

Uniform Disposition of Unclaimed Property

Issued: March 8, 2017

POLICIES

Responsible Official: Vice President for Finance and Administration

Responsible Office: Business Office

Policy Statement

It is the policy of Austin Peay State University to comply with Tennessee's Uniform Disposition of Property Act.

Purpose

The purpose of the following policy is to outline provisions for consistent procedures for complying with Tennessee's Uniform Disposition of Property Act, T.C.A. § 66-21-101 et seq. and Regulations 1700-2-1-.01 through 1700-2-1-37. The Policy is intended to serve as a reference document for institutional staff responsible for processing and disposing of unclaimed property, abandoned property, and lost & found property.

Procedures

Uniform Disposition of Unclaimed Property

- A. APSU is subject to the state of Tennessee's Uniform Disposition of Unclaimed Property Act when the last known address of the owner is in Tennessee, in a foreign country, or is unknown, in accordance with the Unclaimed Property Law, T.C.A. § 66-21-101 et seq. and Regulations 1700-2-1-.01 through 1700-2-1-37.
- B. This act requires the University to exercise due diligence in attempting to locate owners of unclaimed property in its custody and to annually report certain unclaimed property to the state.
- C. The state of Tennessee accepts unclaimed property for which the owner's last known address is in another state or commonwealth of the U.S.

1. The State reciprocally reports this property on behalf of the University to the appropriate state or commonwealth.
- D. Tennessee's Unclaimed Property Law applies to unclaimed property items:
1. That the University owes to or is holding for other organizations or individuals; and
 2. For which the University has had no contact with the owner for a minimum of one year up to the maximum statutory period of five years.
- E. Unclaimed property includes, but is not limited to:
1. Payroll checks that have not been cashed,
 2. Disbursement checks that have not been cashed,
 3. Refund checks that have not been cashed,
 4. Miscellaneous checks that have not been cashed,
 5. Unidentified remittances,
 6. Credit balances in accounts receivable,
 7. Stored Value Cards
- F. Non-cash (e.g. personal and/or household) items are considered "lost and found" items.
1. "Lost and found" items are not considered to be unclaimed property, should not be processed under this policy, and should not be reported to the state. See below for the disposal process of non-cash items (Lost and Found).

Due Diligence

- A. Before reporting unclaimed property, as defined above, the University is required to exercise due diligence in attempting to notify the property owner of amounts \$50 or greater with information on how to claim property. A sample due diligence letter may be found at <http://www.treasury.state.tn.us/unclaim/PDFs/UCP-Book-2016.pdf>
- B. Sending a first-class letter to the last known address of the property owner constitutes due diligence.
1. Letters must be sent during the "Due Diligence Window" specified by the state Treasurer and based on the reporting date.
 2. The timetable provided below is based on the current May 1 reporting date. (Property under \$50 requires no due diligence letter and is submitted to the state along with other unclaimed amounts from the same calendar

year.)

- C. Mail returned as "undeliverable" is evidence that the owner cannot be located. If the owner cannot be located, the property should be considered abandoned and be reported to the state as unclaimed property.
- D. Unreturned mail is considered a contact (presumably, the owner has received the notification and is now aware of the property's location).
 - 1. If contact is established, the property is no longer considered to be abandoned and should not be reported to the state.
 - 2. If the owner does not claim the property or provide the University with directions for disposing of the property within 90 days of the date of contact, the University may then assume ownership of the property.
 - 3. The Business Office will account for these funds in unclaimed property funds that remain available should the funds be claimed by owners.

Stored Value Cards

- A. Where applicable, the Business Office is responsible for performing due diligence on all stored value cards that have been inactive for at least one (1) year, and a maximum of five (5) years, that have a balance of \$50 or greater.
- B. Detailed information associated with these cards must be maintained at the University.
 - 1. The Business Office must compile and maintain a file of names, addresses, and social security numbers of dormant account owners, along with amounts each year.
 - 2. The list will also include balances under \$50 for which due diligence is not required.

Accounts Receivables Credit Balances

- A. The Business Office is responsible for performing due diligence on all credit balances in accounts receivable that have been inactive for at least one (1) year, and a maximum of five (5) years, that have a balance of \$50 or greater.
- B. Detailed information associated with these balances must be maintained at the Business Office.
 - 1. The Business Office must compile and maintain a file of names, addresses, and social security numbers of dormant account owners, along with amounts by April 1 of each year.

2. The list will also include credit balances under \$50 for which due diligence is not required.

Unclaimed Property Report The annual unclaimed property report must be submitted electronically in the format required by the Tennessee Department of Treasury, Unclaimed Property Division. The current requirements can be found at the Division's website <http://www.treasury.tn.gov/unclaim>

1. The Business Office should compile the list of all cash items (i.e., checks not cashed, unidentified remittances, credit balances in accounts receivable, stored value cards) for the entire University and report it to the state Treasurer's Office.
2. Reports must be filed with the state Treasurer on or before May 1 of each year and must include property presumed abandoned held as of December 31 of the appropriate reporting year.
3. The maximum abandoned period for the University is five (5) years.
 - a. The state Treasurer may grant one 30-day extension provided a written request is received on or before May 1.

Verification Form

- A. Along with the report, the Business Office must submit a notarized verification form for unclaimed cash items, signed by the designated individual in the Business Office.

Timetable for Unclaimed Property

- A. The following timetable describes the year's schedule for reporting unclaimed property:
 1. December 31 - End of reporting year.
 2. January 1 to February 28 - Due diligence window. The Business Office perform required due diligence on appropriate items considered abandoned.
 3. April 1 - Deadline for the Business Office to complete report of abandoned property.
 4. May 1 - Report, verification forms and unclaimed property (cash) are due in the state Treasurer's Office.
- B. The University will require proper proof of ownership when individuals claim property items. The Business Office will have developed procedures for handling claims.

Disposition of Non-Cash Items (Lost and Found)

- A. Abandoned non-cash items may be:
 1. Sold at a public auction or by sealed bids in accordance with this policy;

2. Donated to a local charity (if not purchased through a public sale); or
 3. Discarded or destroyed if not valuable.
- B. The following provisions apply to certain types of valuable non-cash property:
1. Jewelry, Electronic & Mechanical Items must be appraised and a minimum sales price established.
 - a. If appraised at little or no value, the item should be discarded.
 - b. Where appraised to have reasonable market value, these items shall be disposed of pursuant to this policy.
 2. Coins that appear to have a market value substantially higher than face value should be appraised and a minimum sales price set.
 - a. These items shall be disposed of pursuant to this policy.
 3. Firearms should be disposed of in accordance with local statutes.
 4. Dangerous items (items of a combustible nature that are dangerous to store) should be safely disposed of as soon as possible.
 5. Illegal items should be disposed of in accordance with instructions from the proper legal authorities.

Payment of Claims

- A. Before receiving payment for claims, owners must present proper proof of ownership to the University.
- B. Where items are claimed after having been transferred to the state Treasurer, payment is the responsibility of the state Treasurer.

Confiscated Property

- A. Confiscated property will not be considered abandoned and should be treated as surplus property for disposal purposes.
- B. Confiscated firearms and other hazardous items should be disposed of in accordance with local statutes.

Links

TN Unclaimed Property Division

<http://www.treasury.tn.gov/unclaim>

Revision Dates

APSU Policy 4:025 – Issued: March 8, 2017

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
	<input checked="" type="checkbox"/>				

Approved

President: signature on file
