



Unclaimed Property
Packed Lunch Presentation
January 11, 2023

Chapter 63.30 RCW: Revised Uniform Unclaimed Property Act

1

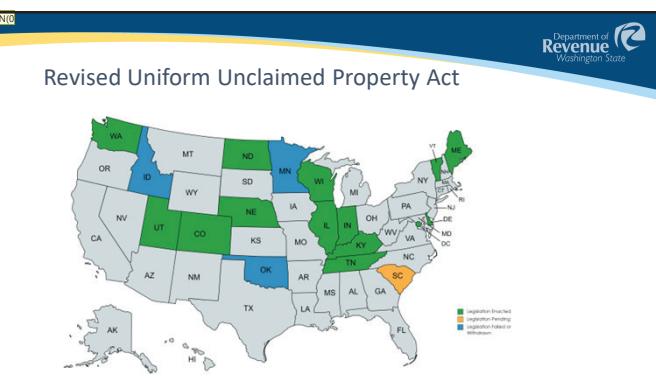


What is unclaimed property?

Money or intangible property owed to an individual or business.

Property is considered **unclaimed** after it is held for a period of time with no owner contact, and a good faith effort has been made to locate the owner.

2



3

RUUPA changes:

Due diligence changes:

- \$75 and above with the 2023 report.
- No sooner than 180 days and no less than 60 days before filing the report.

Aging changes:

- All Property is 1 year aging effective report year 2023.
- Report year 2023 is a catch-up year.

4

Where to Report – Priority Rules

1. State of owner's last known address
2. Holders State of Domicile, if the address of the owner is unknown or a foreign address.
3. State where transaction occurred.

If the records reflect multiple addresses, report to the last of the most recent permanent address.

5

Reciprocity

Incidental property that belongs to another state may be reported with your Washington Unclaimed Property report if it is both:

- 10 or fewer properties.
- Totals \$1,000 or less.

Items exceeding these totals must be reported directly to the state with jurisdiction.

The only exception is California. You must remit directly to California's Unclaimed Property program.

6

What kind of property might you be holding?

- Uncashed payroll.
- Liability accounts - garnishments, employee benefits, employee reimbursements, accounts payable.
- Customer credit balances - forgotten deposits, overpayments, or refunds due.
- Utility deposits or uncashed refunds or due.
- Bail bond deposits.
- Gift certificates/cards*.
- Patient credit balances & non-returnable insurance overpayments. (Public Hospitals)
- Trust funds – funds held in a fiduciary capacity. (Utilities, Public Works)

7

Report and remit *or* report and retain?

- All state government agencies must report and remit all property.
- Cities, counties, other municipal and quasi-municipal corporations must report but may retain certain funds.
 - Funds must be available anytime for future refund.
 - Five years after reporting, may transfer unclaimed funds to General Fund and archive records.
 - All property must be reported.

8

Local Governments

May retain	Must remit
<ul style="list-style-type: none"> • Uncashed warrants. • Uncashed checks. • Property tax overpayments or refunds. 	<ul style="list-style-type: none"> • Accounts receivable/lunch program credits. • Unclaimed court monies. • Unrefunded utility deposits. • Unredeemed bonds and coupons. • Unclaimed property due to other states must be remitted! • If last known address is CA, report and remit directly to CA.

9

Advantages to remitting



Indemnified for remitted property.



Property is listed on our UCP website until refunded.



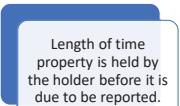
Holder not responsible for refunds.

No need to establish claims processing functions.

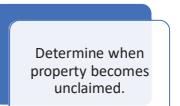
Little to no research or contact with claimants.

10

Property abandonment periods



Length of time property is held by the holder before it is due to be reported.



Determine when property becomes unclaimed.



The length of time property ages varies by state.

11

When does abandonment period start?

The aging period begins on the "Starting transaction date". This date is generally the date the money is due back to the owner. Some examples are:

- Date the check was written.
- Date credit became a credit.
- Date of last deposit.
- Date of court order

12

All property is 1 year – examples:

- Payroll
 - Automatic payroll deposits
 - payroll checks.
 - Garnishment overages.
 - Employee reimbursements.
- Unrefunded utility deposits
- Utility overpayments.
- Court ordered refunds
- Accounts payable checks or warrants.
- Property tax overpayments or refunds

13

One Year Conversion Table

All Property

Items that were issued or had a last activity date during:	Need to be reported by:	Types of Property
7/1/15 through 6/30/16	October 31, 2017	Payroll and Utility Deposits
7/1/16 through 6/30/17	October 31, 2018	Payroll and Utility Deposits
7/1/17 through 6/30/18	October 31, 2019	Payroll and Utility Deposits
7/1/18 through 6/30/19	October 31, 2020	Payroll and Utility Deposits
7/1/19 through 6/30/20	October 31, 2021	Payroll and Utility Deposits
7/1/20 through 6/30/21	October 31, 2022	Payroll and Utility Deposits
7/1/20 through 6/30/22	October 31, 2023	All Property
7/1/22 through 6/30/23	October 31, 2024	All Property

14

Court ordered utility refunds



RCW 63.30.040 (12)



Refunds are presumed abandoned one year after date of the determination or order providing for the refund

15

Gift certificates/cards

Department of Revenue Washington State

Gift cards are generally not reportable if they meet all these requirements:

- No expiration date.
- No service or inactivity fee may be charged.
- Balances under \$5 refundable in cash if requested.

Gift certificate balances must be reported when a facility closes.

16

Court funds & reporting considerations

Department of Revenue Washington State

Funds \$10 and under

- Clerk remits funds to local Treasurer.
- Local Treasurer deposits in expense fund.

Funds over \$10 must be reported as unclaimed property.

Items that are part of active court process should not be reported until settled.

Child support receipts should be reported even if payments are not being sent because the custodial parent cannot be found.

17

Frequently asked questions

Department of Revenue Washington State

- How long do reported and retained items remain on the state's website?
- Should we notify you when we refund retained property?
 - Yes, send an email to WAUCPHolders@dor.wa.gov and include:
 - Holder name and ID number.
 - Reported owner's name.
 - Report year in which the property was reported.
 - The amount and the original check number.
 - Proof of payment to the owner.

18

Criminal Restitution
1997 RCW 7.68.290

Department of Revenue Washington State

Victim can not be located or is deceased.

County Treasurer transfers to State Treasurer monthly.

State Treasurer transfers to Crime Victims Compensation Fund.

*Civil restitution is reportable

19

Tips for reducing Abandonment

Department of Revenue Washington State

 Issue refunds timely.

 Reconcile disbursement accounts monthly.

 Utilize payroll direct deposit.

 Keep customer contact information current.

20

Actions that do NOT prevent abandonment

Department of Revenue Washington State

- Reissuing checks without owner contact.
- Absence of returned mail.
- Automated payments or charges.
- Holder's awareness of owner.

Key Concept

You must have contact with
or
action initiated by the owner
to prevent abandonment.

21

Department of Revenue Washington State

What is Due Diligence?

Due diligence is the process of attempting to locate the owners of dormant property.

Required by law RCW 63.30.280.

22

Department of Revenue Washington State

Due Diligence Requirements

 For amounts \$75 and above.

 No sooner than 180 days and no less than 60 days before filing the report.

 First class mailing required for owners with valid address.

 If the owner requests e-mail correspondence, you must send due diligence to both mailing address and e-mail address

23

May 4, 20XX

Owner's Name
Owner's Street Address
City, State Zip Code

We have unclaimed property that belongs to you.

Dear Owner Name:

We have at least \$75 dollars that belongs to you and would like to return it.
Please write to us at the address below or call us at (XXX) XXX-XXXX.

Your Company's Name
Your Company's Street Address
City, State, Zip Code

Respond by June 30, 20XX. (Respond by date is at least 30 day after the date of this notice)

The state of Washington requires us to notify you that your property may be transferred to the custody of the Department of Revenue if you do not contact us before (insert respond by date). If we do not hear from you by the above date, we are required by law to send your funds to the Washington State Department of Revenue. After the property is remitted to the state, you will need to file a claim with them to reclaim it.

Sincerely,
Signature

24

When to report?




Reports are due by October 31

Tip: Put a reoccurring appointment for September on your electronic calendar.

Nothing to report? You will still need to file a negative report by the due date.

Visit ucp.dor.wa.gov to:

- Electronically file your report.
- Search for property.
- Sign up for email notifications.

25

Reporting penalties

- 10% late reporting penalty.
- 10% assessment penalty for property found in an audit.
- 5% additional penalty for amounts assessed and not paid by due date of the bill.
- 5% reporting penalty when holder does not file and pay electronically.

Note: Penalty amounts are based on the date the individual property is due.

26

Common Reporting Errors

Starting Transaction/Last Activity Dates

Invalid property type codes

Invalid date formats MMDDYYYY

Invalid joint owners/relationship codes

Missing or incomplete SSN/FEIN

Punctuation (dashes, comma, etc.)

27

Department of Revenue Washington State

Develop a strong unclaimed property system

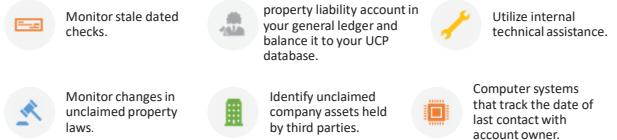


- Establish written procedures.
- Conduct internal training and cross training.
- Identify personnel responsible for preparing reports.
- Develop strong internal controls.
- Utilize internal audit function.

28

Department of Revenue Washington State

Develop a strong unclaimed property system



- Monitor stale dated checks.
- Establish an unclaimed property liability account in your general ledger and balance it to your UCP database.
- Utilize internal technical assistance.
- Monitor changes in unclaimed property laws.
- Identify unclaimed company assets held by third parties.
- Computer systems that track the date of last contact with account owner.

29

Department of Revenue Washington State

Recap – Basic holder process



30

Help and Information

- Washington State Website: ucp.dor.wa.gov
- GovDelivery – Email Notification Service on website
- Questions – Call or email:
WAUCPHolders@dor.wa.gov
360-534-1502

31

32