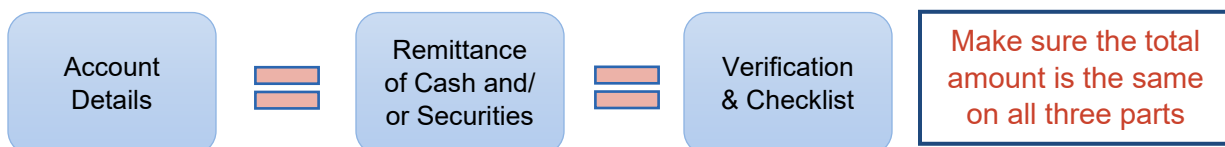


Unclaimed Property Relating to All Business Entities – Reference Sheet

Schedule of Events for APL Article V and Section 1315	
December 10	First-class mailing completed
December 31	Cut-off Date – if funds have become dormant in the year prior to this date, they should be included in this report cycle
January 10	Certified mailing completed
March 10	Final report, Verification and Checklist and remittance received in our office by the close of business

How to Report (due 3/10) – Include the following when reporting:

1. Account details of the funds you are transferring in an approved format.
2. Remittance of cash and/or securities.
3. Verification and Checklist (Electronic VCL or Form AC2709).



Visit our website at: osc.ny.gov/unclaimed-funds/reporters for more details including forms and contact information.

Applicable Property Types

NAUPA II Property Type	Property Type Description	Dormancy Period
CK10	Expense Checks (including reimbursement for employee expenses)	3 years
CK13	Vendor Checks	3 years
CS01	Educational Savings Accounts – Cash (includes 529 and Coverdell)	3 years
CS02	Educational Savings Accounts – Mutual Funds	3 years
CS03	Educational Savings Accounts – Securities	3 years
HS02	Health Savings Account Investments	3 years
IN08	Agent Credit Balances	3 years
IR02	Traditional IRA – Mutual Funds	3 years
IR03	Traditional IRA – Securities	3 years
IR06	Roth IRA – Mutual Funds	3 years
IR07	Roth IRA – Securities	3 years
MS01	Wages, Payroll, Salary	3 years
MS02	Commissions	3 years
MS04	Payments For Goods and Services	3 years
MS06	Unidentified Remittances	3 years
MS07	Unrefunded Overcharges	3 years
MS08	Accounts Payable	3 years
MS09	Credit Balances – Accounts Receivable	3 years
MS11	Refunds Due	3 years
MS12	Unredeemed Gift Certificates	5 years
MS14	Pension and Profit Sharing (payments from employee accounts)	3 years

NAUPA II Property Type	Property Type Description	Dormancy Period
MS16	Miscellaneous Outstanding Checks (lost and found property)	3 years
MS21	Product Credits (rebates)	3 years
SC01	Dividends and Other Over Receipts – Cash, Securities and Cash in Lieu of Fractional Shares	3 years
SC02	Bond Interest (Coupons)	3 years
SC03	Bond Principal Payments	3 years
SC04	Equity/Stock Payments (accrued dividends)	3 years
SC06	Funds Paid to Purchase Shares (remaining balance in brokerage account)	3 years
SC07	Funds for Stocks and Bonds (use for bond interest)	3 years
SC08	Shares of Stock and Other Over Receipts	3 years
SC10	Unexchanged Stock of Successor Corporation	3 years
SC11	Other Certificates of Ownership	3 years
SC12	Underlying Shares or Other Outstanding Certificates	3 years
SC13	Funds for Liquidation/Redemption of Unsurrendered Stocks or Bonds	3 years
SC14	Debentures	3 years
SC16	Mutual Fund Shares	3 years
SC17	Warrant/Rights (options for stock purchase)	3 years
SC18	Mature Bond Principal	3 years
SC19	Dividend Reinvestment Plans	3 years
TR04	Escrow Accounts (held by real estate companies)	3 years
TR05	Trust Vouchers (payments for goods and services out of a trust)	3 years
TR06	Pre-Need Funeral Plans	3 years
ZZZZ	Late Filing Interest	

Unclaimed Property Relating to All Business Entities

This document is supplemental to the [Handbook for Reporters of Unclaimed Funds](#) and contains information which corresponds to Article V and §1315 of New York's Abandoned Property Law (APL). For more information, refer to [Article V](#) and [§1315](#) of the statute.

This document includes the following sections:

Unclaimed Property	4
Statutory Considerations in Addition to Article V and §1315	4
Important Issues	5
Mailing Requirement	8
Remittance	9
Schedule of Events	10

Unclaimed Property

This handbook covers unclaimed property relating to all business entities, including general corporations, non-profit, mutual funds, and state, municipal, or other public stock/bond issuers.

Unclaimed property subject to Article V of the APL includes amounts and securities due on a company's own debt and equity issues, municipal debt, and mutual funds. Unclaimed wages are also subject to this section of the statute.

Section 1315 requires corporations to report outstanding checks issued for goods or services and unclaimed amounts issued for services not rendered or goods not delivered. This covers unclaimed accounts payable and accounts receivable credits, unrefunded overcharges, as well as gift certificates/cards. The law applies even in those instances in which the instrument indicates an expiration date. The term gift certificate includes gift certificates designated for merchandise and/or services. Gift certificates are reportable at face or remaining value even in those instances in which an expiration date is indicated or it is redeemable for merchandise only.

Unknown accounts are reportable if the company is incorporated in New York.

Statutory Considerations in Addition to Article V and Section 1315

Deceased Owners

[2 NYCRR § 126.1](#)

Where a dormancy period has not otherwise been triggered, the confirmed date of death of an owner begins the applicable dormancy period. If you receive notice or indication, within the ordinary course of business, that the property owner is deceased, you must attempt to confirm the owner's death within 90 days. If you obtain confirmation, the dormancy period may begin on the date of death. Record the date of this notification/confirmation. Valid joint owner activity will prevent one owner's death from triggering the dormancy under this provision. The property is reportable on the earlier of the starting transaction date (issue date or date of last customer generated activity/contact) or date of death plus the applicable dormancy period.

Due Diligence

[APL Section 1422](#)

The APL requires that, at least 90 days prior to submitting its final report, the holder send a notice by first-class mail to each owner whose name is expected to appear on that report unless the address for the owner is unknown or the holder can demonstrate the address it maintains for the owner is not the owner's current address.

In addition, at least 60 days prior to submitting its final report, the holder must send a notice by certified mail (return receipt requested) to each owner whose name is expected to appear on that report with abandoned property valued in excess of \$1,000 unless contact with the owner has been established, the first-class mailing was returned as undeliverable, or the mailing address is outside the United States.

The provisions of §501(2) (b), pertaining to securities enrolled in a dividend reinvestment plan, remain in force and require that a certified mailing be made to the apparent owner regardless of the account value.

[Securities and Exchange Commission Due Diligence Regulations](#)

SEC rule 17 CFR § 240.17Ad-17 requires transfer agents, brokers and dealers to search for lost security holders and perform due diligence mailings, in an attempt to restore contact with security holders. The SEC regulations are very specific about the timing for searches and mailings, all of which take place before securities would be reported to the state as unclaimed funds. See part 240 of the [Rules and Regulations for the Securities and Exchange Commission and Major Securities Laws](#).

Electronic Contact

[2 NYCRR § 125.1](#)

Certain types of electronic contact can be used to satisfy the written communication requirements in the APL to prevent the property from being deemed abandoned. This includes email communication from the entitled owner of the property that matches the registered email address on record with the holder or a verifiable login by the owner using a website or mobile application made available by the holder.

Holders Not Authorized to Conduct Business in New York State

APL Section 1312

The APL extends statutory coverage to business entities, including general corporations, non-profit, mutual funds, and state, municipal, or other public stock/bond issuers that:

- Is chartered or organized in another state and not authorized to do business in New York and
- Holds unclaimed property payable to a person whose last known address is within New York.

Such reporting organizations are subject to the same statutory reporting requirements as organizations doing business in New York.

Important Issues

Accruals

When you report underlying/unexchanged shares, all applicable accruals through the year-end cut-off are also deemed reportable.

Bearer Amounts of State, Municipal, or other Public Issuers

You should combine bearer amounts by issue and report each issue as one record. You must file these items on a separate report and cannot combine them with reportable items from other areas within the organization.

Blocked Accounts

If you are holding dormant property blocked by the US Department of Treasury's Office of Foreign Assets Control (OFAC), contact NYSRPU@osc.ny.gov for instructions on the abandoned property reporting.

Business-to-Business Transactions

New York State's Abandoned Property Law (APL) does not provide an exemption for business-to-business transactions. Therefore, under APL §1315, credit balances, as well as checks representing the refund of credit balances, whether payable to a business or an individual, are deemed abandoned if unclaimed for three years. However, such property is not reportable to this office if the holder is able to demonstrate that the customer has either:

- (i) used the credit balance,
- (ii) disclaimed entitlement to the credit balance, or
- (iii) been made aware of the credit balance.

Unknown Heirs

APL Section 600(1)(b)

When a Public Administrator or Executor holds funds for an unknown entitled heir, funds must be paid to the Comptroller along with a copy of the decree, certified by the clerk of the court under Surrogate's Court Procedure Act § 2222.

Accordingly, prior to the time that a credit balance would be outstanding for three years, the holder must contact the customer in writing advising the customer of the credit. The customer may:

- (i) request that the credit be applied to an open invoice or request payment of the credit in the form of a check,
- (ii) disclaim entitlement to the credit in writing, or
- (iii) acknowledge existence of the credit but let the credit remain outstanding.

Be advised that a holder cannot write off open customer credit balances in the absence of written documentation evidencing that the credit was issued in error or properly applied, or a specific written disclaimer from the customer.

The three-year dormancy period on credit balances commences at the time the credit was issued. However, if there is written communication from the customer acknowledging the existence of the credit, or activity with respect to the customer account affecting the amount of the credit balance (partial use of the credit), the three-year dormancy begins from the time of the written communication or activity.

With respect to business-to-business credit balances that are subsequently converted into a check, the three-year dormancy commences from the original date the credit was issued (or the date the customer last acknowledged or used the credit balance) unless the holder was instructed in writing by the customer to issue a check for the credit balance.

If a check for the credit balance was issued upon the written request of the customer, the issue date of the check would commence the dormancy period.

Credit balances are reportable to the State of the last known address of the customer, as reflected in the books and records of the holder.

Note:

The above applies specifically to business-to-business credit balances. In order to exclude a vendor check from being reported as abandoned property we require that the holder document that the obligation was otherwise satisfied or provide a signed confirmation from the payee acknowledging that the specific check (issue date and amount) is not owed.

Lawyers' Fund for Client Protection

Escrow funds held by a lawyer for a missing client should be remitted to the [Lawyers' Fund for Client Protection](#). Any of the law firm's operating transactions (as distinguished from client funds) would be reportable under the APL after meeting the dormancy criteria.

Governmental Exclusion

The statute specifically excludes an agency or political subdivision of the United States or a foreign nation from its reporting requirements. However, if a company is holding property for such entities, the property is reportable.

Negotiable Instruments

You may deem negotiable instruments outstanding in error and exclude them from an abandoned property report if you have any of the following:

- A written statement from both the payee and the drawer acknowledging that the specific obligation has been satisfied and disclaiming any entitlement to the funds.
- A statement from either party indicating receipt of the funds.
- Documentation that the obligation has otherwise been satisfied.

Securities Not Subject to a Reinvestment Plan

Unclaimed underlying corporate and mutual fund shares not subject to a reinvestment plan, including both physical and book entry shares, and unexchanged shares are deemed abandoned if for three successive years:

- All amounts payable, including any stock dividends, have remained unpaid or unclaimed.
- There has been no written communication from the shareholder.

Assuming the dividends have been undeliverable for two years, it is presumed that the agent conducted the database searches the SEC requires in a timely manner (as specified in Rule 17Ad-17) prior to reporting the underlying shares.

With respect to securities for which there is a string of uncashed checks outstanding but not undeliverable, you should make a concerted effort to establish contact with the shareholder and return all unclaimed amounts to them. If contact cannot be reestablished, these items are reportable.

Shares of Companies that Do Not Pay Dividends or Pay Stock Dividends Only

Unclaimed underlying shares of companies that do not pay dividends are deemed abandoned if:

- There has been no written communication from the shareholder for three years.
- Regarding accounts on bad address status, the holder has complied with SEC 17Ad-17's search requirements.

Assuming the account is not on bad address status, you should make a concerted effort to establish contact with the shareholder. Where you are holding stock dividends due the shareholder, you should make a concerted effort to return the securities to them.

Securities in a Dividend Reinvestment Plan

Securities enrolled in a dividend reinvestment plan (including mutual funds) are deemed abandoned if:

- There has been no written communication from the shareholder for three years.
- All payable or distributable amounts, if any, have remained unpaid or unclaimed by the owner.
- The holder does not know the location of such resident at the end of such three-year period and all required database searches mandated by SEC Rule 17Ad-17 have been completed.

In accordance with §501.2(b), prior to deeming the property abandoned, you have to send a notice to the shareholder via certified mail advising that you will report the account to us as abandoned property if the shareholder fails to establish written contact.

A return receipt signed by the shareholder constitutes contact. Note that this mailing requirement is not changed in consideration of the enactment of §1422.

Tax Deferred Accounts (including, IRAs, Roth IRAs, Keogh and Education Savings Accounts (including 529 and Coverdell ESA))

Traditional IRAs, Roth IRAs, Keogh or other accounts that are qualified for tax deferral under the US income tax laws are reportable as abandoned property on the next report cycle following the mandatory distribution date, as set by IRS guidelines, in the absence of contact/activity within the last three years from the account owner, unless the account is in distribution. If the account is in distribution, a three-year dormancy applies. Report a 529 educational savings balance in the year when the account's beneficiary reached age 18. For a Coverdell ESA report in the cut-off year when the account's owner reached age 30.

While a Roth IRA is not subject to mandatory distribution rules during the original owner's lifetime, confusion may nonetheless exist among both the public and the holder community as to the proper treatment of the APL. For consistency, OUF will not penalize reporting organizations for treating a Roth IRA in the same manner as the traditional IRA.

If you cannot reasonably obtain the owner's date of birth for Coverdell ESA accounts, or the beneficiary's date of birth for a 529, use the account opening date as the owner's date of birth, and for an IRA, presume the owner was 21 on the day the account was opened.

In reporting, use property types that reflect the nature of the account. For example, use IR03 if there are savings held in an IRA account.

In the Date field, enter the date when the owner reached the mandatory distribution age, as set by the IRS. In the Description of Security field enter IRA. This clarifies that you are not reporting the account prematurely.

Reported amounts constitute distributions from the IRA. If securities are liquidated to comply with the IRS withholding guidelines, report the remaining securities as shares and residual cash on a separate line for each owner. Include "IRA distribution withholding" in the Description of Security field.

Unit Investment Trusts

Unit investment trusts (UITs) are subject to the APL. Report amounts and/or securities in the same manner as other outstanding bond issues, notwithstanding that the underlying bonds that compose the trust may have different maturities. However, if there is a contractual investment plan where payments to the plan are over a specified period, or if the plan terminates at the end of a specified period, the dormancy period does not begin until the completion of the period stated in the plan.

Address specific questions regarding trust provisions and commencement of the dormancy period to the Director of Audits.

Vendors Performing Payroll Services

If you perform payroll record keeping services for another corporation, notify the entity on a yearly basis of unclaimed amounts reportable to us, and determine which entity is responsible for reporting the items. Such reporting should occur on an annual basis. For more information, refer to Article V of the APL.

Mailing Requirements

First-Class and Certified Mailings

Section 1422 of the APL requires that all organizations do the following:

- At least 90 days prior to their final report/remittance date, send a notice by first-class mail to each owner whose name is expected to appear in that report, unless:
 - The address for the owner is unknown, or
 - The holder can demonstrate that the address it maintains for the owner is not the owner's current address
 - Note – if you use an address validation service and find a new address for the owner, you may send the mailing to the new address but you should not change the original address on your report or books and records.
 - The items you are reporting are valued at \$20 or less and you are reporting them in the aggregate, in which case the owner's name will not appear in the report, therefore you are not required to mail a notice.

And

- At least 60 days prior to their final report/remittance date, send a notice by certified mail, return receipt requested, to each owner whose name is expected to appear in that report with abandoned property valued in excess of \$1,000, unless:
 - Owner has established contact,
 - The first-class mailing returned as undeliverable; or
 - The last known address is outside the United States.

Costs

You may deduct the mailing costs for certified mail. Deduct such charges from each item for which you are mailing the notice, or one item if you are rolling similar items for a specific owner into one item. You may not make a bulk deduction against the final remittance.

The costs for completing the first-class and dividend reinvestment account mailing requirements cannot be offset.

Multiple Items

Where feasible, if you are reporting more than one item for the same customer, one letter should address all of the items you are reporting.

For cases in which multiple owners of an item have different addresses, you must send a letter to each owner. You may deduct the additional costs of mailing a certified notice to more than one address.

Wages and Dividend Reinvestment Accounts – Article V

Article V requires you to send notification to the apparent owners of securities that are enrolled in reinvestment plans. This notification, which is to be sent via certified mail, return receipt requested, must advise owners that in the absence of establishing written communication with the holder their securities will be delivered to the State Comptroller as abandoned property. A return receipt signed by the owner of the property is considered contact.

Additionally, Article V stipulates that owners of unclaimed wages be notified at the last known address of record via first-class mail.

In either of the above cases, the notifications must be sent in the calendar year prior to the year in which you are required to deliver the property to the State Comptroller. You may not deduct the cost of sending these notifications from the value of the abandoned property.

Remittance

Submit your remittance at the time you file a report. The remittance should be equal to the sum of the values of accounts being reported to the Office of the State Comptroller. Pay your remittance by ACH debit, electronic transfer, check, or by using the Security Delivery Instructions.

ACH Debit

If a [file upload or manual online report](#) was completed, pay electronically with [ACH Debit](#) after uploading your file or by using this link.

Electronic Funds Transfer

Electronic funds transfer alternatives are available to make payment of the amount due for your report of abandoned property. Find instructions including the account and routing number information in the [Electronic Funds Transfer Instructions](#).

Checks

Make checks payable to Comptroller, State of New York. You should mail it to the following address:

New York State Office of the State Comptroller
Office of Unclaimed Funds
Remittance Control, 2nd floor
110 State Street
Albany, NY 12236

Include the letters 'OUF' and the holder organization's FEIN in the memo and advice areas of your check if you send your report account details using one of our electronic reporting methods. This will help us apply your funds correctly.

In accordance with OUF's internal control procedures, send all payments to the above address. Do not send any checks or securities to our New York City office.

Securities

Deliver securities to the Comptroller using the most current instructions available. They are updated regularly on our website; find the most current version in [Security Delivery Instructions](#).

Schedule of Events

December 10

By this date:

- Send a notice by first-class mail to each person or entity whose name appears on your report of abandoned property and request a signed written statement from the owner that acknowledges the property's existence. This requirement does not apply to those accounts that meet the exclusionary provisions of §1422.
- Advise and educate internal staff about the due diligence letters for effective processing when the rightful owner contacts your organization.
- Reactivate all accounts of owners who respond to the mailing. Do not include these accounts on your report.

Prior to December 31

- Send certified mail to each owner of securities in a dividend reinvestment plan or mutual funds (book entry) requesting written communication to keep the items active.

December 31

For the purposes of reporting abandoned property for general corporations, mutual funds, and state, municipal, or other public stock/bond issuers, the reporting year runs from January 1 through December 31. December 31 is the cut-off or ending date for the reporting period. Use it when identifying abandoned accounts/items. Do not submit your report of abandoned property until after the cut-off date has passed.

January 1 through February 28

During this period, review your records and collect data related to any account/item that may be dormant and subject to reporting.

If you find accounts/items subject to reporting:

- Compile the data in one of our reporting formats so that you may submit it as your final report.

If you do not have any items subject to reporting:

- Keep a record of your review.
- Do not send preliminary or negative (zero dollar) reports.

January 10

By this date:

- If an owner has not responded to the first-class mailing, or if the first-class mailing was not returned as undeliverable, and the value of all unclaimed funds held for the owner exceeds \$1,000, you are required to send a second notification via certified mail, return receipt requested, if the address for the owner is within the United States.
 - You may charge the cost of the certified mailing against the property's value.
- Reactivate all accounts of owners who respond to the mailing. Do not include these accounts in your report.
 - Note: we consider a return receipt to be customer contact if the receipt bears the signature of the account owner. Verify return receipt signatures against the other signature records you may have for the owner.

On or before March 10

- Finalize the report.
- Arrange for payment.
- Report, payment, and a Verification and Checklist to be received in our office by the close of business on March 10.