



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 50.13, **Remittance of Unclaimed Property**

PURPOSE: The purpose of this Health Sciences Center El Paso Operating Policy and Procedure (HSCEP OP) is to establish rules and guidelines in compliance with state law for the remittance of unclaimed property.

REVIEW: This HSCEP OP will be reviewed April 15 of every year by the Director of Accounting Services, with recommendations for revisions submitted to the Chief Financial Officer by May 1.

POLICY/PROCEDURE:

1. **State Reporting Deadlines.** Uncashed checks outstanding greater than three years must be submitted as unclaimed property to the Texas State Treasury. The deadline for reporting and remitting unclaimed property to the state is July 1 of each year, as follows:

Check Dates (or date of last contact with payee)	Report/Remit Due Date
03/02/2013 - 03/01/2014	07/01/2017
03/02/2014 - 03/01/2015	07/01/2018
03/02/2015 - 03/01/2016	07/01/2019
03/02/2016 - 03/01/2017	07/01/2020

2. **Department Reporting Deadlines.** In order to comply with the Unclaimed Property Guidelines, each applicable check-writing department is required to provide unclaimed property information to Accounting Services by May 31 of each year for checks outstanding more than one year as of March 1, as follows:

Check Dates (or date of last contact with payee)	Accounting Services Due Date
03/02/2015 - 03/01/2016	05/31/2017
03/02/2016 - 03/01/2017	05/31/2018
03/02/2017 - 03/01/2018	05/31/2019
03/02/2018 - 03/01/2019	05/31/2020

Note: Each department is responsible for any state penalty resulting from a failure in the timely reporting of unclaimed property.

3. **Due Diligence Requirements for Amounts Greater than \$250.** Each applicable check-writing department will be required to mail a notice in March to all owners of property over \$250 that is due to be included on the July report. The written notice must be mailed in March and no later than April 1. Owners will then have the months of April through June to claim their property.

Copies of the mailed notices should be retained by each applicable check-writing department originating the unclaimed property request. The copies should be available for review and examination by the State Auditor, Internal Auditor, other external auditors, or duly authorized

individuals. Copies of the notices will be surrendered to a requesting individual only after the department has determined that this individual is authorized to review and examine such documents and then only upon written request from the authorized individual.

The written notice requirement does not apply if:

- a. The department has already mailed a letter to the payee earlier in the abandonment period; a copy of the notice needs to be retained by the department.
- b. The notice is returned by the post office as a result of a previous mailing.
- c. There is no record of an address.
- d. The unclaimed property is \$250 or less.

The cost of postage may be charged as a service charge against each property for amounts more than \$250.

4. **Required Information.** The following information is required when reporting unclaimed property to Accounting Services:

- a. Date of Check Issuance
- b. Amount of Check
- c. Name of Payee
- d. Address of Payee
- e. Social Security number of Payee, if known
- f. Driver's license or state identification number of Payee, if known
- g. Email address of Payee, if known
- h. Any other pertinent information available, such as vendor account number

Outstanding checks included in the remittance must be cancelled by Accounting Services, which will ensure that the outstanding checks are cleared from the account reconciliation. Sufficient documentation of the original check, including the check number, must be provided with the cancellation request to ensure proper reclassification in the financial system. Timely submission of the remittance by May 31 allows a reasonable timeframe for Accounting Services to process those cancellations prior to year-end close.

5. **Exceptions.** If the department can clearly document that a payee has refused a check, then such a check is not considered unclaimed property. In such cases, the check will simply be voided. But the refusal must be clear and cannot be assumed if the payee is merely requesting additional information. Documentation of the check refusal must be retained by the department.
6. **Subsequent Claim of Property.** If an outstanding check is honored by the bank after it has been written-off as unclaimed property, the department should request reimbursement from Accounting Services by using a copy of the cleared check. Notification is required within thirty days of the check being honored by the bank; otherwise, the department risks forfeiting reimbursement. The department should never reissue a check after it has been reported to Accounting Services as unclaimed property. Any request for reissuance of checks should be referred to Accounting Services.