



MEMORANDUM

TO: NRLA Members

FROM: NRLA Government Affairs Department

SUBJECT: Unclaimed Property

DATE: September 2, 2014

The New York State Comptroller's office recently issued a letter to businesses in New York State informing them of a voluntary compliance program for unclaimed funds. The letter was part of a mass mailing to all businesses that do not already report to the New York State Office of Unclaimed Funds. To date, NRLA has only seen letters issued in New York, but every state has a comparable Office of Unclaimed Funds with similar rules and regulations.

Background & Implications

The various state offices of unclaimed funds, or abandoned property, recover various forms of funds and property that were never collected or used. The abandoned property or unclaimed property laws vary state-by-state and were enacted at different times; however, there are many commonalities between the laws. Typical holders of abandoned or unclaimed property include government agencies, utility companies, insurance companies, banks and other financial institutions, employers, retailers, and other corporations.

Retailers often times are subject to this law for unclaimed payroll, outstanding checks issued to vendors, unredeemed gift cards/certificates, merchandise credits, and account receivable and accounts payable. Each unclaimed fund or property has a dormancy period, meaning the funds need to be handed over to the respective state agency after a certain period of time. For example, in New York, any unredeemed gift card/certificate needs to be remitted to the New York State Office of Unclaimed Funds after five years.

It is the responsibility of the retailer to track and report any unclaimed funds after the dormancy period to their respective state agency. Some of the offices allow you to file the reports online, while others require hard copies. Many of the unclaimed or abandoned property programs have been in effect for decades and many businesses are out of compliance with the requirements. In New York, the state comptroller has a Voluntary Compliance Program, which allows retailers to report and remit unclaimed funds within a certain period of time without having to pay penalties, fees, or interest; however, the retailer is required to "reach back" as far as 1992 to fully comply.

New York does have an audit team available free of charge to assist with procedures on finding missing records.

If businesses are audited by their state treasury department or comptroller and are found to be non-compliant they may be subject to fines and penalties. As stated earlier, the requirements and procedures vary state-by-state; consequently, it is best to review your state's rules and regulations. Additionally, it is strongly recommended that you consult with your accountant concerning this issue. If you are unsure how to comply with these regulations, your accountant should be able to assist you.

Below is a list of websites for the respective state offices of unclaimed funds or abandoned property, where you can find more detailed information on the law, its requirements, reporting options, and compliance programs.

State Websites

[Connecticut State Treasury Unclaimed Property](#)

[Maine Unclaimed Property](#)

[Massachusetts Unclaimed Property Division](#)

[New Hampshire Abandoned and Unclaimed Property](#)

[New Jersey Unclaimed Property Administration](#)

[New York State Office of Unclaimed Funds](#)

[Rhode Island Unclaimed Property](#)

[Vermont Unclaimed Property](#)

If you have any questions or concerns, please contact NRLA's government affairs department at 800.292.6752 or e-mail govtaffairs@nrla.org.