

Spring 2017

CALIFORNIA STATE CONTROLLER BETTY T. YEE



Unclaimed Property Division Quarterly Newsletter for Holders

Holder Remit Report Checklist

Holder Remit Report season is approaching. Use this checklist to ensure your report is completed accurately.

Universal Holder Face Sheet ([UFS-1](#))

- At the top, write your six-digit Report ID number from the Holder Remit Reminder Letter (14F). If you do not receive a 14F by May 1, contact the Reporting Unit at (916) 464-6284 for assistance .
- In section A, the "Report As of Date" is the same date reported on your Holder Notice Report.
- In section F, the report total is total dollars and shares listed on your property owner list.
- In section J, include an original wet signature.

List of property owners

- If reporting electronically, burn the file to a disc in standard *National Association of Unclaimed Property Administrators* ([NAUPA II](#)) format. Label the disc with holder name, Federal Employer Identification Number (FEIN), report year, and total properties reported.
- If reporting on paper, make sure the Owner Detail Sheet ([UDS-1](#)) does not exceed nine properties.
- Do not add new properties. Report new properties on a Supplemental Notice Report.

Remittance

- Electronic funds transfer (EFT) is required if remitting \$20,000 or more (*California Code of Civil Procedure* ([CCP](#)) [section 1532](#)).

Signed 14F

- Include an original wet signature.

Security Summary ([SS-1](#))

- If applicable, include valid property owner names and social security numbers or FEINs.

Deductions/fee schedules

- If applicable, include deductions and fee schedules (financial institutions only).

Save and send

- Save a copy of the complete report for your records and mail all components in one package using a secure, trackable method. For more information, refer to the [Holder Remit Report: Common Errors](#).

Important Reminder: Updated Bank and Broker Information

Last year, the State Controller published [notices](#) alerting holders to new bank and broker accounts.

Bank Information

[Effective July 1, 2016](#), holders must make EFT remittances to Union Bank. Contact the Controller's EFT Help Desk to obtain bank account information or to register to make a first-time EFT payment by Automated Clearing House (ACH) Debit.

Broker Account Information

[Effective April 1, 2016](#), holders must send securities (other than open-end mutual funds) to:

FIRST CLEARING, LLC
DTC #0141
Account #8021-1102

Note: The account number for remitting open-end mutual funds has not changed. Refer to pages 38 to 41 of the [Unclaimed Property Holder Handbook](#) for more information.

EFT Help Desk
(916) 464-6220

UPDSOEFT@sco.ca.gov

Frequently Asked Question

How do I remit a property currently in a dividend reinvestment plan?

The Controller's Office does not participate in dividend reinvestment plans. For all issues, except open-end mutual funds, a holder must close out the property owner's account either by converting whole shares to certificate form or by transferring shares to the Controller's contracted broker via electronic transfer (DTC).

- Convert each property owner's account to whole shares and register those shares in the name of the State Controller.
- If there are fractional shares, liquidate each individual property owner's fractional share amounts and report the proceeds as cash proceeds on the Holder Remit Report.

Note: If these guidelines are not followed, the Holder Remit Report may be subject to interest and penalties ([CCP section 1577](#)). Review the [Unclaimed Property Holder Handbook](#) (page 41) for more information.

For questions, contact the Securities Unit at (916) 464-6382 or UPDSecRecon@sco.ca.gov.

Sending Funds Electronically

EFT payments may be sent in one of several ways, but note the following guidelines:

- Remittances of \$20,000 or more not submitted by EFT will be subject to civil penalties assessed at 2 percent of the payment amount due ([CCP section 1532](#)).
- ACH Debit is the preferred method for remitting funds and will expedite processing. When establishing an ACH Debit account, ensure the account is a checking or savings account. Payments submitted from a general ledger or trust account will be rejected.
- If submitting a single wire for multiple reports, submit a list of Report ID numbers and the breakdown of funds to UPDSCOEFTE@sco.ca.gov prior to transferring the funds. This list must also be included with each Holder Remit Report. Failure to do so may subject the reported amount to an interest assessment.
- Establish new ACH Debit or ACH Credit accounts before April 30, 2017. Returning users must contact the EFT Help Desk to obtain [new bank account information](#) prior to submitting payment.
- The State Controller offers a free web payment service available only through the ACH Debit option. Holders may securely process EFT payments at www.govone.com/PAYCAL.

Refer to pages 24 to 43 of the [Unclaimed Property Holder Handbook](#) for more information on EFT.

Customer Inquiries: Who Has the Property?

After holders submit their Holder Notice Report, the State Controller mails notices instructing property owners to directly contact holders to claim their property. If a property owner contacts you as the holder before June 1 (or before December 1 for life insurance companies), pay the property directly to the owner, remove it from the associated Holder Remit Report, and do not send it to the California Controller's Office.

Holders are responsible for determining if they are communicating with the rightful owner before returning the property or updating account information. Refer to the [2015 Spring Newsletter](#) for more information.

Important Dates

By May 1

Life Insurance Holder Notice Report due
Due diligence must be completed
for 2017 report year

June 1 - 15

Holder Remit Report and Remittance due

We're Here to Help!

(916) 464-6088 | UPDHolderOutreach@sco.ca.gov

The Outreach and Compliance Unit provides holder education and resources through one-on-one assistance, webinars, and speaking engagements. Visit the [events page](#) for up-to-date information or contact us for participation in your next event.

www.sco.ca.gov



www.claimit.ca.gov