have access to reporting software and wish to create a manual report, click the button below. Once you click the button, you will be redirected to another tab to manually enter each owner and property.

#### **ENTER A MANUAL REPORT**





# **Electronic Reporting**

- Reporting software and services are available to assist holders in reporting via the electronic file format.
- Software created reports must be uploaded via an electronic file format prescribed by the Treasurer (Enhanced NAUPA Format).

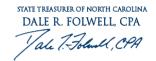




#### Manual Online Reporting

- Holders that do not have access to reporting software should report using North Carolina's Manual Online Reporting Tool.
- This tool allows the holder to create and submit your report directly into our system.
- Register and enter a prescribed secret key to start your manual report.



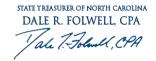


#### Information to be included on report

Include for ALL owners of reported unclaimed property, if known:

- First, middle and last name(s), and suffix such as Jr., III
- Last known address(es)
- Date(s) of Birth
- Tax Identification or Social Security Number(s)
- Account Number
- Property type code
- Owner relation code (ex. sole owner, beneficiary, payee)
- Drivers license number(s) and state
- Email address(es)





#### **Extension Request**

- Unable to submit report by deadline for "Good Cause"
- Technology Changes or Updates
- Change in Personnel
- Natural Disaster
- Organization Changes
- 30 days before the due date
- Holder Extension Form
- Estimated payment



What if I have past due Unclaimed Property? Visit our website at <u>WWW.nccash.com</u> and request to participate in NC Voluntary Disclosure Program(VDP).

Complete the VDP form and email it to <u>VoluntaryDisclosureProgram@nctreasurer.com</u>.

Requests are reviewed by a member of the Compliance and Audit Team.

If approved, holder submit report without being assessed interest or penalties.



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folenell, CPA

## Questions Holders May Have





**Unclaimed Property Division** 

STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA Vale T. Folewell, CPA

If I have no unclaimed property to report, am I required to file a "Negative Report"?

- No, you are not required to file a Negative Report if you have no unclaimed property to report.
- However, holders must be mindful that the absence of a filed report (negative or positive) leaves a "hole" in their filing history.
- If unclaimed property is later found to have been reportable during a period of no report, the five-year statute of limitations provisions per NCGS 116B-71(b) does not apply to that period.



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folmul, CPA How long must the supporting records be retained after a report is filed per NCGS § 116B-73?

 Supporting records must be retained for 5 years from the date the report is filed.



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folimett, CPA

## What records should I keep?

- Last known names, social security numbers, addresses, and other owner information
- Proof of due diligence performed
- Notes or Memos related to unclaimed property
- Supporting documentation such as check registers for corresponding checks remitted, receivable records, etc.
- Outstanding checklist and reconciliations
- Information related to void checks or checks issued in error



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Jale 7. Folenell, CPA Do I have to report unclaimed property to other states?

- Yes. Unclaimed Property should be reported based on the Rules of Custody and under the other state's unclaimed property guidelines.
- Contact the compliance staff of the state to which the property is likely reportable.
- NOTE: All property due to California MUST be reported to California.



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folimett, CPA

# What are the consequences if I do not file?

- Interest NCGS §116B-77(a)
  - Statutory Floor = 5% annually;
     Statutory Cap = 16% annually
- Civil Penalties NCGS §116B-77(b) and (c)
  - \$1,000 for each day from the date a report was due, up to a maximum of \$25,000, plus 25% of the value of any property that should have been but was not reported.



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folwell, CPA

What happens if the owner shows up after I have reported the unclaimed property?

• Direct the owner to the state to claim.

or

 Satisfy the owner and request a reimbursement from the state by submitting a Holder Reimbursement form.



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folimell, CPA What happens if I determine that property was reported in error?

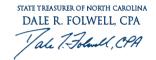
- For property reported in error, Holders may submit a Holder Refund form.
- For incorrect information submitted on a report, Holders should:
  - Submit corrected report by selecting report type "Replacement Report"
  - Send email to <u>upreports@nctreasurer.com</u> with the subject UNCLAIMED PROPERTY REPORTING ERROR



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale T. Folmull, CPA



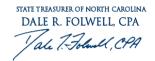


### What can I do to prevent unclaimed property?

Reconcile Accounts Timely and Resolve All Exceptions:

- Clear Suspense Accounts
- Avoid Duplicate Payments
- Refund Customer Overpayments
- Research and Resolve Unidentified Payments
- Research Reasons For Stale Dated Checks
- Perform Timely Due Diligence To Find Owners
- Perform customer service efforts to locate owner upon receipt of returned mail





What can I do to prevent unclaimed property?

Stop Payments, Void Checks and Reissue

- Ensure Original Check is not left on outstanding check list, that could become Unclaimed Property.
- Maintain excellent accounting record archives including calendar year end General Ledger Account Reconciliations.
- Keep bank account reconciliations and bank cleared check records.

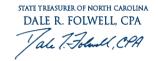




## What can I do to prevent unclaimed property?

- Maintain adequate Internal Controls over unclaimed property
- Create formal written processes for capturing and reporting Unclaimed Property
- Need to get other employees involved
- Train new staff on unclaimed property





## How to be prepared for future reporting?

- Consider an Unclaimed Property Liability Account
- Save information in a format that will facilitate reporting

Summary of Holder's Duties

- Identify Potential Unclaimed Property
- Perform Due Diligence
- File Report And Remit
- Keep Adequate Supporting Records



**Unclaimed Property Division** 

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folwell, CPA





## Holder Reporting e-Updates

#### Sign Up for Holder Reporting e-Updates

If you are an unclaimed property holder in North Carolina, sign up using the form below to stay up-to-date on new laws and legislation, reporting deadlines, upcoming conferences and more!

Email Address*
First Name*
Last Name*
Select your Type of Organization*
<ul> <li>All types of organizations (except life insurance companies)</li> </ul>
<ul> <li>Life insurance company</li> </ul>





#### **Unclaimed Property Division**

state treasurer of north carolina DALE R. FOLWELL, CPA Vale 7. Folwell, CPA

## **Contact Us**

- Reporting Questions <u>upreports@nctreasurer.com</u>
- Claims Questions
   <u>unclaimed.property@nctreasurer.</u>
   <u>com</u>







## Quick Demo

- www.nccash.com
- Uploading a NAUPA file
- Manual Online reporting



**Unclaimed Property Division** 

STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA Tale 7. Folunt, CPA

## **Questions and Answers**



## WWW.NCCASH.COM/REPORTING

#### NORTH CAROLINA DEPARTMENT OF STATE TREASURER



7- Foluell, CPA

STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA

## UNCLAIMED PROPERTY DIVISION

## Thank you!