

# Indiana Unclaimed Property

Office of the Indiana Attorney General



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- About the Office of the Indiana Attorney General. Please see [www.indianaunclaimed.com/reporting](http://www.indianaunclaimed.com/reporting) for more information about Unclaimed Property.
- Please see <http://www.in.gov/attorneygeneral/> for a detailed description of the legal function, services, and structure of the OAG and its divisions.

## Office of the Indiana Attorney General

- **Greg Zoeller**  
Attorney General
- **Lindsey R. Mayes**  
Director, UPD
- **Patience Senter**  
Holder Supervisor



## Today's Presentation

- Unclaimed Property Law / General Unclaimed Property – Lindsey Mayes
- Requirements of Circuit Court Clerks & How to Report – Patience Senter



## Unclaimed Property

- Many Unclaimed Property Laws have been around since the 1950s. It's one of the original consumer protection plans.
- Each state has its own Unclaimed Property Department as well as its own Unclaimed Property Law.
- UPD is a part of the Treasurer's Department or Secretary of State for most states.
- UPD is a division of the AG's office in Indiana.



## Purpose of Unclaimed Property Law

- Protect the interests and property rights of the lost owner.
- Relieve the holders from the expense and liability associated with the property.
- Ensure that any economic windfalls benefit the public, not an individual holder.



## Unclaimed Property in Indiana

- Total Funds Available: \$435 million
- Total # of Properties: 4,692,310
- Total Amount of Claims Paid in 2015: \$89 million
- Total Amount Received in 2015: \$ 83.5 million
- Average Claim Amount: \$515



## Source of Funds

- |                    |                |
|--------------------|----------------|
| • Accounts         | \$ 33,892,513  |
| • Checks           | \$ 40,038,686  |
| • Court Deposits   | \$ 5,527,082   |
| • Insurance        | \$122,683,625  |
| • Mineral Interest | \$ 3,480,170   |
| • Safe Deposit Box | \$ 791,168     |
| • Securities       | \$ 120,463,256 |
| • Trusts           | \$ 8,560,247   |
| • Utilities        | \$ 11,984,410  |
| • Wages/Payroll    | \$ 87,611,144  |



## Unclaimed Property Law

- Unclaimed Property Law is guided by Uniform Law.
- The Uniform Unclaimed Property Act has been enacted by every state, in one form or another.
- The Uniform Unclaimed Property Act allows for a central location in each state where people can search for their unclaimed funds.
- Indiana: Established unclaimed property law which was passed by the Indiana General Assembly in 1967.



## Unclaimed Property Law

- The Unclaimed Property Law requires businesses to review their records each year to determine whether they hold any funds, securities, or other property that has been unclaimed.
- These businesses, or holders, make annual reports and transfer the property to the appropriate states.
- The business does not have to be incorporated in Indiana or even conduct business in the state, to have reportable property for Indiana. The only requirement is that the business records show that the owner's last known address is in Indiana.
- The custodial nature of the unclaimed property law obliges each state to maintain unclaimed funds and related owner information for claim by the rightful owner. All states make a diligent effort to locate and return these funds to the rightful owner, at no cost to the owner.

## Unclaimed Property in Indiana

- The only Unclaimed Property office in the nation under admin of the Attorney General's Office
- IC 32-34-1
- Remittance due with annual report
- Strong Consumer Protection Focus: the Attorney General's Office holds the property for 25 years while attempting to locate the rightful owner or their heirs. During this time, individuals who are legally entitled may file a claim for the property with the Unclaimed Property Division.
- Until claimed by the rightful owners, funds are used for the good of all Indiana citizens.

## Unclaimed Property in Indiana

- The Attorney General annually publishes the name of the owner in a newspaper in the county of the owner's last known address as submitted by the holder.
- The Attorney General participates in the Indiana State Fair, Library Days, and the Indiana Black Expo to maintain awareness of the program and FREE public service.
- The Unclaimed Property Division has a full-time staff member that works to proactively locate owners.
- Send out proactive letters.
- If the money goes unclaimed after 25 years, it is permanently absorbed into the General Fund and can no longer be claimed.



## The State's Responsibility

- Release and indemnify the holder from liability
- Secure the funds in a custodial capacity
- Make efforts to locate the owners
- Pay claims



## What is Unclaimed Property?

- Any financial asset that has been left with a Holder without activity or contact for an extended period of time (known as the dormancy period).



## How Does It Arise?

- Inactivity of account
- Payment Errors
  - Duplicate Payments
  - Customer Overpayments
  - Unidentified Payments / Remittances
- Unearned Customer / Client Receipts
- Unsettled Disbursements



## Top Reasons For Inactivity of Account

- Owner is deceased
- Owner is ill or unable to keep up with finances
- Owner is beneficiary
- Owner has forgotten
- Owner is unaware





## Property Types – Government Agencies/Courts

- Court Deposits
- Restitution Awards
- Bail Bonds Deposits
- Support Payments
- Escrow Accounts
- Condemnation Awards
- Wages / Payroll
- Accounts Payable
- Accounts Receivable
- Tax Refunds



## Tangible/Safekeeping Property Accepted

- Jewelry
- Silver / Gold
- Money (cash, coins)
- Antiques
- Collectibles
- Musical Instruments
- Toys / Video Games
- Miscellaneous Papers



## Exempt Property (not reported)

- Forfeited reservation deposits (hotels, rentals, etc)
- Prepaid calling cards
- Gift cards
- Business to business credit balances



## Requirements for Court Clerks



## Requirements for Court Clerks

- **IC 32-34-3 Chapter 3.** Unclaimed Money in Possession of a Court Clerk
  - Clerk defined
  - Collection by AG, Disposition by Treasurer
  - Claims, procedure, and payment
  - Unclaimed money, limitations on claiming money
  - Actions for failure to deliver money



## Requirements for Court Clerks

- Clerk Defined

### **IC 32-34-3 Chapter 3. Unclaimed Money in Possession of a Court Clerk**

#### **IC 32-34-3-1**

#### **"Clerk" defined**

Sec. 1. As used in this chapter, "clerk" means any person performing the duties of a clerk of any court, whether designated specifically as the clerk of that court or not. *As added by P.L. 2-2002, SEC.19.*



# Requirements for Court Clerks

- Collection by AG, Disposition by Treasurer

**IC 32-34-3-2 Collection by attorney general; disposition by treasurer of state**

Sec. 2. (a) Except for money related to child support, the attorney general may collect all money that remains in the office of a clerk for at least five (5) years after being distributable without being claimed by the person entitled to the money.

(b) The attorney general may collect all money related to child support that remains in the office of a clerk for at least ten (10) years after being distributable without being claimed by the person entitled to the money.

(c) Clerks shall deliver the money described in subsections (a) and (b) to the attorney general upon demand, and the attorney general shall (1) make a record of the money collected; and (2) turn it over to the treasurer of state.

(d) The treasurer of state shall deposit the money in the abandoned property fund established by IC 32-34-1-31. *As added by P.L. 2-2002, SEC. 19.*



# Requirements for Court Clerks

- Claims procedures, payment

**IC 32-34-3-3 Claims; procedure; payment**

Sec. 3. (a) Within five (5) years after a sum of money is deposited in the abandoned property fund in accordance with section 2(d) of this chapter, a person may make a claim to the money by filing an application in the court whose clerk originally held the sum.

(b) If the proof presented by the claimant satisfies the court that the claim is valid, the court shall order payment of the money to the claimant. If presented with a certified copy of the court's order, the attorney general shall direct the treasurer to return the sum of money to the claimant. *As added by P.L. 2-2002, SEC. 19. Amended by P.L. 23-2008, SEC. 1.*



## Requirements for Court Clerks

- Limitations on claiming money

### **IC 32-34-3-4 Unclaimed money; limitations on claiming money**

Sec. 4. (a) If a sum of money remains in the abandoned property fund for at least five (5) years after the date the money is deposited in the fund under section 2(d) of this chapter without any order directing the return of the money:

- (1) title to the sum vests in and escheats to the state; and
- (2) the sum shall be deposited in the state general fund.

(b) Any claimant who does not file an application with the court within five (5) years after the sum is deposited in the unclaimed funds account is barred from asserting a claim. *As added by P.L. 2-2002, SEC.19. Amended by P.L.246-2005, SEC.218.*



## Requirements for Court Clerks

- Action for failure to deliver money

### **IC 32-34-3-5 Action by attorney general against clerk for failure to deliver money**

Sec. 5. The attorney general may bring an action against a clerk who fails to deliver a sum of money to the attorney general upon demand under section 2 of this chapter. In that action, the attorney general may recover from the clerk, individually or upon the clerk's bond, the sum demanded plus a ten percent (10%) penalty. The sum demanded plus the penalty is collectible without relief from valuation or appraisal laws. *As added by P.L. 2-2002, SEC. 19.*



# How to Report



## Where to Report

- State of owner's **last known address**
- State of **Holder's incorporation** or domicile if address not known
- State of holder's incorporation or domicile if address of apparent owner is in a foreign country and if holder is incorporated or domiciled in the U.S.



## Holder Obligations

- **PROTECT** funds until reported and transferred to the state
- **FILE** a report
- **PERFORM** due diligence
- **REMIT** the property
- **MAINTAIN** copies of all reports and supporting documentation for 10 years.



## Indiana Compliance

- **SUCCESSFUL RETURN** is only possible with diligent annual compliance, as required by law
- **IF AUDITED**, companies may be required to provide financial statements, employment records, physical evidence of due diligence processes, zero report records, or acceptable rationale in using statistical extrapolation for periods where records were not available.
- **ALL AUDIT & LEGAL EXPENSES** will be billed to the company.



## Reporting

- **Reporting Periods and Deadlines**
  - Life Insurance: May 1
  - All other funds: November 1
  - Safekeeping Items: November 30



## Reporting

- **Due Diligence**
  - All holders are legally bound to perform due diligence.
  - Due diligence must be performed no more than one hundred twenty (120) days, or no less than sixty (60) days, prior to the filing of the report.
  - Mail notifications must be sent to property owners by first class mail or better at their last known address.





## Reporting

- **Information To Report**

- Include all identifying information known to you
- Full name
- Last known address
- Social Security Number or Tax ID Number
- Date of birth
- Driver's License / State ID #
- Email address



## Reporting

- **Aggregate Reporting**

- The threshold dollar value of an individual owner's account that will require owner detail included on the company's unclaimed property report. This may also trigger additional due diligence efforts. In Indiana, the aggregate amount is \$50, meaning all individual accounts equal to or greater than \$50 must be identified on the report and due diligence performed.



# Reporting

- **Zero Reporting**

- "Negative" or "Zero" annual reports reflecting that no unclaimed property is held by the holder or business enterprise are not statutorily required. However, submission of such reports is strongly encouraged and deemed to be a best governance practice by most corporate legal and accounting advisors. Filing an annual "zero report" demonstrates an entity's awareness of the legal requirements and compels a recurring annual book and records review.
- Zero reports can be filed through the "Zero Reports" tab on the IndianaUnclaimed.gov home page.



# Zero Reporting

Home About Us Claims Reporting Contact Us Auctions

ATTORNEY GENERAL  
GREG ZOELLER

## Reporting

IndianaUnclaimed.gov

The annual reporting deadline for all holders is **NOVEMBER 1st**. The reporting deadline for life insurance companies only is **MAY 1st**.



### Report Unclaimed Property

- **First-Time Users** Register your business to create an account for online reporting.
- Reported on line in the past?
- No unclaimed property to report this year?
- Need help with the reporting process?

New Holder Registration

Returning Holder

Zero Reporting

How to Report



## Reporting

- **Online Reporting**

- IndianaUnclaimed.gov
- Holders are required to report by Nov. 1 (Life insurance by May 1)
- Allows for mass changes, automatic validation for errors, and audit tracking convenience.
- Eliminates risk of human and process error on both ends.
- By statute, Holders are now required to file there reports electronically. Paper and CD reports are no longer accepted.



## Reporting

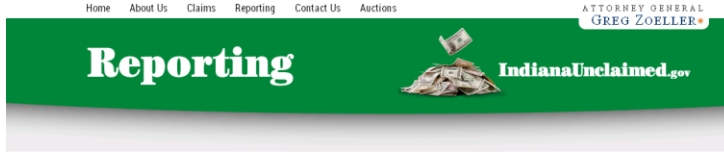
- **Online Reporting – 5 Easy Steps**

- 1- Download and print the online Reporting Guide
- 2 - Register to access reporting software
- 3 - Create your NAUPA formatted report
- 4 - Submit your report via the website
- 5 – Print remittance detail sheet, attach to physical check, send to:  
Office of the Indiana Attorney General  
Unclaimed Property Division  
35 South Park Blvd  
Greenwood, IN 46143



# Reporting

- IndianaUnclaimed.gov “How To” videos



## Reporting Resources

As of July 1st, 2013 Indiana Code has been amended. IC 32-34-1-26-(b) requires ALL reports to be submitted electronically via the IndianaUnclaimed upload.

Annual reporting deadline for all Holders is NOVEMBER 1st. The reporting deadline for life insurance companies only is MAY 1st.

**First Time Users**  
Please [REGISTER](#) to access IndianaUnclaimed reporting software.

- [Reporting How To Videos](#)
- [Indiana Unclaimed Property Statute and Rules](#)
- [Negative \(Zero\) Reporting](#)
- [NAUPA Codes and Dormancy Periods for Property Types](#) [view](#)
- [NAUPA Codes for Property Owner Relationship Types](#) [view](#)
- [Sample Due Diligence Form Letter](#) [view](#)
- [Common Errors Troubleshooting Guide](#) [view](#)
- [Indiana Online Reporting User Guide](#) [view](#)
- [Extension Request Form](#) [view](#)



# Reporting

- NAUPA Codes

NAUPA Codes					
CODE	DESCRIPTION	YRS	CODE	DESCRIPTION	YRS
<b>Accounts</b>			<b>Health Savings Account</b>		
AC01	Checking Accounts	3	HS01	Health Savings Account	3
AC02	Savings Account	3	HS02	Health Savings Account Investment	3
AC03	Matured CD & Savings Certificate	3	<b>Insurance</b>		
AC04	Christmas Club Funds	3	IN01	Individual Policy Benef Claim Pmts	3
AC05	Money on Deposit to Secure Fund	3	IN02	Group Policy Benefits Claim Pmts.	3
AC06	Security Deposit	3	IN03	Proceeds Due Beneficiaries	3
AC07	Unidentified Deposits	3	Proceeds Due for Matured Policies, Endowments and/or Annuities		
AC08	Suspense Accounts	3	IN04		3
AC09	Aggregate Acct Balances under \$50	3	IN05	Premium Refunds	3
			IN06	Unidentified Remittances	3
<b>Checks</b>			IN07	Other Annu due Under Policy Terms	3
CK01	Cashier's Checks	3	IN08	Agent Credit Balances	3
CK02	Certified Checks	3	IN99	Aggregate Insurance under \$50	3
CK03	Registered Checks	3	<b>Traditional IRA, SEP IRA, SARSEP IRA, and SIMPLE IRA</b>		
CK04	Treasurer Checks	3	IR01	Traditional IRA - Cash	3
CK05	Drafts	3	IR02	Traditional IRA - Mutual Funds	3
CK06	State Warrants	1	IR03	Traditional IRA - Securities	3
CK07	Money Orders	7	<b>Roth IRA</b>		
CK08	Travelers Checks	15	IR05	Roth IRA - Cash	3
CK09	Foreign Exchange Checks	3	IR06	Roth IRA - Mutual Funds	3
CK10	Expense Checks	3	IR07	Roth IRA - Securities	3



# Reporting

- Reporting Tables

One year Dormancy Period: (Payroll, Wages & Utilities)		
Items that were issued or had a last activity date during:	Due Diligence to be performed no later than	Date to be Reported
07/01/2011 to 06/30/2012	9/1/2013	11/1/2013
07/01/2012 to 06/30/2013	9/1/2014	11/1/2014
07/01/2013 to 06/30/2013	9/1/2015	11/1/2015
*anything prior to 7/1/2011 should have been reported already		

Three Year Dormancy Period:		
Items that were issued or had a last activity date during:	Due Diligence to be performed no later than	Date to be Reported
07/01/2009 to 06/30/2010	9/1/2013	11/1/2013
07/01/2010 to 06/30/2011	9/1/2014	11/1/2014
07/01/2011 to 06/30/2012	9/1/2015	11/1/2015
*anything prior to 7/1/2009 should have been reported already		

Five Year Dormancy Period: (Court Deposits)		
Items that were issued or had a last activity date during:	Due Diligence to be performed no later than	Date to be Reported
07/01/2007 to 06/30/2008	9/1/2013	11/1/2013
07/01/2008 to 06/30/2009	9/1/2014	11/1/2014
07/01/2009 to 06/30/2010	9/1/2015	11/1/2015
*anything prior to 7/1/2007 should have been reported already		



# Reporting

- Reporting Tables

Seven Year Dormancy Period: (Money Orders CK07)		
Items that were issued or had a last activity date during:	Due Diligence to be performed no later than	Date to be Reported
07/01/2005 to 06/30/2006	9/1/2013	11/1/2013
07/01/2006 to 06/30/2007	9/1/2014	11/1/2014
07/01/2007 to 06/30/2008	9/1/2015	11/1/2015
*anything prior to 7/1/2005 should have been reported already		

Fifteen Year Dormancy Period: (Travelers Checks CK08)		
Items that were issued or had a last activity date during:	Due Diligence to be performed no later than	Date to be Reported
07/01/1997 to 06/30/1998	9/1/2013	11/1/2013
07/01/1998 to 06/30/1999	9/1/2014	11/1/2014
07/01/1999 to 06/30/2000	9/1/2015	11/1/2015
*anything prior to 7/1/1997 should have been reported already		



# Reporting

- Relationship Codes

State of Indiana Unclaimed Property Relationship Codes	
AD	ADMINISTRATOR
AF	ATTORNEY FOR
AG	AGENT FOR
AN	AND
AO	AND / OR
BF	BENEFICIARY
CC	CO-CONSERVATOR
CF	CUSTODIAN FOR
CN	CONSERVATOR
EX	EXECUTOR / EXECUTRIX
FB	FOR BENEFIT OF
GR	GUARDIAN FOR
IN	INSURED
JC	JOINT TENANTS IN COMMON
JT	JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP
OR	OR
PA	PAYEE
PO	POWER OF ATTORNEY
PR	PRIMARY
RE	REMITTER
TE	AS TRUSTEE FOR
UG	UNIFORM GIFT TO MINOR ACT (UGMA)



# Reporting

- Reimbursements

- Procedure for property submitted in error
- Complete Holder Request for Reimbursement form (can be found on the website under "Holder FAQs")
- A separate report should be filed for each report year and each claimant
- Also include notarized statement and proof of payment to claimant.
- Mail to Unclaimed Property Division.



## Reporting

- **Common Holder Mistakes**

- Overpayment – often payment without records attached
- Underpayment – amount on remitted check does not reconcile with amount on report
- Missing Owner data and/or poor quality data
- Owner names are not in proper fields
- Pre-Escheat
- Incorrect NAUPA/Property codes
- Relationship codes are omitted



## Reporting

- **Extension Requests**

- Must be requested 30 days prior to the reporting deadline
- Attach an explanation for extension on corporate letterhead stating reason for the request.
- Examples: technology updates, personnel changes, natural disaster
- Specify the length of extension request.
- Must be mailed.
- Copy of letter available through “Reporting” tab on [IndianaUnclaimed.gov](http://IndianaUnclaimed.gov) home page.



## Reporting

- **Industry Best Practices**

- Determine potential liability.
- Get into compliance with state statutory requirements.
- Develop and maintain detailed processes and procedures for tracking and reporting unclaimed property.
- Conduct internal audits of unclaimed property processes and procedures.
- Form an unclaimed property committee that is responsible for compliance. Include key personnel (e.g. internal audit, legal counsel, upper management, treasurer, comptroller and tax director).



## Links

- [IndianaUnclaimed.gov](http://IndianaUnclaimed.gov)
- [In.gov/attorneygeneral](http://In.gov/attorneygeneral)
- Facebook: Greg Zoeller
- Facebook: Indiana Unclaimed Property
- Twitter: @INATTYGENERAL
- Instagram: buckthemoneydog





## Holder Reporting Resources

- [www.IndianaUnclaimed.gov](http://www.IndianaUnclaimed.gov)
- [www.uppo.org](http://www.uppo.org)
- [www.unclaimed.org](http://www.unclaimed.org)
- Bureau of National Affairs Corporate Law Portfolio [www.bna.com](http://www.bna.com)



## Contact Information

### **Patience Senter**

Holder Supervisor

Unclaimed Property Division

Office of the Indiana Attorney General

317-883-4542

[Patience.Senter@atg.in.gov](mailto:Patience.Senter@atg.in.gov)



**Questions?**

