

INTERNAL/ DEPARTMENTAL POLICY AND PROCEDURE

**TITLE:** Unclaimed Property

**EFFECTIVE DATE:** March 29, 2018

**CANCELLATION:** None

**DIVISION:** BUSINESS AND ADMINISTRATIVE AFFAIRS (BAA)

**CATEGORY:** General Accounting (C)

**RESPONSIBLE DEPARTMENT:** Controller's Office

## PROCEDURES & SPECIFIC INFORMATION

### 1. Purpose

To establish the College's policy and procedures for reporting unclaimed property to the Louisiana State Treasury, in accordance with the Louisiana Unclaimed Property Act.

### 2. Applicability

This policy and its procedures apply to all funds or credits on student accounts held by the College, or funds owed to vendors and employees, in the ordinary course of business, which have remained unclaimed for a specified period of time. Unclaimed property includes, but is not limited to:

- Uncashed vendor checks
- Uncashed payroll checks or checks related to overpayment of benefits, taxes, etc.
- Uncashed student refund checks
- Refunds reversed from BankMobile due to inactive accounts and/or stale checks
- Credit balances on student accounts
- Funds deposited on student ID cards

Non-cash items are not considered unclaimed property for the purpose of this policy.

### 3. Background

The Louisiana Unclaimed Property Statutes (LRS 9:151-181) protect unclaimed property, which rightfully belongs to citizens of Louisiana. In general, the statutes require both public and private entities to review their records each year to determine whether they are in possession of any monies that have been unclaimed for a period of time. As required, the findings of this review are submitted in an annual report to the Louisiana Department of Treasury, Unclaimed Property Division.

#### 4. **Guidelines & Responsibilities**

- A. The College is required to submit all property, presumed abandoned, to the Louisiana State Treasury, Unclaimed Property Division, one year after the property becomes distributable.
- B. Property becomes distributable on the date the check was issued or the credit was posted to a student's account.
- C. Vendor payments, checks payable to employees, and student refunds are presumed abandoned if the check remains unclaimed or uncashed for one year after it becomes distributable.
- D. BankMobile disbursements are presumed abandoned and returned to the College if a refund preference is not selected and/or the unidentified refund check is not deposited within 210 days.
- E. Student ID card deposits are presumed abandoned if the student has not attended the College for two academic semesters (fall and spring).
- F. The Controller's Office is responsible for preparing the annual Unclaimed Property Report and submitting or transferring unclaimed property to the Louisiana State Treasury, Unclaimed Property Division, by November 1 of each year.
- G. The Controller's Office will contact the owner in writing (via letter or email), not more than one hundred twenty (120) days nor less than sixty (60) days before filing the report. The Controller's Office will give the vendor, student, or employee a period of 30 days to request that the instrument be reissued instead of submitting to the Louisiana State Treasury.
- H. LCTCS Centralized Payroll reports all employee payroll checks to the State Treasury; however, the College is responsible for reporting any unclaimed payroll-related checks issued out of the College's operating bank account.

#### 5. **Procedures**

##### A. **Reviewing Abandoned Property**

- 1. On an annual basis, the Controller's Office reviews all checks that remain uncashed/unclaimed with a distribution date prior to July 1 of the preceding year.
- 2. The account of each vendor and employee is reviewed to verify that the funds are still owed.
- 3. For checks to students, the student's account is researched to determine whether the check or credit can be applied to current term balances. Student accounts are further researched to determine the source of the refund (i.e. Pell, loan, state grants, or cash).
- 4. Vendors, students, and employees are notified, in writing, that the property exists, and are given 30 days to request the instrument be reissued.

5. Mail returned as “undeliverable” or “addressee not known” is evidence that the owner cannot be located. If the owner cannot be located, the property is considered abandoned and reported to the State Treasury as unclaimed property.
6. Unreturned mail is considered a contact with the owner. If the College does not hear back from the owner within 30 days, the property is presumed abandoned and submitted to the State Treasury as unclaimed property.
7. Upon request by the owner, the Controller’s Office reissues a new check to replace the abandoned property. If the owner does not claim or cash the second check, the property is submitted to the State Treasury during the next reporting cycle.

**B. Pell, SEOG, Direct Loans, State Grants and Other Financial Aid**

1. Abandoned student refunds generated from Title IV must be returned to the Department of Education.
2. Direct Loans presumed abandoned must be returned to the lender.
3. Abandoned funds that were distributed as stipends to a student will be reported and transferred to the Louisiana State Treasury as unclaimed property.
4. Payments to a student as part of the Taylor Opportunity Program for Students (TOPS) will be reported and transferred to the Louisiana State Treasury as unclaimed property.

**C. Transferring Unclaimed Property to the State Treasury**

1. Prior to November 1, the Controller’s Office prepares the report for the State Treasury.
2. In accordance with the Uniform Unclaimed Property Act, the annual report will include the name, last known address, and the social security number or taxpayer identification number for all property valued at \$50 or more.
3. All items valued between fifty (\$50) and seven (\$7) dollars are submitted to the State Treasury in aggregate; however, the College will maintain records of the owners of this property for the retention period of 10 years.
4. The College writes off property valued between zero and seven (\$7) dollars; however, the College maintains records of accounts and the funds are available to the owner at any time.
5. The Unclaimed Property Transfer to the State Treasury is made via check.

**D. Claiming Unclaimed Property**

1. Once property has been turned over to the State Treasury, owners must go through the [Office of Sate Treasury Unclaimed Property Office](#) to collect it.
2. If the property is valued at fifty (\$50) or below, the claimant must contact the Controller’s Office in writing. The Controller’s Office will provide the required documentation for the claim and assist the owner in obtaining the funds from the Louisiana State Treasury.

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*Attachment:*

[Office of Sate Treasury Unclaimed Property Search/Form](#)

*Reference:*

[Louisiana Unclaimed Property Statues \(LRS 9:151-181\)](#)

*Review Process:*

Ad Hoc Committee on Unclaimed Property Draft 3/5/18  
Business and Administrative Affairs Council 3/29/18

*Approved:*

Vice Chancellor for Business and Administrative Affairs 3/29/18