



CALIFORNIA STATE CONTROLLER BETTY T. YEE

Unclaimed Property Division 2019 Spring Newsletter for Holders

Holder Remit Reports Due Soon

Use this checklist when preparing your Holder Remit Report in order to avoid an interest assessment (*California Code of Civil Procedure (CCP) section 1577*).

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

- At the top, write your Report ID number from the Holder Remit Reminder Letter (also known as the 14F).
- In section A, the "Report As of Date" is the same date reported on your Holder Notice Report.
- In section F, the "Total Reported" is the total dollars and shares listed on your property owner list.
- In section J, include an original signature and date.

Property Owner Details

- Do not add properties that were not originally reported on the Holder Notice Report. Report new properties on a Supplemental Notice Report.
- If reporting electronically, burn the file to a disc. Label the disc with holder name, FEIN, report year, and total dollar amount remitted.
- If reporting on paper, make sure the Owner Detail Sheet ([UDS-1](#)) does not exceed nine properties.

Remittance

- Electronic funds transfer (EFT) is required if remitting \$20,000 or more ([CCP section 1532](#)).
- Make checks under \$20,000 payable to *California State Controller*.

Signed 14F

- If you do not receive a 14F by May 1, contact the Reporting Unit at UCPReporting@sco.ca.gov or (916) 464-6284.

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

- When remitting securities, include valid property owner names, correct CUSIP numbers, and SSNs or FEINs.

Deductions and Fees Schedule

- If you are preparing a report for a financial institution, include a deductions and fees schedule if available.

Holder Due Diligence for 2019 Report Year

If you plan to submit a Holder Notice Report before November 1, you must perform due diligence by April 30.

Are holders obligated to notify owners of their property?

Yes. Holders must send notices to owners of securities, safe deposit boxes, and property valued at \$50 or more before reporting the accounts to the state. However, due diligence is not required if the property owner's last known address is unknown or has proven to be incorrect ([CCP section 1520](#)). Find a [Sample Due Diligence Letter](#) on the Controller's website.

What is the due diligence timeframe for California properties?

Holder due diligence should be performed no more than one year, but not less than six months, before the property is reportable. [CCP section 1513.5\(a\)\(1\)](#) allows banking or financial institutions to use an alternative timeframe for issuing notices. See the [Property Report Cycle Tables](#) for complete information.

Are holders required to send notices by certified mail?

No. Due diligence notices may be sent electronically with the owner's prior consent, or mailed to the owner's last known address ([CCP section 1513.5\(a\)](#)).

Read the following resources for more information about remitting unclaimed property:

[Holder Remit Report: Common Errors](#) | [Remitting Unclaimed Property to California](#) | [Holder Handbook](#)

Ask an Analyst

Do you have a question about reporting unclaimed property? We want to hear from you! Submit questions to UPDHolderOutreach@sco.ca.gov.

Q: We are a financial institution holding individual retirement accounts (IRAs) for customers. When is an IRA escheatable?

A: An IRA (or retirement plan for self-employed individuals or similar account or plan) is escheatable if, for three or more years after the property became payable or distributable:

- The owner has not increased or decreased the principal, accepted payment of principal or income, or corresponded with the holder regarding the account ([CCP section 1513 \(a\)\(6\)\(A\)](#)); and
- The owner has not owned another active IRA or deposit or account with the holder ([CCP section 1513\(a\)\(6\)\(B\)](#)).

Per [CCP section 1513\(a\)\(6\)\(C\)](#), an IRA is not payable or distributable unless:

- Under the terms of the account or plan, distribution of all or part of the funds is mandatory; or
- The account or plan is not subject to a required minimum distribution and the owner has reached age 70 and one-half.

If you believe your situation is not covered by these general rules or you are uncertain about what to report, just [email](#) or call us.

Unclaimed Property Webinars

The Outreach and Compliance Unit hosts regular webinars for holders regarding California unclaimed property laws, common reporting terms, and errors to avoid. [Register](#) to receive updates with webinar details and other information.

EFT Guidelines at a Glance

Holders must remit payments of \$20,000 or more via electronic funds transfer (EFT) ([CCP section 1532](#)).

- Holders must register with the State Controller's Office prior to making an EFT remittance. Contact the Unclaimed Property Division's EFT Help Desk to obtain bank account information or to register to make a first-time EFT payment by Automated Clearing House Debit.
- Holders should not remit properties prior to the Holder Remit Report due date, typically between June 1 and June 15. If you are uncertain about when payment is due, contact the Reporting Unit at (916) 464-6284 or UCPReporting@sco.ca.gov.
- Remittances of \$20,000 or more not submitted by EFT may be subject to civil penalties.

For additional details, refer to the Fact Sheet for [Remitting Unclaimed Property to California](#).

For more help remitting unclaimed property via EFT, contact the EFT Help Desk:

UPDSOEFT@sco.ca.gov | (916) 464-6220

Download Records

Visit the [State Controller's website](#) to download unclaimed property records from the public database and discover if people in your area have money or items being safeguarded by the state.

Important Dates

Before May 1

- Life Insurance Holder Notice Report due
- Complete due diligence for 2019 report year

June 1 - 15

- Holder Remit Report and Remittance due

We're Here to Help!

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

The Outreach and Compliance Unit educates holders through webinars, speaking engagements, and more.

Visit the [events page](#) for up-to-date information or contact us for participation in your next event.

www.sco.ca.gov



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NEW