668 Unclaimed Property Uniform Disposition

Approved by President  ____________________________________________
                           Sidney A. McPhee, President

Effective Date: _________________, 2019
Responsible Division: Business and Finance
Responsible Office: Business and Finance
Responsible Officer: Associate Vice President, Business and Finance

I. Purpose

This policy outlines procedures for complying with Tennessee’s Uniform Disposition of Property Act, T.C.A. § 66-29-101 et seq. and Regulations 1700-02-01-.01 through 1700-02-01-.39, at Middle Tennessee State University (MTSU or University). The policy serves as a reference document for staff responsible for processing and disposing of unclaimed property, abandoned property, and lost and found property.

II. General Requirement

A. MTSU 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. § 66-29-101 et seq. and Regulations 1700-02-01-.01 through 1700-02-01-.39.

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. The State reciprocally reports this property, on behalf of the University, to the appropriate state or commonwealth.

III. Applicability

A. 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 (1) year, up to the maximum statutory period.

B. 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, or
7. Stored value cards.

C. Non-cash (i.e., personal and/or household) items are considered lost and found items. 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 Policy 685 Disposal of Surplus Property for the disposal process of non-cash items (lost and found).

IV. 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 of fifty dollars ($50.00) or greater, with information on how to claim the property. Property under fifty dollars ($50.00) requires no due diligence letter and is submitted to the State along with other unclaimed amounts from the same calendar year.

B. Where required, notification to property owner must:

1. Be sent during the due diligence window specified by the State Treasurer and based on the reporting date. The timetable provided in Section IX. below is based on the current November 1 reporting date.

2. Provide the information required in T.C.A. § 66-29-129.

C. Notice may be provided by sending a first-class letter to the last known address of the property owner. In addition, notice may be provided by sending an email to the owner, provided that if the University receives notice that the email was not received or if the
owner does not respond to the email within 30 days, the University shall promptly attempt to contact the owner by first-class mail.

D. 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 should be reported to the State as unclaimed property.

E. 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 ninety (90) days of the date of contact, the University may then assume ownership of the property.

3. The Office of Business and Finance will account for these funds in unclaimed property funds that remain available, should the funds be claimed by owners.

V. Stored Value Cards

A. Where applicable, the Office of Business and Finance is responsible for performing due diligence on all stored value cards that have been inactive for at least one (1) year, and up to the statutory maximum, that have a balance of fifty dollars ($50.00) or greater.

B. Detailed information associated with these cards must be maintained at the University.

1. The Office of Business and Finance must annually compile and maintain a file of names, addresses, and social security numbers of dormant account owners, along with amounts.

2. The list will also include balances under fifty dollars ($50.00) for which due diligence is not required.

VI. Accounts Receivable Credit Balances

A. The Office of Business and Finance is responsible for performing due diligence on all credit balances in accounts receivable that have been inactive for at least one (1) year, and up to the statutory maximum, that have a balance of fifty dollars ($50.00) or greater.
B. Detailed information associated with these balances must be maintained at the University.

1. The Office of Business and Finance must compile and maintain a file of names, addresses, and social security numbers of dormant account owners, along with amounts, by October 1 of each year.

2. The list will also include credit balances under fifty dollars ($50.00) for which due diligence is not required.

VII. 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](#).

A. The Office of Business and Finance 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.

B. Reports must be filed with the State Treasurer on or before November 1 of each year and must include property presumed abandoned that is held as of June 30 of the appropriate reporting year.

VIII. Verification Form

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

IX. Timetable for Unclaimed Property

The following timetable describes the year’s schedule for reporting unclaimed property:

A. June 30 - End of reporting year.

B. July 1 to August 31 - Due diligence window. The Office of Business and Finance performs required due diligence on appropriate items considered abandoned.

C. October 1 - Deadline for Office of Business and Finance to complete report of abandoned property.

D. November 1 - Report, verification forms, and unclaimed property (cash) are due in the State Treasurer's Office.
X. Payment of Claims

A. The Office of Business and Finance will have developed procedures for handling claims.

B. Before receiving payment for claims, owners must present proper proof of ownership to the University

C. Where items are claimed, after having been transferred to the State Treasurer, payment is the responsibility of the State Treasurer.

Forms: none.

Revisions: June 5, 2017 (original); __________, 2019.