

Handbook for Reporters of Unclaimed Funds



New York State Comptroller
THOMAS P. DiNAPOLI

Office of
Unclaimed Funds

Table of Contents – Handbook for Reporters of Unclaimed Funds

Overview	
Contacts	OUF Contact Us webpage OUF Postal Address
The Reporting Process	
General Reporting Information	Applicable Statutory Articles and Sections
Important Considerations	Blocked Accounts Business-to-Business Transactions Corporate Dissolution Proceeds Deceased Owners Direct Deposits Due Diligence Electronic Contact Extensions Foreign Address Foreign Corporate Property Interest Charges for Late Payment or Delivery of Abandoned Property Lawyers' Fund for Client Protection Other Property Types Penalties Physical Property Real Estate Report Due Dates Reporting Organizations Indemnified After Payment to the State Reporting Residency Requirements Retention of Books and Records Rules of Jurisdiction Scenarios That Do Not Eliminate the Need to Report Voluntary Reporting Waivers Written Contact
Voluntary Compliance	Duration of Program Eligibility Ineligibility Compliance Anonymity Reach Back Self-Audits and CPA Audits

Overview

New York's Abandoned Property Law (APL) requires that organizations holding unclaimed property report property deemed abandoned under the law to the New York State Comptroller's Office of Unclaimed Funds (OUF). Banks, insurance companies, corporations, and stock transfer and paying agents are among the many organizations required to report such property to the OUF. The law requires organizations to review their records annually and transfer accounts that have reached specific dormancy thresholds to the Comptroller, who serves as custodian of the funds until the rightful owners claim them.

Review the law to make sure you are in compliance. To review the law via the Internet, go to the New York State Senate website at: <https://www.nysenate.gov/legislation/laws/ABP>. Refer to Title 2 of New York's Codes, Rules and Regulations (NYCRR) for regulations on implementing the APL. To subscribe to McKinney's Consolidated Laws of New York, Book 2 ½, which is the text of the APL, contact:

Thomson Reuters
610 Opperman Drive
PO Box 64833
Eagan, MN 55164-0833
<https://legal.thomsonreuters.com/en>
Telephone: (651) 687-7000

The General Handbook for Reporters of Unclaimed Funds provides information concerning the reporting requirements of the law applicable to all organizations. However, to fully comply with your reporting responsibilities you also need to consult the [information](#) relevant to your type of reporting organization to provide the details necessary that are unique to individual industries. The Handbook's intent is to familiarize organizations reporting unclaimed funds, also known as holders, with general reporting requirements, procedures and the process for reporting unclaimed funds to the New York State Comptroller as abandoned property.

The Handbook for Reporters of Unclaimed Funds: How to Create a Complete Report of Unclaimed Funds contains information on how to correctly complete a report, to be used along with the General Handbook for Reporters of Unclaimed Funds and information available on the [website](#).

Contacts

Contact Us Webpage

Visit our website at: <https://www.osc.ny.gov/unclaimed-funds/claimants/contact-us> for answers to frequently asked questions or to contact us directly. Select the Contact Us options as follows:

General Question
Reporter Question
Voluntary Compliance Program Question

OUF Postal Address

All reports and related remittances must be mailed to:

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

The Reporting Process

The process for reporting unclaimed funds is as follows:

1. Determine which Section(s) of the [APL](#) apply to your organization.

Identify the section of the statute that applies to your business, as the rules for reporting vary by industry. Industry-specific information is cross-referenced by reporting organization type and the Article/Section of the statute.
2. Review your books and records to determine which items are abandoned.

Based on the requirements of the law, determine the types of properties that should be examined and their associated dormancy periods. Using this information, review your books and records to establish which properties are subject to reporting.
3. Calculate the number and value of items to be reported.

Report format options are based on the number of items you report. Consider multiple owner accounts, aggregation and account roll-up when determining this number. These considerations are described in the Reporting Formats and Methods section of [The Handbook for Reporters of Unclaimed Funds: How to Create a Complete Report of Unclaimed Funds](#).
4. Select a format based on the number of items and allowable parameters.

Choose a format based on the number of accounts to report. An electronic format is preferable whenever possible.
5. Enter data into the chosen format.

Provide complete owner, account and property information.
6. Perform due diligence.

All reporting organizations are required to perform due diligence prior to remitting any funds. Review the mandated statutory requirements of the Article(s)/Section(s) of the APL relative to your organization. Consider the timing of the due diligence requirements, account value, and the recovery of associated costs. Notify your customer service staff that the mailings are being performed and make sure they know how to reactivate an account based on a due diligence response.
7. Update the report as required.

Once you have prepared a report, you should make routine updates that note any account activity, e.g., customer contact, allowable charges, reactivation, etc. You should update reports continually until the report is finalized.
8. Finalize the report.

After completing all account adjustments, recalculate the amount being remitted using the checklist located at the bottom of the Verification and Checklist (VCL) – Form AC2709. If you are uploading your report, do not submit a VCL, an Electronic VCL is created for you.
9. Remit cash and/or securities.

Depending on the type of property due, arrange for appropriate delivery, use electronic delivery if possible.

General Reporting Information

As an organization required to report abandoned property to OUF, you play an integral role by supplying OUF with the proper account details in one of the prescribed formats. We review each report for accuracy and add the reported details to our database of unclaimed property owners. Using this database, we process and pay claims of reported property. Maintaining the integrity of our data is necessary for the proper and timely payment of claims.

Applicable Statutory Article(s) and Section(s)

It is extremely important to be aware of the Article(s)/Section(s) of the [APL](#) that apply to your organization and the type(s) of property being reported. We recommend that you consult with your legal advisor to obtain information about your statutory requirements. Referring to the [Calendar of Events](#) and [Property Type Tables](#) will also help you determine the statute's requirements. These documents provide a listing of events and the reportable property types with their associated dormancy periods and deadlines for each Article/Section of the statute. If the property type code you want to use does not seem to fit appropriately within the Article/Section under which you are reporting or is not valid for your type of organization, contact the Reports Processing Unit (NYSRPU@osc.ny.gov) for assistance.

Important Considerations

[Blocked Accounts](#)

[Business-to-Business Transactions](#)

[Corporate Dissolution Proceeds](#)

[Deceased Owners](#)

[Direct Deposits](#)

[Due Diligence](#)

[Electronic Contact](#)

[Extensions](#)

[Foreign Address](#)

[Foreign Corporate Property](#)

[Interest Charges for Late Payment or Delivery of Abandoned Property](#)

[Lawyers' Fund for Client Protection](#)

[Linkage of Accounts](#)

[Other Property Types](#)

[Penalties](#)

[Physical Property](#)

[Real Estate](#)

[Report Due Dates](#)

[Reporting Organizations Indemnified After Payment to the State](#)

[Reporting Residency Requirements](#)

[Retention of Books and Records](#)

[Rules of Jurisdiction](#)

[Scenarios That Do Not Eliminate the Need to Report](#)

[Voluntary Reporting](#)

[Waivers](#)

[Written Contact](#)

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

The APL does not provide an exemption for business-to-business transactions. Therefore, under §1315 of the APL, 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.

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,
- (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 improperly 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 paid to the customer in the form of 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 guidance 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.

Corporate Dissolution Proceeds

Applies to assets distributed to a creditor or shareholder of business corporations upon non-judicial dissolution (Business Corp. Law §1005(c)) or judicial dissolution (Business Corp. Law, §1117(a)) and non-judicial dissolution of not-for-profit corporations (Not-For-Profit Corp. Law, §1115(a)).

Such proceeds are payable as abandoned property within six months of the date fixed for payment of the final liquidating distribution, unless otherwise specified by court order in cases of judicial distribution. All questions relating to the reporting of these proceeds should be directed to NYSRPU@osc.ny.gov.

Deceased Owners

[2 NYCRR § 126.1](#)

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 begins 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.

Direct Deposits

In general, reoccurring deposits constitute contact only if the owner is not lost or deceased. For example, payment from the Social Security Administration constitutes contact. In addition, the direct deposit of wages into the customer's account also constitutes contact. However, where such reoccurring external deposits are the sole activity, the holder should periodically verify that the customer has knowledge of the account.

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 the 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.

Note – Some sections of the statute require advertising names of property owners in publications in addition to the mailing requirements. In most cases, the cost for completing the certified mailing and publication requirements can be offset by reducing the cost from the individual accounts involved. However, the costs associated with the first-class mailing requirement **cannot** be offset. Refer to the applicable sections of the statute and the industry-specific documents for more information.

Additional due diligence must be performed on dividend reinvestment and other equity accounts under §501.2.b(iii), see the [mailing requirements](#) below.

Securities and Exchange Commission Due Diligence Regulations

Under SEC rule 17Ad-17, (17 CFR § 240.17Ad-17) transfer agents, brokers and dealers are required 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. The Rules and Regulations for the Securities and Exchange Commission and Major Securities Laws can be found on the SEC website at: <https://www.sec.gov/about/laws/secrulesregs>. See part 240.

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.

Extensions

If you are unable to comply with any statutory or regulatory requirement in a timely manner, you may request an extension of time to complete the required activity. For example, an extension may be granted for filing final reports, completing due diligence, filing required affidavits, etc. Requests for extensions should describe the circumstances that prevent the activity from being completed on time and should indicate the amount of additional time needed to properly comply. Requests for extensions should be submitted at least 30 days prior to the activity due date. The extension request form is available on our website, or by contacting our Reports Processing Unit at NYSRPU@osc.ny.gov.

Note – Extensions only apply to report preparation activities. Payment due dates cannot be extended. To avoid having to pay any penalty or interest on late filings, you must remit 75% of either the value of the report that was granted an extension or of the amount reported on your previous year's report. Payments must be received by the report's original due date.

Foreign Address

Exercise due caution in attempting to contact entitled owners who reside in politically sensitive countries as defined by the U.S. Department of Treasury's Office of Foreign Assets Control. Certified mailing requirements do not apply to residents of foreign countries. Address any questions pertaining to this subject to our Director of Audits.

Foreign Corporate Property

For applicable coverage and dormancy periods, see the section of the law relating to the industry where the property is held such as Articles III, IV, V, V-A, §§1301, 1313, 1315 and 1316.

Interest Charges for Late Payment or Delivery of Abandoned Property

If you are late paying or delivering abandoned property, late filing interest is due and payable. Interest is 10% per annum (year) from the date payment or delivery was due to the date you make the payment or delivery. Interest on securities is based on the closing price of the securities, on the tenth day of the month in which delivery was due. If this date is a weekend or holiday, use close price as of the prior trade day. Refer to §1412 of the APL.

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](#). These funds would not be reported to this Office, therefore reporting instructions will not be provided for this type of balance.

Any of the law firm's operating transactions (as distinguished from client funds) would be reportable under the APL after meeting the dormancy criteria.

Linkage of Accounts

For instances in which a reporting organization has the ability to link several accounts of a single customer, either manually or electronically, you may treat an action on one of the customer's accounts as an exclusionary activity for all of the customer's accounts, including those that are inactive or dormant. However, you should notify the customer of any dormant accounts and instruct them to reactivate the account.

It's acceptable to link accounts between savings, checking, time deposits (CDs), IRAs, credit cards, mortgages, and loan accounts, etc. and brokerage accounts held by a subsidiary (under the bank's corporate umbrella). To link accounts, the account owner(s) must:

- be an authorized signatory on all accounts
- have their tax identification number on record for all accounts to be linked
- have the same address

In the absence of an exclusionary activity, a related inactive account should not delay the reporting of a dormant account.

It's unacceptable to link personal accounts to corporate accounts, estate trusts or trust accounts as these are separate legal entities.

The following are examples of appropriate account linkage:

- A customer has two accounts with a banking organization; one is a savings account and the other is a checking account. The savings account has not had any activity within the last three years, while the checking account has been quite active. Checks were debited against the account in the previous month. For the purposes of reporting abandoned property, the recent activity in the checking account precludes the reporting of the savings account.
- A customer has two accounts with a bank; one is a 1-year CD and the other is a mortgage. The CD has had automatic renewals for the past three years with no other activity; however, the customer is making monthly payments on their mortgage. The recent payment on the mortgage precludes the reporting of the time deposit.

The following examples, although seemingly representative of account linkage, do not extend the dormancy period or preclude the reporting of the dormant account:

- A depositor has a checking account and an automatically renewable two-year CD. There has been no customer-generated activity or contact on either account for three years. The checking account is deemed reportable, even though, based on the criteria for reporting time accounts, the time account may not be reportable for another two years.
- A customer is 40 years old. They have a dormant IRA account and a dormant money market account. The money market account is reportable, and the IRA account will be reportable when the customer reaches or surpasses the mandatory distribution age as prescribed by the IRS.

Other Property Types

Reporting organizations may be subject to other statutory requirements of the APL. Review the Law to determine if any apply to your organization.

Penalties

If you willfully fail to file full and complete reports or required affidavits, you are subject to penalties of \$100 for each day the report or affidavit shall be willfully delayed or withheld. Refer to §1412 of the APL.

Physical Property

Property can be either physical or tangible, such as a diamond ring or a silver coin, or intangible property, such as stock which represents an ownership interest in a company. This Office does not accept tangible personal property, however, this Office will consider the proceeds of a sale of such tangible property.

Real Estate

The title vests in the state upon death without heir under Article II of the APL.

Report Due Dates

You may be obligated to report under multiple sections of the APL. When the cut-off date and reporting deadlines under the respective sections are different, you must file separate reports. For example, a utility company subject to the filing requirements of Articles IV, V, §§ 1311 and 1315 may combine the filing for Article V and §1315 because they have the same deadline of March 10th, but must submit a separate report for Article IV and §1311 because their deadline, October 10th, is different. In some cases, reporting organizations will have additional industry-specific reports to prepare as well as a report for general corporate activities.

Reporting Organizations Indemnified After Payment to the State

Section 1404 of the APL provides that New York State assumes liability for payment of all claims for abandoned property paid to the State and that organizations making a payment of abandoned property to the State Comptroller shall not be held liable for any claims with reference to such property. It further provides that no action shall be maintained against an organization for the recovery of abandoned property paid to the State Comptroller, or interest thereon, or for damages alleged to have resulted from any such payment.

Reporting Residency Requirements

All other reporting organizations are required to report amounts held for New York residents.

In addition to reporting amounts and securities held for New York residents, reporting organizations incorporated, chartered, organized, or domiciled (in the case of a federally chartered bank) in New York are required to report all amounts and securities held for foreign owners, and unknowns. Life insurance companies incorporated in New York are required to report amounts payable to unknown Owners but not foreign.

When property is held by a third-party holder, the corporate status of the issuer of the property and not the third-party holder is the determining factor with respect to property held for foreign owners and unknowns.

Regardless of state of incorporation, a holder should not report the property to New York if the owner's last known address is in another state; such property is subject to the other state's abandoned property laws.

Retention of Books and Records

All organizations, other than a broker or dealer, are required to retain books and records relating to abandoned property they are remitting to New York State for five years following December 31 of the year for which an Abandoned Property Report was filed. Refer to §1412-a of the APL. Section 513-a of the APL sets forth the retention requirements for brokers and dealers, which the [Brokers and Dealers](#) industry-specific document discusses in detail.

Rules of Jurisdiction

As set forth by the U.S. Supreme Court

Texas v. New Jersey (1965)

- Primary Priority Rule – Property is remitted to the state of the owner's last known address
- Secondary Priority Rule – If no address or owner unknown, property is remitted to the holder's state of incorporation

Pennsylvania v. New York (1972)/Federal Disposition Act (12 USCS §§ 2501-2503)

- Affirmed Texas v. New Jersey and motivated Congress to pass the Federal Disposition Act which provides traveler's checks, money orders or other similar written instruments are reported to the state where the purchase occurred (if covered by that state's laws)
- If that information is not available, such property is remitted to the holder's state of incorporation

Delaware v. New York (1993)

- Securities distributions held by intermediary banks, brokers, and depositories with no known address or unknown owners are reported to the intermediary's state of incorporation. The intermediary, considered the holder, is legally obligated to deliver securities to the owner.

Scenarios that Do Not Eliminate the Need to Report

The following scenarios do not eliminate the need for reporting property to us:

- Telephone or verbal contact (see [Electronic Contact](#)).
- Internal activity such as service charges, crediting of interest and dividends, automatic dividend reinvestment, and automatic withdrawals.
- The fact that correspondence – including statements, proxies, annual reports, and confirmations – mailed to the entitled owner is not returned as undeliverable. However, this will eliminate the need to report dividend reinvestment accounts or brokerage accounts. (See the [General Corporations](#) document.)
- Automatic deposit from one otherwise dormant account into another dormant account, as in the case of a transfer of interest from a time account into another dormant savings account.

In all cases in which a signature constitutes contact, verify the signature and retain all pertinent correspondence and documents in accordance with the record retention requirements of §§1412-a (organizations, other than brokers or dealers) and 513-a (brokers or dealers only) of the APL.

Voluntary Reporting

If you hold any intangible personal property, including the proceeds of the sale of tangible personal property, that is otherwise not subject to the provisions of the

Voluntary Compliance

Duration of Program

We have had a voluntary compliance program in effect since 1985, and we encourage holders to come forward and report abandoned property free of interest and penalties.

Eligibility

Voluntary compliance applies to first-time reporting organizations and, in some instances, to those who have filed in the past but recognize that they have failed to report a particular type of property and have come forward to voluntarily correct the error.

Ineligibility

You are ineligible for voluntary compliance once we contact you regarding an audit. We reserve the right to deny an application for voluntary compliance.

APL and has remained unclaimed by the owner for two years, you may request, in writing, that the Comptroller consent to receive such property.

Refer to §1310 of the APL and Part 124 of the Comptroller's Regulations (2 NYCRR Part 124). If you have questions regarding voluntary reporting, direct them to our Division of Legal Services.

Waivers

Holders may request a waiver from the publication requirements if they believe the cost of publication is unreasonable in relation to the value of the property to be published. If you feel that a waiver of publication is warranted under 2 CRR-NY 117.1, the [waiver request form](#) is available on our website, or by contacting the Reports Processing Unit at NYSRPU@osc.ny.gov. Requests must be submitted at least 30 days prior to the publication date.

Note – In certain circumstances publication requirements are automatically waived. Your industry specific section of the handbook will fully explain such circumstances.

Written Contact

Written customer depositor, or shareholder contact includes a signed positive confirmation, as well as a W-8 or W-9 signed by the owner.

Compliance

[Voluntary Compliance Program](#) – A holder has two options:

- Obtain a letter for the Self-Directed Compliance Program (SDCP) by outreach mail or request to NYSVCU@osc.ny.gov. Conduct self-reviews, including a Self-Audit Checklist, and file any findings within six months.
- File a Voluntary Compliance Agreement (VCA). This will provide the holder with additional time to review their records and will ensure that the firm is not contacted for audit in the interim. The signed agreement should be sent to:

New York State Office of the State Comptroller
Office of Unclaimed Funds
Director of Audits, 23rd Floor
59 Maiden Lane
New York, New York 10038

Anonymity

We act in good faith in our dealings with all holders of abandoned property. However, some holders may be uncomfortable disclosing their identity out of fear that by doing so they may trigger an immediate audit. To alleviate such concerns, we have a policy of responding to anonymous inquiries.

To ensure a correct response, it is imperative that all questions provide accurate and detailed information. With respect to issues of a complex nature, it is best that you submit inquiries in writing to the Director of Audits.

Reach Back

For all VCAs entered into after January 1, 2017, or audits started after January 1, 2019, the reach back period relative to General Ledger type property is 10 years plus the dormancy period for the property.

We apply the following criteria with respect to reach back under voluntary compliance:

- Unclaimed wages, accounts payable checks, refund checks and rebate checks issued and/or payable – 10 years plus the 3-year dormancy period.
- Accounts payable and receivable credits including merchandise credits and gift certificates – 10 years plus 5-year dormancy.
 - Due to a statutory amendment, accounts payable and receivable credits, including merchandise credits issued after 2011 have a dormancy period of 3 years.

Reach back is based on:

- Date of acceptance into the Self-Directed Compliance Program
- Audit notification date
- Voluntary Disclosure Agreement approval date

For all property other than General Ledger items, e.g., debt, equity, reorganization, etc., the applicable statutory floor date for the specific property type applies.

Self-Audits and CPA Audits

Under the guidelines for voluntary compliance, we consider self-audits and Certified Public Accountant (CPA) examinations to be acceptable. However, we reserve the right of review. You are no longer eligible to conduct a self-audit once we contact you to schedule an opening conference, nor should it delay the scheduling of our audit work. Self-examinations or CPA audits of holders do not preclude us from conducting, at our discretion, an examination nor should they interfere with our audit process.

The purpose of this program is to give the holder an opportunity to review records and correct any issues or omissions with respect to its reporting obligations to New York or other states. Continuing this program in general and with respect to a specific holder or third-party representative in particular is contingent on a good-faith effort to ensure statutory compliance in a timely and accurate manner. Under no circumstances may a third-party review unduly delay the timely reporting of abandoned property to our office.

Direct all inquiries regarding voluntary compliance to our Director of Audits, NYSAudit@osc.ny.gov, or the Voluntary Compliance Unit, NYSVCU@osc.ny.gov.