

ADDRESSING NON-COMPLIANCE ISSUES WITH AN UNCLAIMED PROPERTY COMPLIANCE CHECKUP



What is an Unclaimed Property Compliance CheckUP?

An unclaimed property Compliance CheckUP is a high level review to determine the organization's potential risk of non-compliance with appropriate state unclaimed property laws. Interviews are conducted with employees that are in a position to identify and track potential types of unclaimed property generated by the organization. In addition to the interviews, the CheckUP will include a review of various accounting records, including:

- > Current policies and procedures directly and indirectly related to unclaimed property;
- > Unclaimed property reporting history, if applicable;
- > Organizational chart;
- > Merger and acquisition history; and
- > At least one year-end general ledger trial balance.

Upon completion of the Compliance CheckUP, a report will be provided to the organization to discuss the potential areas of non-compliance and recommended next steps.

What types of financial institutions would benefit most from this service?

Any financial institution can benefit from this service, but it is generally geared toward those with a strong reporting history. Since it's what you don't know that can cause problems, a CheckUP is a great way for institutions to either confirm compliance or discover unknown areas of risk.

Georgeson's Unclaimed Property Consulting Services

- > Unclaimed Property Policies and Procedures
- > Unclaimed Property Compliance CheckUP
- > Comprehensive Compliance Review
- > Remediation
- > Compliance/Voluntary Disclosure Agreements
- > Audit Assistance
- > Annual Reporting
- > Merger and Acquisition Risk and Exposure
- > Unclaimed Property Training

IDENTIFYING AND MITIGATING UNCLAIMED PROPERTY NON-COMPLIANCE ISSUES

Situation

A financial institution with a very strong reporting history chose to conduct an unclaimed property CheckUP to make sure there were no gaps in its reporting compliance.

Approach

The consulting team conducted a two-day site visit during which it reviewed the institution's written policy and procedures, conducted interviews with the appropriate employees, viewed accounting records and performed an analysis of the institution's unclaimed property reporting history. During the review, the consulting team discovered that automatically renewable certificates of deposit (CDs) were not being escheated. The date of last activity was updated each time the CDs were automatically renewed.

Solution

The consulting team recommended a detailed review of automatically renewable CDs. As a result of the detailed review, the team was able to quantify the institution's exposure related to past due CDs. The past due liability was quantified by state and date due, so potential interest and penalties could be identified. This allowed the team to make additional voluntary disclosure recommendations based on the specific states to which the property was due.

Results

The financial institution was able to proactively address its unclaimed property noncompliance issue and report/remit the past due amounts with limited interest and penalties. In addition, the institution updated its unclaimed property policy and procedures so the property type would not be overlooked in the future.

To learn more about Georgeson's full suite of consulting services, please visit [georgeson.com/upconsulting](https://www.georgeson.com/upconsulting) or contact Pamela J. Wentz, National Practice Leader for Georgeson LLC at pwentz@georgeson.com | 201 744 5405.