Unclaimed Property in Texas

• $690 Million received from holders for report year 2017
• $281 Million returned to owners for fiscal year 2017

• Goals and objectives
  ➢ Increase number of holders reporting
  ➢ Return property to owners
Holder Responsibilities

• Preserve owner data
• Mail due diligence notifications
• Submitting report and property to the Comptroller’s office
• After property has been reported, retain the unclaimed property data for 10 years
Five Basic Steps of Reporting

1. Determining Dormancy
2. Notifying Property Owners
3. Preparing Your Report
4. Submitting Report and Payment
5. Archiving Data
When to report Victim Restitution Funds

Restitution payments are presumed abandoned when:

- The owner does not make a claim for payment before the **fifth anniversary** of the date the department received the initial restitution payment

- The department is unable to locate the owner for a **period of five years** after the date the department last made a payment to the owner
Step 1
Determining Dormancy

• What is it?

- **NO CONTACT** with the owner (via phone, email, face-to-face)
- Number of years that you hold the property before reporting it to the Comptrollers Office.
- Length of time based on property type (five years for restitution payments)
Step 2
Notifying Property Owners

• Mail a notice to owners of property that is due to be included in your annual report.

• These notices must be mailed no later than May 1st

• Property Code Section 77.052 requires the notice to state that:
  ➢ The holder is holding the property
  ➢ The holder may be required to deliver the property to the Comptroller’s office on or before July 1 if the property is not claimed
Step 3
Preparing Your Report

• Must be in NAUPA2 format

• Include all available identifying information
  ➢ Last contact dates
  ➢ Relationship codes (found in the back of the *Unclaimed Property Reporting Instructions*)
  ➢ Social Security number
  ➢ Last known address
  ➢ Cause number of the case ordering the defendant to pay restitution
  ➢ Amount of restitution ordered and the balance owed to the victim
Reporting Requirements

• NAUPA2 format
  ➢ National Association of Unclaimed Property Administrators
  ➢ unclaimed.org/reporting

• Must be remitted via Texas portal
  ➢ ClaimItTexas.org > Reporting Property > Submit a report
  ➢ Secure file transfer portal
  ➢ Must provide Holder Contact information
Step 4
Submitting Report and Payment

• Reports can only be submitted electronically through our secure portal

• Information must comply with data entry standards

• You will receive two notifications after submission
  1. Holder Summary – **immediately after submission**
  2. Email containing your confirmation/report ID Number – **shortly after**

• Rejected reports must be resubmitted within **30 days**

**NOTE:** If your report fails, you will receive an email notification with steps to correct the report. If you fail to resubmit within 30 days you may be subject to applicable penalty and interest.
Reason a Report Auto-fails

- A report will fail if it is not in NAUPA2 format
- If the last contact date and relationship code are not provided
- The report or submission is incomplete
Payment Specifications

• Can pay via check or ACH credit or debit

• Payments should match report totals; one payment per report
  ➢ **Do not** send payment per property
Step 5
Archiving Data

• Retain records for 10 years after they are reported
• You may be contacted by Comptroller staff for additional information (Evidence Request)
Deadlines

• **March 1** — Annual report cutoff date
  • March 2 – March 1

• **May 1** — Due diligence notice deadline

• **July 1** — Report due
Questions
Reporting Example

• County “A” has the following:
  ➢ Received a $500 payment for owner on 2/20/2013
  ➢ Unable to locate owner (mail returned, phone service off)

• County “B” has the following:
  ➢ Received a $200 additional payment for owner on 1/10/2018
  ➢ Last contact with owner on 1/5/2012 when they were paid $800 in restitution

• County “C” has the following:
  ➢ Received a $110 payment on 3/05/2016
  ➢ Owner made claim on 4/15/2016 but never cashed check
Reporting Example
County “A”

• **Step 1:** Determining Dormancy

  ➢ $500 payment, with a last contact date of 2/20/2013
    • Dormancy period of five years, starting on 2/20/2013 and ending 2/20/2018
    • Dormancy end date is prior to the March 1, 2018 annual report cut-off date
    • Check should be included in 2018 report
Step 2: Notifying Property Owners

Property Code Section 77.052 requires the notice to state that:

- The holder is holding the property
- The holder may be required to deliver the property to the Comptroller’s office on or before July 1 if the property is not claimed
• **Step 3:** Preparing Your Report

➢ Gather the required data from files:
  - Complete owner name
  - SSN
  - Driver’s license or state identification number
  - Last known address
  - Email address
  - Date of last contact
  - Cause number of the case ordering the defendant to pay restitution
  - Amount of restitution ordered and the balance owed to the victim
Step 4: Submit Report and Payment

- Reports MUST be submitted electronically through our secure portal at claimittexas.org
- Payments can be made by check or ACH credit or debit
• Step 5: Archive Data

- Reports and supporting documentation must be maintained for 10 years
Reporting Example County “B”

• **Step 1:** Determining Dormancy

  - $200 payment (final payment) was received on 1/10/2018
  - Last contact with owner on 1/5/2013; when they were paid $800 in restitution
    - Dormancy period of five years, starting on 1/5/2013 and ending 1/10/2017
    - Again, prior to the March 1 annual report cut-off date
    - Check should be included in 2018 report
Reporting Example County “B”

• **Step 2:** Notifying Property Owners

- Property Code Section 77.052 requires the notice to state that:
  - The holder is holding the property
  - The holder may be required to deliver the property to the Comptroller’s office on or before July 1 if the property is not claimed
• Step 3: Preparing Your Report

➢ Gather the required data from files:

  • Complete owner name
  • SSN
  • Driver’s license or state identification number
  • Last known address
  • Email address
  • Date of last contact
  • Cause number of the case ordering the defendant to pay restitution
  • Amount of restitution ordered and the balance owed to the victim
Reporting Example County “B”

• **Step 4:** Submit Report and Payment

  - Reports MUST be submitted electronically through our secure portal at claimittexas.org
  - Payments can be made by check or ACH credit or debit
• **Step 5:** Archive Data

  - Reports and supporting documentation must be maintained for 10 years.
Reporting Example County “C”

• **Step 1:** Determining Dormancy

  ➢ $110 received on 3/05/2016
  ➢ Owner made claim on 4/15/2016 but never cashed the check
    • Dormancy period of five years, starting on 4/15/2016 and ending 4/15/2021
    • If no further contact with owner, report funds on the 2022 report
Evidence Request

- We may ask for more information from you to verify ownership on a claim

- We can confirm beneficiaries, additional owners and other information using Evidence Requests

- **Remember:** The more complete the data, the less likely an Evidence Request will be sent to you
Holder Refunds

• May be requested when a property was reported in error

• Attach an explanation for the refund request
  ➢ Contact with property owner
  ➢ Reported incorrectly or too early
  ➢ Property owner information is incorrect and holder will submit a new report and payment with correct information
Holder Refund & Reimbursement Form 53-116
Questions
Contact Information

Holder Reporting & Education Section
1-800-321-2274, option 2
512-936-6246, option 2
up.holder@cpa.texas.gov