



Complying with Oregon's Unclaimed Property Law

*A step-by-step guide
for businesses, public agencies
and organizations*

TAKE ONE MORE STEP

Help your employees find their unclaimed money!

There is a one in four chance we are holding unclaimed property for someone in your business or organization. It's easy to search DSL's online database and file a claim, and there is no time limit to recover unclaimed property.

ADDITIONAL INFORMATION

Department of State Lands

Unclaimed Property Section
775 Summer St. NE, Suite 100
Salem, OR 97301-1279
503-986-5200 • Fax: 503-378-4844
www.oregonstatelands.us

Reporting Questions and Voluntary Disclosure:

holder@state.or.us

Reporting to Other States:

www.unclaimed.org

Oregon Unclaimed Property Law and Administrative Rules: ORS 98.302 and OAR 141-045-0005 – both are on the DSL Web site.

Holder reporting workshops are scheduled each spring throughout Oregon – check the DSL Web site for the current schedule.



STEP 1

Check your records for unclaimed property to report.

Unclaimed property is any amount of money owed to another person or entity that cannot be found. Review your outstanding checks, customer credits and similar liabilities. Most businesses – called **holders** – are surprised to find they do have unclaimed property once they check. Any qualifying unclaimed property you hold is reportable even if it has been written off or the owner's legal right to the property is presumed to be expired.

Common property types include:

- Stale-dated checks and warrants
- Unpaid wages and commissions
- Refunds or other deposits
- Accounts receivable – credit balances
- Stocks and securities
- Safekeeping items

Real estate, abandoned personal items such as clothing, and lost and found items are not unclaimed property.

STEP 2

Determine when you need to report the property.

Property becomes unclaimed if the holder cannot reach the owner for a specified time period, generally three years. Check the table on the Department of State Lands (DSL) Web site for specific dormancy periods.

STEP 3

Contact owners to return their property.

All unclaimed property must be reported, and Oregon law requires holders to make a diligent effort to find owners with property valued at \$100 or more. Efforts may include letters, emails and phone calls. Inform owners their property will be sent to the Department of State Lands if they do not respond. Your locating effort may begin as soon as the property is dormant, but must be completed at least 60 days before you file your report.

STEP 4

File your report.

Remit your unclaimed property between October 1 and November 1 each year. Include unclaimed property for owners with a last known address in Oregon. Please do not include safe deposit box and safekeeping contents with your report; we will send you delivery instructions after receiving your report.

If Oregon is your state of incorporation or you are a non-corporate business headquartered in Oregon you must also report amounts owed to:

- Unknown or unidentified owners
- Owners with foreign addresses
- Owners with unknown addresses

Submit your report electronically on CD or 3.5" diskette. You must send your report electronically if you report 15 or more names. Report forms and more information are available on the DSL Web site.

Use our free reporting software

Our free reporting software, HRS Pro, is easy, accurate and designed to help you comply with Oregon's unclaimed property law: www.wagers.net.

STEP 5

Keep good records.

Maintain records and documents related to unclaimed property reports and owner location efforts for three years after reporting.



What if I've never filed a holder report?

Request a voluntary disclosure agreement. The agreement allows you some time to research and remit any unreported property without fear of interest or penalties that might otherwise apply. Current reporters may request a voluntary disclosure agreement if they find missed items to remit. Email holder@state.or.us for more information.

What if I don't comply?

DSL routinely performs compliance audits. Companies that currently comply are less likely to be audited. If you do not comply, you could be subject to late-reporting interest and a civil penalty of up to \$50,000.

What happens to property once it's turned over to the state?

DSL becomes custodian for the reported funds. We make a diligent effort to reunite owners with their funds. With a few exceptions, there is no cost to the

owner to recover unclaimed property. The department uses many outreach efforts, including advertising, public events and presentations to notify the public about unclaimed property and help owners claim it. Oregon holds the assets until the owner is found.



Where is the money held?

All unclaimed property is held in a trust account within the Common School Fund. The fund's investment earnings are distributed twice a year to Oregon's 198 K-12 public school districts.

How much money is involved?

There is more than \$350 million being held for claim by rightful owners. Each year, the reported amounts grow so we encourage people to search our owner database regularly.

Do I have to report small amounts, even 20 cents?

Yes, all unclaimed property is reportable. If it's more convenient, you may aggregate small items under \$50 when reporting.



Uncashed Checks

Set up procedures to review checks over six months old on outstanding check lists, including:

- Contact payees and encourage them to cash checks. Your research might uncover accounting errors, such as duplicate payments, or that a check was issued in error.
- If your business has branch or satellite offices, contact the unit manager to make sure any uncashed payroll checks have been distributed to employees.



Credit Memos, Credit Balances and Refunds

Set up procedures to review credit balances more than six months old, including:

- Contact customers about the credit balance. Mail a statement of account or make contact by telephone, fax or email.
- Give customers the option of using the credit with their next purchase, or refund the amount.

How to Simplify Reporting the Remaining Items

After research, transfer the remaining unclaimed items to a liability account. Set up the subsidiary ledger of the liability account to include:

- Owner's name, address, Social Security number or tax identification number.
- Check date or last date of positive contact and check amount.

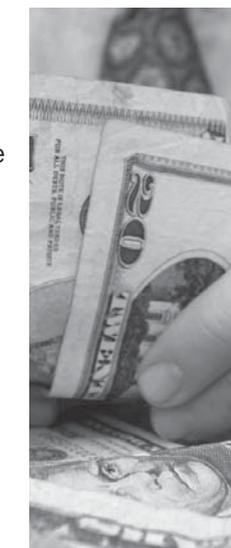
Free holder reporting software, HRS Pro, provides an Excel spreadsheet template to assist: www.wagers.net.

Perform due diligence to find the owner if the value is \$100 or more. Consider contacting owners with less than \$100 where practical. HRS Pro software will automatically produce due-diligence letters and mailing labels. Maintain proof of your required due-diligence efforts.

Import reportable liability-account items to HRS Pro, and submit your report to DSL in an electronic file.

Record Retention Requirements:

Maintain records and documentation related to unclaimed property for three years after reporting.



UNCLAIMED PROPERTY HOLDING PERIODS AND REPORTING

Holding periods are based on fiscal years ending June 30, and all reports are due by November 1 annually. The following information provides a general guideline for dormancy periods for certain types of property. For more information go to www.oregonstatelands.us or email holder@state.or.us.

ONE YEAR:

- Utility Deposits
- Proceeds of dissolved corporations (including employee benefits)

TWO YEARS:

- Tangible property in safekeeping depositories
- Intangible property held by courts, public authorities or fiduciaries

THREE YEARS:

- Unclaimed payroll checks
- Unclaimed checks issued from a general disbursement account
- Credit memos and/or accounts receivable credit balances and refunds

- Other intangible property not specifically covered elsewhere
- Savings and checking accounts (all types)
- Stocks and proceeds
- Mutual funds

SEVEN YEARS:

- Money orders

FIFTEEN YEARS:

- Traveler's checks

