

**ADMINISTRATIVE POLICY**

# Unclaimed Property Reporting Oversight

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<b>Approval Authority:</b>	<b>Vice Chancellor for Finance</b>	<b>Originally issued:</b> March 2018
<b>Responsible Administrator:</b>	<b>Controller</b>	
<b>Responsible Office:</b>	<b>Procurement and Payment Services</b>	<b>Current version</b> <b>effective as of:</b> November 2019
<b>Policy Contact:</b>	<b>Senior Director of Purchasing and Payment Services</b> <b>Director of Tax</b>	

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## **POLICY STATEMENT/REASON FOR POLICY**

This document defines the policies that ensure unclaimed property reports are properly filed and paid in accordance with the requirements of each applicable state.

All Vanderbilt employees responsible for reviewing, evaluating, and processing “unclaimed property” must be knowledgeable of Vanderbilt’s unclaimed property reporting requirements. In addition, university staff involved with unclaimed property must possess an appropriate level of Vanderbilt financial knowledge, including knowledge of any and all sources of outstanding checks and outstanding credit balances.

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## **THIS POLICY APPLIES TO**

This policy applies to all Vanderbilt employees responsible for the compliance reporting of unclaimed property. Further, this policy relates strictly to the filing oversight of unclaimed property reports and applies to Purchasing and Payment Services, Payroll, Office of Student Accounts, and the Tax Department.

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## **POLICY**

- A.** Vanderbilt University’s Payment Services, using the general ledger and related reconciliations, coordinates efforts with Student Accounts, Payroll, Alumni Relations, Tax, and Payment Services staff to routinely identify, resolve, and escheat all Vanderbilt University unclaimed property.
- B.** In order to successfully file and remit funds to the various states, Vanderbilt University engages ETM, as an outsourcer to manage and file unclaimed property reports. ETM directs the Payment Services area in the filings and remittances that are mandatory; the Payment Services area processes the payments and any manual filings necessary; and the Tax Department reviews all filings along with items unfiled, as evidenced by outstanding checks on the bank recons, or outstanding credits on the student aging, and signs returns as required.

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## DEFINITIONS

Dormancy Period – Defined by a specified amount of time that elapses during which Vanderbilt has not been able to return property to or make contact with its rightful owner. The time periods are specified by type of property and vary from state to state. Since Vanderbilt is in contact with current employees and current students, payments/credit balances due to these individuals are not considered dormant and cannot be remitted as unclaimed property.

Due Diligence – Efforts extended to attempt to locate the rightful owner of property. Generally requires a final attempt to notify the owner, in writing, providing the owner a final opportunity to make contact with Vanderbilt in order to prevent the property from being turned over to the state.

ETM –Software as a Service organization that specializes in providing unclaimed property reporting services, making its clients more efficient, consistently accurate, and uniformly compliant. Founded in 2001, ETM is the leading provider of software, automating the administration and filing of financial information to meet numerous regulated reporting requirements. Vanderbilt engages ETM to file all unclaimed property reports.

Unclaimed Property –The unclaimed property definition is “any funds that are unclaimed by the rightful owner”. A common example is an uncashed check.

Unclaimed Property Reporting - All state laws require that such unclaimed property is sent to the state, after a Dormancy period is met. This creates compliance exposure for Vanderbilt in many states.

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## CONSEQUENCES OF NON-COMPLIANCE

Failure to comply with this policy may result in delinquent filings and/or inaccurate compliance reporting of unclaimed property which could result in state assessed penalty and interest. All delinquency penalties and interest resulting from properties turned over to Payment Services after the appropriate time period will be the responsibility of the department originating the escheatable property. All other penalties and interest will be evaluated on a case by case basis and responsibility for penalty and interest will be determined by the university Controller.

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## PROCEDURES

Activity	Payment Services	Tax Team
Manages checks issued by their area, which remain uncashed. This includes investigating why the check is uncashed then resolving the issue by either voiding the check or reissuing the check	✓	
Obtains listings from the Payroll area of any unresolved outstanding payroll checks issued that have become subject to annual reporting as unclaimed property	✓	
Obtains listings from Student Accounts of any unresolved open credit balances on student accounts that have become subject to annual reporting as unclaimed property	✓	
Reports all unclaimed property items to ETM, the outsourcer	✓	

<b>Activity</b>	<b>Payment Services</b>	<b>Tax Team</b>
Completes due diligence, filing, and payment tasks as directed by ETM	✓	
Every month, provides Tax Department listings of outstanding checks and credit memos on the General Ledger as supported by bank reconciliations and student accounts aging	✓	
Oversight review of the filing and payment tasks completed by Payment Services		✓
Review listings of outstanding checks and credit memos on the General Ledger as supported by bank reconciliations and student accounts aging as provided by Payment Services, and notify Controller of discrepancies and/or missing reports		✓

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### **FREQUENTLY ASKED QUESTIONS**

N/A

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### **ADDITIONAL CONTACTS**

<b>Subject</b>	<b>Contact</b>	<b>Office</b>	<b>Phone</b>
<b>Unclaimed Property</b>	<b>Finance</b>	<b>Procurement and Payment Services</b>	<b>(615) 343-6601</b>

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### **RELATED POLICIES/DOCUMENTS**

N/A

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### **HISTORY**

**Issued:**                    **March 2018**

**Reviewed:**                **November 2019**

**Amended:**                **November 2019**

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### **Procedures Website**

N/A

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### **FAQ Website**

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