Georgeson

UNCLAIMED PROPERTY ALERT

NAUPA's Perspective on Holder Compliance

The National Association of Unclaimed Property Administrators (NAUPA) held its annual conference May 21-24 in Providence, Rhode Island as part of the National Association of State Treasurers (NAST) Conference. In addition to state unclaimed property administrators and employees, law firms, third party auditors and holder advocates were also in attendance.

A key takeaway from the conference was that the states' overall perception, in general, is that the holder compliance rate is less than 10%. There were two solutions offered to bridge the compliance gap: offer more formal Voluntary Disclosure Agreement (VDA) programs (similar to the Delaware program) and perform more audits.

There is no disagreement that the states have the full right and obligation to perform unclaimed property audits to ensure compliance. It is the aggressive nature of some of the firms hired by the states that has been problematic.

What does this mean to you?

Based on state perception, we expect there will be no shortage of audit notices from the states, most of which will be utilizing third-party audit firms. We may also be seeing more state VDA programs, which are generally much less painful than audits.

Holders should be on the lookout for audit notices and take them seriously. Additionally, there is no reason to wait for an audit notice to make sure your house is in order. One of the first things an auditor will ask for is your unclaimed property policy and procedures. If an internal review has not been done recently, dust them off and test them to review your process. To view a previously recorded Georgeson webinar on Policy and Procedures click here.

This article is intended for informational purposes and is not to be considered legal advice. For additional questions concerning this alert, contact Dana Terry at dterry@georgeson.com or 201-539-1998.

Georgeson actively tracks legislative changes and periodically reaches out to states for updates. Review previous Unclaimed Property Alerts:

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