Unclaimed Property Reporting

Tuesday, January 29, 2019
4–5 p.m.

Ms. Ashley Bullock
Holder Reporting and Education, Unclaimed Property
Texas Comptroller of Public Accounts

The presentation will include information about reporting unclaimed property to the Texas Comptroller of Public Accounts as it relates to county and district clerks.
Ashley Bullock is a program specialist in the Holder Reporting and Education section of the Unclaimed Property Division with the Texas Comptroller of Public Accounts. She works closely with businesses to educate and train them on the reporting process. Bullock applies this expertise, along with her background in claims research, marketing and customer relations, to help Texas businesses comply with the unclaimed property requirements.
What is Unclaimed Property?

Unclaimed property is any financial asset or tangible property* that has been abandoned by the owner.

- Abandonment is determined by:
  - property type
  - date of last contact with business (holder)
- State law requires holders to report unclaimed property to the Texas Comptroller of Public Accounts.

*Tangible property as held in a safe deposit box

Unclaimed Property in Texas

- $667 Million received from holders for report year 2018
- $242 Million returned to owners in fiscal year 2018

Fiscal 2019 Goals

- Increase number of Holders reporting
- Continue to increase the amount of property returned to owners
Where to find Unclaimed Property

• Suspense Accounts
• Liability Accounts payable

### Property Types

**Courts/Legal Property Type: CT**
- **CT01**: Escrow funds
- **CT02**: Condemnation awards
- **CT03**: Missing heirs’ funds
- **CT04**: Suspense accounts
- **CT05**: Any other types of deposits made with a court or public authority
- **CT99**: Aggregate court deposits less than $25

**General Business, Miscellaneous Checks and Intangible Personal Property Type: MS**
- **MS01**: Wages, payroll or salary
- **MS04**: Payment for goods and services
- **MS08**: Accounts payable
- **MS09**: Accounts receivable credit balances

**Trust, Investments and Escrow Accounts Property Type: TR**
- **TR03**: Funds held in a fiduciary capacity

### Property Held by Local Governments

**ABANDONED OR UNCLAIMED PROPERTY HELD BY LOCAL GOVERNMENTS**

<table>
<thead>
<tr>
<th>Property Code</th>
<th>Description</th>
<th>Holder</th>
<th>Disposition of Unclaimed Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CT02</strong></td>
<td>Funds in an Eminent Domain proceeding</td>
<td>County or District Clerk</td>
<td>Sent to local treasurer or comptroller after 3 year dormancy</td>
</tr>
<tr>
<td><strong>CT03</strong></td>
<td>Escrow funds</td>
<td>County Clerk</td>
<td>No waiting period. As soon as the court renders its judgment the state may begin proceedings to acquire the property</td>
</tr>
<tr>
<td><strong>CT04</strong></td>
<td>Funds in an Eminent Domain proceeding</td>
<td>County or District Clerk</td>
<td>Sent to local treasurer or comptroller after 3 year dormancy</td>
</tr>
<tr>
<td><strong>CT05</strong></td>
<td>Cash bail bonds</td>
<td>County or District Clerk</td>
<td>Requires reporting but not release to state or local treasurer, without court order</td>
</tr>
<tr>
<td><strong>CT06</strong></td>
<td>Crime Victims, Restitution</td>
<td>County or District Clerk</td>
<td>Requires reporting but not release to state or local treasurer, without court order</td>
</tr>
<tr>
<td><strong>CT07</strong></td>
<td>Trust funds</td>
<td>County or District Clerk</td>
<td>Sent to local treasurer or comptroller after 3 year dormancy</td>
</tr>
</tbody>
</table>
Property Held by Local Governments

<table>
<thead>
<tr>
<th>Type of Fund</th>
<th>Description</th>
<th>Holder</th>
<th>Disposition of Unclaimed Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Treasurer Checks</td>
<td>Unclaimed checks issued by County Treasurer become non-negotiable after 1 year.</td>
<td>County Treasurer</td>
<td>These funds are never reported to the Comptroller.</td>
</tr>
<tr>
<td>Jury Checks</td>
<td>Unclaimed jury checks become non-negotiable after 180 days.</td>
<td>Clerk of the Court</td>
<td>Checks expire after 90 days and become county revenue.</td>
</tr>
<tr>
<td>Property Tax Refunds</td>
<td>Erroneous and overpayments</td>
<td>Tax Assessor‐Collector</td>
<td>Checks expire after 90 days and become county revenue.</td>
</tr>
<tr>
<td>Excess of tax liability from forced sales</td>
<td>Unclaimed excess of tax liability due to original property owner</td>
<td>County or District Clerk</td>
<td>After 2 years, distributed to each taxing unit in proportion to original claim.</td>
</tr>
</tbody>
</table>

Crime Victims Restitution

Five year dormancy period
- Fifth anniversary of the date the department received the initial restitution payment
- Five years after the date the department last made a payment to the owner

Report annually
- A negative report is required
- Only crime victims restitution properties should be included in the report

Reports should include:
- The cause number of the case in which the judge ordered the restitution payment
- The amount of restitution ordered and the balance owed to the owner

Crime Victims Restitution

Holder name
- County name should include CSCD (Travis County CSCD)
- Holder ID will be provided

Submitting report:
- Select Restitution‐CVC as property type
Deadlines

March 1  Annual report cutoff date
March 2 – March 1
May 1  Due diligence notice deadline
July 1  Report due

Step 1: Determining Dormancy

Dormancy is determined by:
• No contact (via phone, email, face-to-face)
• Property type
• Crime Victims Restitution is 5 years
Step 2: Notifying Property Owners

Section 74.1011 of Texas Property Code requires holders to:
• Mail a notice to owners for property valued at more than $250 by May 1*
• Include the following language in the notice:
  o You (the holder) are holding the property
  o You (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

*A notice must be mailed to all owners for crime victim restitution properties, regardless of amount

Step 3: Preparing Your Report

• Must use reporting software that generates a file in the NAUPA2 format
  ▶ Manual Online Reporting (MOR) is available on ClaimItTexas.org
  ▶ National Association of Unclaimed Property Administrators
  unclaimed.org/reporting
• Information must comply with data entry standards
• Property type codes:
  ▶ Specific for each institution
  ▶ Based on reason funds are issued

Include all available information:
• Full name
• Social security number
• Property type
• Cause number of the case
• Last known address
• Driver’s license number
• Amount of restitution ordered and balance owed
• Property description
• Account number
• Last contact dates
• Relationship codes
• Property description

Crime Victims Restitution must also include:
• Amount of restitution ordered and balance owed
Step 3: Preparing Your Report

Examples on how to report records for unclaimed property

<table>
<thead>
<tr>
<th>Property Code</th>
<th>Amount</th>
<th>Last Name/Business Name</th>
<th>First Name Initial</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$115.00</td>
<td>Aggregate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$1,250.00</td>
<td>Unknown</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$485.23</td>
<td>Austin Stephen F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Overpayment on store account</td>
</tr>
</tbody>
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Step 3: Preparing Your Report

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Step 4: Submitting Report and Payment

Report must be submitted electronically
- ClaimItTexas.org > Reporting Property > Submit a Report
Step 4: Submitting Report and Payment

• Holder Contact information fields are required
• Negative Report – no properties to report
• Select the option appropriate for your report type

Step 4: Submitting Report and Payment

You will receive two notifications after submitting your report
• Holder Summary – immediately after submission
• Confirmation/report ID number email – approximately one hour after submission
  • Contains payment instructions

⚠ Rejected reports must be resubmitted within 30 days

Step 4: Submitting Report and Payment

Forms of payment accepted:
• TEXNET (ACH debit or credit)
• Paper check

Payment requirements:
• Payment should match the report totals
• One payment per report
• Do not send payments for individual properties
Step 4: Submitting Report and Payment

Paying with TEXNET

- If needed, create an unclaimed property account
- When a due date falls on a weekend or holiday, it is important to originate the ACH transaction no later than the business day before the weekend or holiday
- TEXNET Hotline at 800-531-5441, ext. 3-3010

Paying with Check

- Include payment form with your check

Step 4: Submitting Report and Payment

A Report Will Auto-Fail If:

- It is not in NAUPA2 format
- The last contact date is not provided
- The relationship code is not provided
- The report or submission is incomplete

If you fail to submit a corrected report within 30 days, you may be subject to penalty and interest.

Step 5: Archiving Data

Requirements for Archiving Information

- Section 74.013 of Texas Property Code requires holders to retain records for 10 years after property is reported
- You may be contacted by Comptroller staff for additional information (Evidence Request)
- You may be audited for compliance with this requirement
Reporting Examples

<table>
<thead>
<tr>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages Payable</td>
<td>AP Check</td>
<td>Miscellaneous Check</td>
</tr>
<tr>
<td>$500.00</td>
<td>$200.00</td>
<td>$110.00</td>
</tr>
<tr>
<td>Last contact: 2/20/2018</td>
<td>Last contact: 1/10/2016</td>
<td>Last contact: 3/05/2017</td>
</tr>
</tbody>
</table>

Assume all owners have a last known address in Texas

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Company A

Step 1: Determining Dormancy
- Dormancy period of 1 year, starting on 2/20/2018 and ending 2/20/2019
- Dormancy end date is prior to the March 1, 2019 annual report cut-off date
- Check should be included in 2019 report

Step 2: Notifying Property Owners
- Owners must be notified for any properties valued at more than $250
- Mail by May 1
Company A

Step 3: Preparing Your Report
Gather the required data from files:
• Complete owner name
• Last known address
• Date of last contact
• SSN
• Driver's license number
• Any additional information to help us identify the property owner

Company A
Wages Payable MS01
$500.00
Last contact: 2/20/2018

Company A
Step 4: Submit Report and Payment
• Reports must be submitted electronically through our secure file transfer portal at ClaimItTexas.org
• Payments can be made by check or TEXNET
• Due by July 1

Company A
Wages Payable MS01
$500.00
Last contact: 2/20/2018

Company A
Step 5: Archive Data
• Unclaimed property records must be retained for 10 years
• Keep the report and actual account data

Company A
Wages Payable MS01
$500.00
Last contact: 2/20/2018
### Company B

**Step 1: Determining Dormancy**
- Dormancy period of **3 years**, starting on 1/10/2016 and ending 1/10/2019
  - Dormancy end date is prior to the March 1, 2019 annual report cut-off date
  - Check should be included in 2019 report

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 10, 2016</td>
<td>Dormancy period starts</td>
</tr>
<tr>
<td>Mar 1, 2019</td>
<td>Dormancy period ends</td>
</tr>
</tbody>
</table>

**Company B**

**AP Check MS08**
- $200.00
- Last contact: 1/10/2016

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### Company B

**Step 2: Notifying Property Owners**
- Owner notification is **NOT** required for **$200** accounts payable (A/P) check

**Company B**

**AP Check MS08**
- $200.00
- Last contact: 1/10/2016

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Step 3: Preparing Your Report

Gather the required data from files:
- Complete owner name
- Last known address
- Date of last contact
- SSN
- Driver’s license number
- Any additional information to help us identify the property owner

Company B

Step 4: Submit Report and Payment

- Reports must be submitted electronically through our secure file transfer portal at ClaimItTexas.org
- Payments can be made by check or TEXNET
- Due by July 1
**Company B**

**Step 5: Archive Data**
- Unclaimed property records must be retained for 10 years
- Keep the report and actual account data

<table>
<thead>
<tr>
<th>Company B</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP Check M508</td>
</tr>
<tr>
<td>$200.00</td>
</tr>
<tr>
<td>Last contact:</td>
</tr>
<tr>
<td>1/10/2016</td>
</tr>
</tbody>
</table>

**Company C**

**Step 1: Determining Dormancy**
- Dormancy period of 3 years, starting on 3/05/2018 and ending 3/05/2020
  - Dormancy end date is not prior to the March 1, 2019 annual report cutoff date
  - Check should **not** be included in 2019 report

<table>
<thead>
<tr>
<th>Company C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous check M516</td>
</tr>
<tr>
<td>$110.00</td>
</tr>
<tr>
<td>Last contact:</td>
</tr>
<tr>
<td>3/05/2018</td>
</tr>
</tbody>
</table>

**Miscellaneous**

- Common Reporting Errors
- Evidence Requests
- Holder Refunds & Reimbursements
- ClaimItTexas.org
Common Reporting Problems

<table>
<thead>
<tr>
<th>Incomplete Data</th>
<th>“Messy” Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>6.60074F-11</td>
</tr>
<tr>
<td>Address</td>
<td>Gift Card</td>
</tr>
<tr>
<td>City</td>
<td>6.60074F-11</td>
</tr>
<tr>
<td>State</td>
<td>Gift Card</td>
</tr>
<tr>
<td>Zip</td>
<td>6.600239-11</td>
</tr>
<tr>
<td>Gift Card</td>
<td>6.60017G-11</td>
</tr>
<tr>
<td>Gift Card</td>
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</tbody>
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Evidence Requests

• The Comptroller’s office is required to confirm beneficiaries, additional owners and other information to verify ownership
• We may send an Evidence Request asking for more information

The more complete the data, the less likely an Evidence Request will be sent to you

Holder Refund & Reimbursements

Holder Refund – (Form 53-116)
• Used when a property was reported in error
• Attach an explanation for the refund request
• Contact has been established with property owner
• Reported incorrectly, too early, or to incorrect state

Holder Reimbursement – (Form 53-116)
• Used for returning unclaimed property directly to the owner
• Request must include documentation proving property was returned to customer
ClaimItTexas.org

Questions

Holder Education & Reporting Section

1-800-321-2274, option 2
512-936-6246, option 2
up.holder@cpa.texas.gov