

## **Questions and Answers from the 2013 Unclaimed Property Webinar September 26, 2013**

### **General Reporting Questions:**

**Q:** If we do not have any unclaimed property are we required to send in a report stating so?

**A:** No. Iowa does not require negative reporting. If you have no unclaimed property, you do not need to send anything to us.

**Q:** What is the earliest we can report prior to Nov. 1?

**A:** Our reporting period ends June 30<sup>th</sup>. Due diligence letters for amounts over \$50 must be sent out between that time and November 1<sup>st</sup>, giving the owner at least 30 days to respond before the property is turned over to the state.

**Q:** What software do you accept reports from?

**A:** We will accept reports from any unclaimed property software that outputs an encrypted file in the NAUPA format. See our website for the software most commonly used free options.

**Q:** Does a disc still need to be created or is it actual electronic filing?

**A:** We accept electronic filing via UPEXchange, as well as discs via mail.

**Q:** Do I report out of state obligations to you or to the state they reside in?

**A:** According to Texas vs. New Jersey, unclaimed property is reported to the state of last known address. The exception to this rule is for safe deposit boxes, which are turned over to the state where the financial institution is located. Foreign addresses are turned over to the state of incorporation for the business.

**Q:** When are uncashed checks considered abandoned?

**A:** Most property has a dormancy period of 3 years. Please check our website for the various property type codes and their abandonment periods to determine the correct timeframe.

**Q:** What if it is not clear who the owner of a property is? A Cashier's checks made payable to a business as an example.

**A:** We have owner type codes of payee and remitter for situations such as those. Please provide us with as much information as possible so that we may determine if we have the proper owner coming forward.

**Q:** If a member is receiving dividends on their account and has a current mailing address, but they have not made a deposit into their account for several years, is their account considered dormant?

**A:** If the owner has cashed dividend checks related to the account, then the account is not considered dormant. If the dividends are direct deposit and there has been no owner initiated activity for a number of years, you will need to try and reach out to the customer as the account would be considered inactive.

**Q:** If we have uncashed money orders for existing customers, do those need to be reported?

**A:** Yes. If they have active accounts but have not cashed the money orders, the money orders would be reported. Those are two very different obligations and need to be treated as such.

**Q:** Does a bank report an empty lock box?

**A:** No, empty safe deposit boxes do not need to be reported to the state.

**Q:** What if we reimbursed an owner after reporting their property to the state?

**A:** Our holder reimbursement form can be found on our website. Please contact us if you need help filling this out.

**Q:** Do certificate of deposits that automatically renew every become dormant

**A:** Yes. Please see the Administrative Rules below for further clarification:

**781-9.7(556) Reporting of certificates of deposit and other time deposits.** If an automatically renewable time or nonrenewable time deposit is deemed abandoned prior to its initial maturity, the time for the reporting and delivery of the time deposit to the division will be extended to the date of maturity or three years from the date at which the abandonment period commenced, whichever is later.

This rule is intended to implement Iowa Code section 556.7.

**781-9.8(556) Conduct by an owner indicating an interest in a certificate of deposit or other time deposit.**

**9.8(1)** The following acts by the owner of a time deposit shall constitute non-abandonment of the time deposit:

a. Consent in writing to a renewal of the time deposit at or about the time of renewal and signed by the owner, given by delivery of the original or a signed facsimile or an e-mail transmission of the facsimile initiated by the owner, or demonstrated by the existence of a memorandum or other record on file with holder made at the time of renewal or other record on file with holder made at the time of renewal; or

b. The owner, within three years after the earlier of maturity date or the date of the last indication by the owner of an interest in the deposit, has:

(1) Increased or decreased the amount or presented the passbook or other similar evidence of the deposit for the crediting of interest;

(2) Communicated in writing with the financial organization concerning the time deposit, including requesting that the time deposit be redeemed;

(3) Otherwise indicated an interest in the deposit as evidenced by a memorandum or other record on file prepared by an employee of the financial organization; or

(4) Owned other property to which b.1,2, and 3 above apply and the financial organization communicates in writing with the owner about the deposit that would otherwise be presumed abandoned under this subrule at the address to which communications regarding the other property regularly are sent; or

(5) Had another relationship other than time or demand deposits, such as, but not limited to, a safe deposit box, mortgage, stocks, bonds or other investments, with the financial organization concerning which the owner has:

1. Communicated in writing with the banking or financial organization; or

2. Demonstrated an indication of interest as evidenced by a memorandum or other record on file prepared by an employee of the financial organization.

## **Aggregate Questions:**

**Q:** I have several that are uncashed refund checks under \$1.00. Should the names be included or is it better to send in aggregate?

**A:** The law provides you the right to aggregate them but you may choose to list each property and name or may report as an aggregate. If you choose to report as an aggregate, you will need to work with us in the future to determine owners and their property amount when the owners come forward to claim their funds.

**Q:** If we have outstanding checks under \$10, do we still report it or can we keep the money? We have tried to locate the persons, but no forwarding address.

**A:** There is no minimum or maximum amount for unclaimed property. All outstanding obligations owed are to be reported with the last known address (even if it is known to be bad as it helps in the claims process).

## **Due Diligence Questions:**

**Q:** If they have more than one money order that when aggregated is over \$50.00 is due diligence needed?

**A:** Due diligence is not required on money orders or cashier's checks.

**Q:** How much due diligence is required for amounts under \$1.00?

**A:** Due diligence is required for amounts \$50 and over.

**Q:** On undeliverable mail, if we receive a forwarding address, but the customer never verified that address. What address do we submit on the report?

**A:** Report the last known address.

**Q:** Are dormant accounts alone eligible, or do they have to be dormant and have undeliverable mail?

**A:** If you do not receive a response from the mail, the account is considered dormant.

**Q:** May I send letters prior to the 120 day period to try to reunite the uncashed check with the owner? Three years is a long time to wait to try to track someone down, as I believe that is the dormancy period. I would like to start trying to contact the owner after, say, three months, to increase the likelihood of getting the money to them.

**A:** You may send letters prior to the 120 day period to try to find the owners; however, they must again be sent within the 120 day period before being reported. We consider it good business practice to try to find the owner sooner.